# Corporate social responsibility in India

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**T**he role of business in society has undergone a sea change. From the starting of business when there were no social obligations for the business to the understanding that being socially responsible is critical, Corporate Social Responsibility (CSR) has come a long way. The more traditional business perspective is now giving way to a realization that corporate social touches not only economic issues but also the social community, including employees and customers. The inspiring and important development of CSR has started to gain legitimacy and is now being recognized as a strategic element of many leading companies of all type and sizes. In India, Ministry of Corporate Affairs has also issued Corporate Social Responsibility Voluntary guidelines, 2009, and Corporate Governance Voluntary Guidelines, 2009, for all type of business organizations. 2 per cent levy on corporate profits as also been proposed as a CSR initiative. Several variants or models are being talked about as models appropriate to Indian conditions.

Can taking care of customers by a company be called merely a social responsibility or is it the basic responsibility of a company? The answer is self evident. Similarly a company needs to take care of its employees who give their sweat and blood for the company and the best years of their lives are spent in the service of the company. Can taking care of

employees be merely termed as social responsibility? In my view caring for employees is also a basic duty of the companies. Corporate Social Responsibility means the obligations, which an organization owes to the society. It is no longer considered a tripartite venture *i.e.*, Owner, worker and consumer, but it has become a multiparty system. It includes governments, financial institutions, banks, owners, workers, consumers and society. All these classes have their own objectives to be achieved from the business. Thus the meaning of CSR is twofold. On one hand, it exhibits the ethical behavior that an organization exhibits towards its internal and external stakeholders. On the other hand, it denotes the responsibility of an organization toward the environment and the society in which it operates. The CSR framework includes issues related to business ethics, community development, environmental protection, good governance, recognition of human rights, the significance of market place and the workplace. The underlying philosophy requires the companies to plough back a small and sustainable portion of their surpluses for the benefit of the society at large and the Mother Earth from where the resources are drawn by the companies. However different organizations have framed different definitions of CSR. Although no universally accepted definition of CSR exists, The World Business Council for Sustainable Development (WBCSD, 2000) defines CSR as "the commitment of business to contribute to sustainable economic development, working with employees, their families the local community and society at large to improve their quality of life."The strategic advisory group on CSR of International Organizations for Standards (ISO) describes it as "a balanced approach for organizations to address

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