

CSR & SUSTAINABILITY GLOBAL DIMENSION OF GROWTH

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ABSTRACT

Businesses are increasingly finding themselves reflecting on the possibility of embracing corporate social responsibility (CSR) as an opportunity and a challenge around which the governance can be transformed through identification, evaluation and responding to social expectations. There is another concept which is synonymously used with CSR is Sustainability. There is a misconception that CSR, sustainability, sustainable business, corporate citizenship in general used to define the same thing. What it means for an organization to really be sustainable? In 1987, the World Commission on Environment and Development published "Our Common Future," which defined sustainable development as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability has a more foresighted approach as compared to CSR as it focuses on what we need to achieve, rather than where we are today.

The corporate social responsibility (CSR) concept focuses on meeting the needs and balancing interests of present generation or society like building schools and hospitals to compensate communities for their resource exploitation. CSR do not always acknowledge the long-term impact on the communities and is more of policy compliance. As CSR is a part of corporate policy of an organization it sometimes imposes long-term liabilities on communities, making well-intentioned actions unsustainable for the society. The concept of CSR is often mixed with philanthropy. Sustainable development focuses more on long-term systemic issues, such as climate change and the inclusive economy and it more of time rather than specific issues. Sustainability is holistic approach comprising environmental, social, and economic aspects addressed by the organization/business, while CSR strategy or program, the "S" in CSR is too-often construed to mean a narrower approach on social issues. Thus, it arise a question i.e. how to identify a truly responsible organization or what is a responsible organization? To answer this, it can be deduced from the above description of CSR and Sustainability that Sustainable business or sustainability wins over CSR.

"Sustainability better captures the objectives of a responsible organization and it can be better integrated in the business policies and its mission and vision to create a just and sustainable world."

In the present materialistic world, the business/organizations do need to recognize the interdependence between the economy and the natural resources. So the question which the organizations should think upon is that how well can sustainability considerations be integrated with the business policies to improve profits?

KEYWORDS: CSR, Sustainability, Sustainable Development, Sustainable World.

Introduction

The concern about meeting the needs of the present generation without affecting the ability of future generations to meet their own needs characterizes the concept of sustainable development. In 2015, countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals to **end poverty, protect the planet and ensure prosperity for all** as part of a new sustainable

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development agenda. Governments, businesses and civil society together with the United Nations universally and indivisibly are mobilizing efforts to achieve the Sustainable Development Agenda by 2030. The Corporate Social Responsibility attempts to define the plurality of terms and focuses on the intersection between sustainable development and the role of the organizations inside it.

Sustainable Development and Corporate Social Responsibility

Both Sustainable Development and Corporate Social Responsibility envisage a state of society where living conditions and resource use continue to meet human needs without undermining the integrity and stability of the natural systems and at the same time returns to the society for what has been exploited. Corporations are voluntarily integrating sustainable development concerns into their operations and their interactions with stakeholders. In theoretical literature, CSR discourse emerged as a reaction for sustainable development. Recently, growing perception that corporations can contribute to sustainable development by promoting social responsibility that include consumer interests. The adoption of CSR initiatives has a significant impact on the sustainable development as core business strategies. The concept of sustainable development germinated in 1960, when the Biosphere Conference took place in Paris.

- **Concept of sustainable development**

Of all the definitions of sustainable development to understand some of its intrinsic nature it is worth accentuating on:

- **Ethical Values:** Equity is important concerning the right to fulfilment the needs of present and future generations (United Nations, 1992, Principle 3). Sustainable development should ensure better meet the needs of the majority of the people (United Nations, 1992, Principle 5).
- **Needs:** Brundtland report defines, sustainable development is “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.” (United Nations General Assembly, 1987, p. 41).
- **Socioeconomic & Environmental Dimensions:** Sustainable development includes social, economic and environmental dimensions (United Nations Sustainable Development, 1992, p 66, p 73), which should be integrated in order to achieve the goals (United Nations General Assembly, 1997, I.3) and should be balanced as interdependent pillars of sustainable development (United Nations General Assembly, 2002)
- **Cooperation & Human Rights:** Sustainable development requires the active participation of all major groups: women, children and youth, indigenous peoples, non-governmental organizations, local authorities, workers and trade unions, business and industry, the scientific and technological community, and farmers, as well as other stakeholders, including local communities, volunteer groups and foundations, migrants and families for human dignity and humanity.

- **Concept of Corporate Social Responsibility**

CSR has not got a universally accepted definition. So similar to sustainable development to understand some of intrinsic nature of CSR it is worth highlighting:

- **Ethical Behavior:** The concept of CSR does not only take into account the impact of corporate operations on the communities concerned, but it also stresses the need for ethical behavior which respects the interests and values of these communities.
- **Environmental and Social Interrelationships:** Corporations operate in the environment and society in an integrated form. They take into account the impact their operations have on the environment and society and they want to exert a favorable effect on evolution.

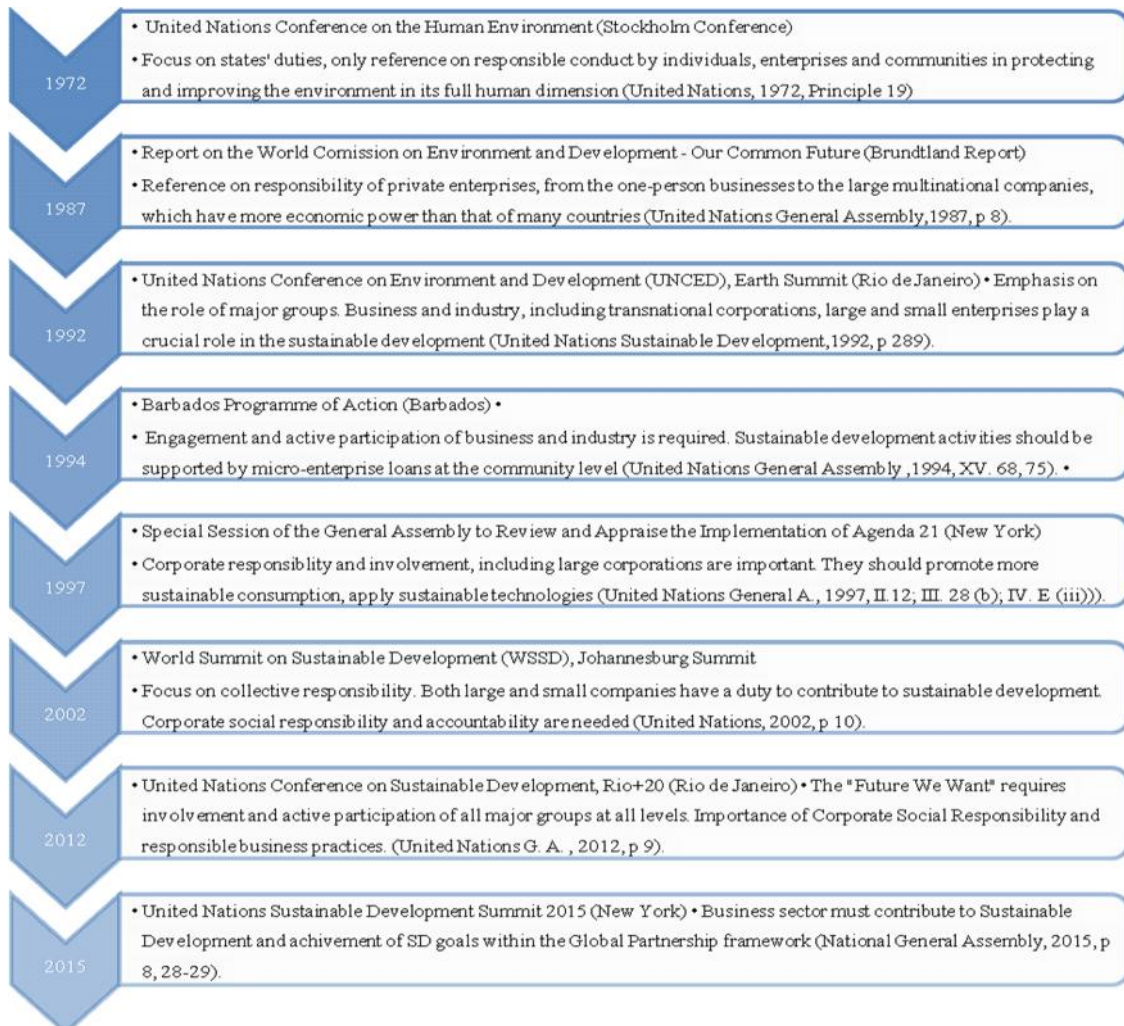
- **Chronological Development of the Concept of Sustainable Development**

In 2000s contribution to sustainable development grew and was emphasized integral part of visions and missions of corporations and as Corporate Social Responsibility and Accountability requirements. It is clear that the focus of the responsibility in achieving Sustainable Development was shifted from states responsibility to Stakeholders' responsibility.

United Nations Conference on Environment and Development (UNCED), Earth Summit, 1992 was the first milestone which brought together global community to achieve the Sustainable

Development. Further after several meetings and discussions at the international platform of United Nation results of the United Nations Sustainable Development Summit 2015 (New York) were published in the document transforming our world: the 2030 Agenda for Sustainable Development. It is emphasized in the first sentences of the document, that “all countries and all stakeholders, acting in collaborative partnership” should implement the sustainability plan in order to achieve the determined 17 Sustainable Development Goals and 169 targets, which induce actions in the next 15 years.

Figure 1: Chronological Development of the Concept of Sustainable Development



Source: Created by the authors

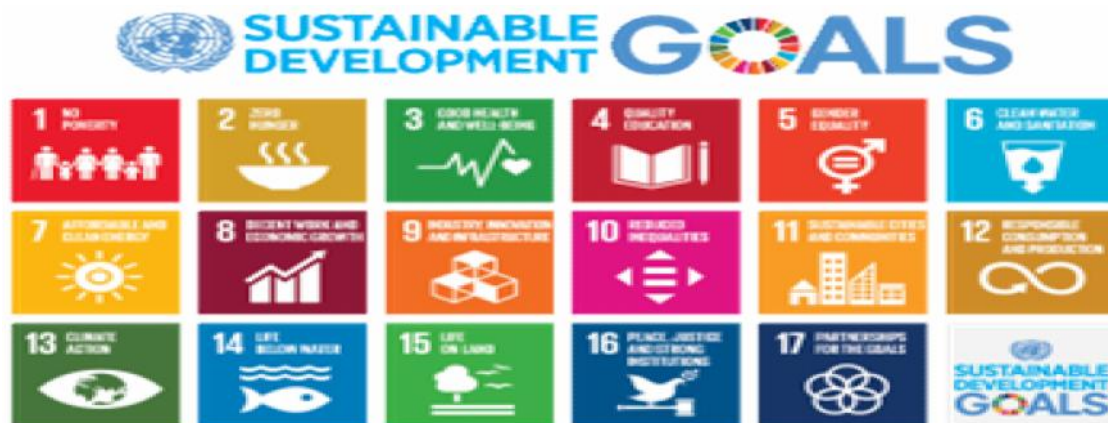
Relevance

Sometimes sustainable development has often been limited as an environmental issue. But it is much more than that and economic and environmental issues cannot be separated from social concerns. World Summit on Sustainable Development (WSSD), Johannesburg Summit in 2002 showed an essential shift away from environment issues toward human and economic development. United Nations Conference on Sustainable Development, Rio+20 acknowledged the need for further mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their interlink ages, so as to achieve sustainable development in all its dimensions. It also promoted corporate sustainability reporting and continuous improvement of accountability and transparency.

The conception of sustainable development has further gained ground in the circle of corporations, the reason of which among others might be that the long term goals for the future are much more acceptable for the business sphere than the responsibility conception requiring immediate actions or than the critical approach of business ethics (Carroll, 2015). In fact, the economic pillar of sustainability in many cases can provide an evasion for the companies from environmental and social responsibility and also from doing the right things (Berényi, 2015). We can experience several practical initiatives. The Partnerships for SDGs (2016) platform was created to encourage global engagement around multi-stakeholder partnerships and voluntary commitments in support of the Sustainable Development Goals. The platform contains 1941 initiatives in connection with the 17 goals. In order to integrate business into the sustainable development Global Reporting Initiative, the UN Global Compact and World Business Council for Sustainable Development established an international network of professionals as well as perspectives of forward-thinking companies from around the world in 2015. The aim of it was to produce an implementation guide on impact assessment, KPI selection and goal setting, a publication that will support businesses in assessing their impacts, aligning their strategies with the SDGs and setting company goals (World Business Council for Sustainable Development, 2015).

The 17 Sustainable Development Goals as defined by United Nations is as under:

Figure 2: Sustainable Development Goals



Conclusion

We recognize that stakeholders have, in their own ways, been contributing to the foundation of CSR. They have, with their desired methods of intervention, been addressing national such as livelihood promotion, community development, environment, making health services more accessible, creating inclusive markets and so on. However, the efforts are not coordinated and a strategic national level policy framework with the involvement of all stakeholders may ensure that the efforts made by companies, individuals, organizations, and the government are synergistic and create a snowball effect. Effectively, minimizes duplication and creates more value and really achieves sustainable development goals. Effective CSR can be achieved by aligning CSR initiatives to the extent possible with business objectives, thereby indirectly programming. As far as possible, the CSR initiatives should be designed in a sustainable manner and should be scalable and result oriented.

The concept of Corporate Social Responsibility and that of Sustainable Development progressed separately for a long time and it was not explicit what relationship was between the two. After summarising the definitions and reviewing the development process of Sustainable Development, it can be concluded that CSR is a business model which promotes business contributions to sustainable development i.e., it creates a balance between economic interests, environmental needs and social expectations by integrating the spirit of Sustainable Development into the business strategy. CSR forms an integral part of sustainable development. Corporate sustainability is the company version of sustainable development, while CSR is a voluntary managerial approach to sustainable development. To build the momentum, companies need to see the big picture of sustainability and will have to look outside their own walls to address society's most urgent sustainability issues and align their actions with global development priorities.

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