 DOI: *https://doij.org/10.10000/IJLMH.115370*

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 6 | Issue 4

2023

A Comparative Analysis of Global Perspective and Implications of Corporate Social Responsibility

DR DEEPA SHRIVASTAVA[1]

ABSTRACT

"Business is part of society, and how it reacts to expectations should not be as a response to an external force but as a response to forces which it is part and parcel of."- Lord Holme (Bourne 1999)

It is generally believed that sustainable development is development that "meets the needs of the present without compromising the ability of future generations to meet their own needs". Academic and business professionals have acknowledged the importance of sustainable development and the integration of sustainability into organisational business processes. Many nations join together to debate a wide range of topics at the international level. One of the topics is social responsibility, a subject on which conferences are held all around the world.

Not only is corporate social responsibility extended to India, but the idea is widely recognised on a global scale. Other nations also practise corporate social responsibility in their own unique ways. There is a need to discuss the global viewpoint on corporate social responsibility for other corporate social responsibility practicing nations like France, Germany, Singapore, Malaysia, South Africa, Netherland UK and in Sweden.

This research paper investigates the nations which are engaged in Corporate Social Responsibility activities in order to determine whether these provisions are applicable in nations other than India. The main aim of this study is to better understand how policies in different countries integrate sustainable business and social cooperation. It is an attempt to contribute to research by examining the integration of Corporate Social Responsibility and corporate sustainability.

Keywords: *Corporate Social Responsibility, global, sustainability.*

I. INTRODUCTION

"CSR is about how you make money, not how you spend it, Bhavana Murjani, a senior executive at Singapore Compact."

---

[1] Author is a Senior Assistant Professor at Department of Law, Prestige Institute of Management and Research, Indore, India.

The importance of justice and economics of the twentieth century is security. It is one of the most important risks and opportunities for businesses. Policy makers must understand the connection between nature, society and the economy. Most importantly, we need to change the way businesses and leaders manage and organize themselves because progress towards sustainable development is not enough. The "Sustainable Development Goals" (SDGs), which the "United Nations" endorsed in September 2015, were included in the "Global Reporting Initiative" (GRI) index in 2016.

The Rio+20 Summit made it clear that the growth in CSR coverage is continuing. The evolution of the organisation is increasingly being decided by the executives, even if it is not just the government that is moving towards transparency in its operations (Katie, 2012). The relationship between sustainable and healthy balance sheets underlies organisational support. For the organization's long-term plans, bookkeeping for the true cost of operations, including long-term environmental risk is crucial (Katie, 2012).

To deliver accurate reporting on CSR, organisations must concentrate on the goals of their stakeholders and their company (Katie, 2012). Through a study of their goals, external and internal stakeholders must be identified prior to reporting and accessing CSR activities. Stakeholders include any groups that could be impacted by or have an impact on an organization's actions.

In recent years, corporate responsibility reporting has significantly increased in the majority of nations. Corporate social reporting is viewed as necessary by businesses for a variety of reasons, including: economic considerations, ethical considerations, innovation and learning, employee motivation, risk management or risk reduction, access to capital or increased shareholder value, reputation or brand, improved market position, strengthened supplier relationships, cost savings, and improved relationships with governmental authorities[2]. The most frequent motivation for sustainability reporting was economic in nature, which makes sense given that corporate directors are required to maximise shareholders' long- and short-term wealth and that all businesses exist to make a profit. A new form of investment, known as a socially responsible investment (also referred to as "ethical investment"), has garnered more attention than ever due to the growing interest in corporate social responsibility. Although socially conscious investments have received increasing attention recently, the idea itself is not new. It has origins in the anti-war movements of the 1960s and 18th-century faiths.

[2] [2]Dipak Das and Sanjay Kumar Singh, “Corporatization and Corporate Social Responsibility”,1st edn, (New Delhi: SBS Publishers, 2011), p.22 2Ibid, p. 35

The principle of investing in business is that investments that are seen as socially problematic and unfair should be excluded from capital, regardless of the return. Typically, this means staying away from businesses that deal with guns, military equipment, alcohol, cigarettes, gambling, and other such things. Increasing public demand for social investment has made it clear to all businesses that customers are focusing on social inclusion, although there is still no concrete evidence that relevant information is better than written information.

There are many recognized guidelines, frameworks, principles and tools that can provide businesses with general guidelines on corporate social responsibility, these are detailed below. Given that such ideas relate to the idea of a socially responsible world, it must be said that many of these proposals relate to various ideas of security or social cooperation. The following are the standards, codes, and guidelines that have been chosen on a global scale:

II. UNGC (UNITED NATIONS GLOBAL COMPACT)

The UNGC was established on July 26, 2000, thanks to cooperation between the UN and the ICC, also known as the "International Chamber of Commerce" (Mahal, 2017). This is the first global CSR effort to be launched. UN Global Compact leaders seek social development by promoting a sustainable and inclusive global economy and by making business an important and relevant representative in these activities .

The UN's mission, the Global Compact, encourages companies around the world to embrace health and social responsibility and report on their use. The United Nations Global Compact outlines ten principles on human rights, labour, environment and anti-corruption and forms the basis of corporate policies. It works in partnership with companies, UN agencies, business organizations and civil society on the Global Compact. The United Nations Global Compact is the world's largest ("Millennium Development Goals (MDGs)" are eight international development goals created after the "United Nations Millennium Summit" in 2000).

The UN Global Compact was announced by UN Secretary-General Kofi Annan in a speech at the World Economic Forum on 31 January 1999 and was introduced on 26 July 2000 at the UN headquarters in New York. Compact Office: United Nations Climate change; United Nations High Commissioner for Human Rights; United Nations Environment Programme; International Labour Organization; the United Nations development programme; United Nations Industrial Development Organization; and the United Nations Office on Drugs and Crime[3].

Nine principles make up the first UN Global Compact. After the adoption of the United Nations

[3] Bowen HR, "Social Responsibilities of the Businessman", (New York: Harper & Row, 1953)

Convention against Corruption in 2003, Kofi Annan presented the tenth anti-corruption law at the first International Compact Leaders' Summit held on 24 June 2004. The UN Global Compact is a communication and interaction platform for governments, businesses, business groups, and public bodies representing stakeholders looking to have an impact on their work. It is not a regulatory tool. When companies accept the principles of the Charter, the UN Global Compact says, This does not mean that the Global Compact accepts or finds that these companies fulfil the principles of the Charter.

The ten principles are listed below –

"Human Rights Businesses should:

- Principle 1: Support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.

Labour Standards Businesses should uphold:

- Principle 3: the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in employment and occupation.

Environment Businesses should:

- Principle 7: support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmental friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery."

III. Global compact network (GCN)

The organisations that make up the Global Compact Network (GCN) were founded in India by members of that country's UN Global Compact programme. It was set up as a non-profit organisation with the Registrar of Societies, NCT, Delhi, on November 24, 2003. The Network's major goal is to give different Indian companies and organisations a venue where they can share experiences, network, and collaborate on Corporate Social Responsibility (CSR)-related projects. In addition to promoting good corporate responsibility, this is anticipated to support sustainable growth. The Network serves as the Apex level nodal agency for a number of Indian corporate organisations, institutions, NGOs, and small and medium-sized enterprises adhering to the UN Global Compact principles[4]. One of the first national projects of the UN Global Compact was the Global Compact Network India. One of the first neighbourhood networks to be incorporated as a business. The network has had modest growth over the past several years and has carved out a place for itself in the corporate community's initiatives to realise the vision of sustainable development in India.[5] Let's see how major countries have responded to CSR initiatives in their policies.

1. ***FRANCE:***

France centralised administration, has the tendency towards formal processes and frameworks in risk management. The majority of significant corporations are entirely or partially owned by the government. The government bears 45% of the high social costs, including health, social security, and pensions. In order to avoid these taxes, several businesses have relocated (e.g. Generale des Eaux, Elf Aquitaine and Rhone Poulenc). Formerly state-owned businesses typically have policies for CSR that are more outlined. Compared to other consumers in Europe, French consumers have less interest in corporate social responsibility.

2. ***GERMANY:***

Enterprises have a long history of participating in society's social issues. There is a 'Social market economy' with a strong social security system and labour market regulation. Due to the government's extensive participation in business and community affairs, interest in corporate social responsibility is minimal. 'Two tier' corporate governance systems including labour unions codify stakeholder involvement and strong movement for the environment.

3. ***ITALY:***

According to the government of Italy, submission to the European Union on corporate social responsibility "corporate social responsibility" is a term that is often used to refer to "loyalty to stakeholders" in Italy. Corporate social responsibility in contrast to advances that have occurred in the Anglo-Saxon setting, lacks a consistent meaning. They stress, however, that unlike other

[4] Ramon Mullerat, " International Corporate Social Responsibility: The Role of Corporations in the Economic Order of the 21st Century", 1st edn, (USA: Aspen Publishers, 2010), p.12
[5]www.unglobalcompact.org

advances, Corporate Social Responsibility is generally highly valued by Italian enterprises, despite the fact that it is not formally institutionalised. Up until the Second World War, businesses frequently made social investments in local housing, education, and healthcare. As the state's role in industrial and social systems has become more apparent, this "paternalism" has gradually diminished.

The economy of Italy is dominated by Small enterprises which have long had close ties to their communities. Several family-owned enterprises have participated in certain charitable endeavours. The predominant management style is autocratic and hierarchical. Business ethical codes are uncommon. Italian businesses' Corporate Social Responsibility initiatives have increased as a result of the state's retreat and the engagement of TNCs becoming more significant. Following high-profile scandals and investigations, anti-corruption measures are now a top priority. Many businesses release "social balance" statements.

4. UNITED KINGDOM:

On determining how to address challenges related to both the positive and bad influence of corporations on society, the United Kingdom had played a pioneering role. The majority of the biggest businesses in the UK have a dual strategic leadership style. This suggests a separation of duties between the CEO and the chairman of the company board.

Historically less regulated and equipped with fewer social safety nets than other European nations. Companies like Rowntree's and Cadbury's have a history of charity and social responsibility, frequently with a religious foundation. The most extensive deregulation and privatisation programme in Europe took place in the 1980s. Long-term investing is typically discouraged by capital markets. The UK economy is frequently perceived as being more like that of the United States than that of continental Europe because of language and legal parallels, with trends in employee loyalty, management, entrepreneurialism, etc., matching US standards.

The UK equity market is controlled by institutional investors to the tune of roughly 80%. Prior to now, the majority of firms were sceptical or pessimistic about Corporate Social Responsibility but there is now a true consensus and an attempt to mainstream Corporate Social Responsibility. Through a stronger comparative awareness of the investment aims and engagement strategies, there is a movement for the developing firm Particular Corporate Social Responsibility to become a desired company in the market. The UK government must step in and influence the market for societal good if it is to play a larger, more proactive role in promoting Corporate Social Responsibility. The Business Leaders Initiative on Human Rights and the Business Leaders Initiative on Climate Change are two examples of the coalitions that progressive organisations are already creating around specific concerns. Corporate Social Responsibility is a dynamic idea that would change constantly[6].

As a result, all of the group's partners must constantly update their Corporate Social Responsibility activities. Each of these partners, who represent all the business stakeholders, must establish credibility. In the firm's management, there is a significant amount of Corporate Social Responsibility training pertaining to social and environmental issues. Several regulations pertaining to corporate social responsibility are included in the UK Companies Act of 2006. The UK's 2006 Companies Act, Section 172, states that: -

1. “A director must act in a way to promote the success of the company for the benefit of the members as a whole and doing so having concerning –
    a. The likely consequences of any decision in the long term,
    b. The interests of the company’s employees,
    c. The need to foster the company’s business relationships with suppliers, customers and others,
    d. The impact of the company’s operations on the community and the environment,
    e. The desirability of the company maintaining a reputation for high standards of business conduct, and
    f. The need to act reasonably as between members of the company.
2. Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) affects as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes.
3. The duty imposed by this section affects subject to any enactment or the rule of law requiring directors, in certain circumstances, to consider or act in the interests of creditors of the company.
4. Section 417 of the Companies Act 2006 of UK requires the contents of the Director’s Report, a business review to inform the members of the company and help them to assess how well the directors have performed their duties in promotion of the success of the company as under section 172 of the act”.

[6]Jones, TM “Corporate Social Responsibility revisited, Redefined”, California Management Review, (1980) (Spring), Vol. 22, No. 3, pp. 59-67

5. NETHERLAND:

The institutionalised norms, measurement, reports, and supporting institutions that characterise the phenomenon of Corporate Social Responsibility, which is primarily driven by the North, have not materialised in various Southern nations, where strategies for strengthening the impact of business on society have been developed. They tend to be altruistic in nature, but they are also strategically connected with corporate development in that they aid in creating the vital foundation and skilled personnel required for a successful enterprise. As a result, they are akin to the charitable giving of European entrepreneurs in the 19th century, who made significant investments in local welfare, healthcare, and housing in the absence of substantial state support. There is backing of industry and civic society for social policies, and the tradition of a healthy state. In the commercial world, agreements between the government and its "social partners" have predominated (although they are now declining in importance). Thus, it is believed that there is little need to alter Corporate Social Responsibility practise.[7]

6. SINGAPORE:

The National Tripartite Initiative for CSR established the "Singapore Compact for Corporate Social Responsibility" in 2005 with the “National Trades Union Congress (NTUC) and the Singapore National Employers Federation (SNEF)” as founding members to advance Sustainable Development for businesses and stakeholders. The United Nations Global Compact's main point and network organisation is Singapore Compact (UNGC). The island-wide adoption of Corporate Social Responsibility practises is promoted by the national society. Out of the 130,000 registered firms in Singapore, 420 companies have registered as members.

The Singapore Compact has created the website "Enabling CSR Journeys" to provide comprehensive information about CSR. The CSR Enabling Journeys aid businesses in launching their CSR initiatives and sustainability reporting.

It offers a ***Simple guide to get started***:

- Have a thorough understanding of business responsibility.
- Obtain leadership dedication.
- Create a vision for your organization's sustainability.
- Prioritize concentrating on the company's assets and key areas of relevance.

The website offers all the details one needs to learn about, comprehend, and advance in

[7]“Adapted from EU-INDIA(2001) Comparative Study on Corporate Social Responsibility, www.eias.org”

corporate social responsibility. Singapore Compact regularly hosts Award Events to recognise businesses who engage in Corporate Social Responsibility initiatives.

7. *MALAYSIA:*

The Malaysian government has adopted the following structure to keep an eye on businesses with Malaysian headquarters:

Guidelines for Government Connected Businesses are included in the framework for implementing corporate social responsibility in Malaysia (GLCs). Monitoring how the GLCs carry out corporate social responsibility initiatives in accordance with the framework is the duty of Khazanah Nasional Berhad, a management authority for state investment. In September 2006, Bursa Malaysia also published guidelines on the implementation and reporting of corporate social responsibility initiatives by listed companies. It is intended to help Public Listed Companies (PLCs) define CSR priorities and provide guidance on implementation and reporting. The framework is a set of rules designed to support Malaysian PLCs in their corporate social responsibility endeavours. It centres on four topics Environment, Workplace, Community, and Marketplace in no particular order to highlight the various corporate social responsibility initiatives and business-related issues. Bursa Malaysia acknowledges that "corporate social responsibility" extends beyond legal compliance[8]. The frameworks advise businesses to develop their vision statements while taking into account all 4 corporate social responsibility dimensions. All PLCs must declare in their Annual Report "A description of the corporate social responsibility activities or practises performed by the listed issuer and its subsidiaries or, if there are none, a declaration to that effect."

In this context, "corporate social responsibility" supports the activities such as education and skill development for staff members, communities, shareholders, and other affected parties, protect the environment, and otherwise influence operations to the extent that they lay the groundwork for long-term and sustainable value creation. In order to encourage Malaysian publicly traded companies to include sustainability into their business strategy, the Bursa Malaysia also introduced its Business Sustainability Program in November 2010. The programme includes launching a Sustainability Knowledge Portal on Bursa Malaysia's website and publishing a sustainability guide for business directors. Other organisations working on corporate social responsibility implementation in Malaysia include Caux Round Table Malaysia, CSR Asia, BCSR, and EUMCCI.

[8] Zain, M. M., Mohammad, R., & Alwi, M. R. (2006). Malaysian corporate responsibility disclosure: Miscommunication between providers and users of information? Social Responsibility Journal, 2(2), 151-158.

The additional government initiatives to support CSR activities include:

- The Malaysian government has established tax incentives for companies who conduct extensive CSR activities. The tax incentives cover a range of activities, including establishing child care centres, giving back to the community, establishing library services, cutting greenhouse gas emissions, and making investments in nearby areas. Additionally, the government has implemented fiscal incentives at the federal level, where funds have been set aside specifically for the advantage of children (the Income Tax Act of 1967 contains incentives).

- Additionally 100 million funds has been established by the government to assist CSR efforts. Additionally, the Malaysian government has stated that corporate social responsibility will be taken into account when state-owned investment funds make future investment decisions. A 1.5 billion fund was established by the Malaysian government in 2010 to aid the development of green technologies in the country. Sustainable growth is one of the three goals listed in the Malaysian New Economic Model (NEM), which seeks to transform Malaysia into a high-income country by the year 2020.

- The United Nations Global Compact (UNGC) has 10 principles that are supported by the Malaysian Global Compact Network (GCNM), a network, which are human rights, a working model, the environment and anti-corruption. Businesses who join the network have the chance to promote their CSR initiatives globally and have access to a forum for communication with groups and other companies.

- The 100 most valued firms listed on Bursa Malaysia are graded on their participation in various corporate social responsibility, corporate governance, and human rights-related activities. The CSR policy, how it is being used, and its impact are taken into consideration when establishing the scores. To get a sense of how CSR efforts impact companies' market value, share prices of companies with extensive CSR programmes are tracked and contrasted with those of other publicly traded corporations. This shows that in Malaysia, focusing on CSR is not always a hindrance to companies' primary businesses[9].

8. SOUTH AFRICA:

"You can never have an impact on society if you have not the power to change yourself." –

[9] Esa, E., & Ghazali, N. A. M. (2012). Corporate social responsibility and corporate governance in Malaysian government-linked companies. Corporate Governance: The International Journal of Effective Board Performance, 12(3), 292-305

"Nelson Mandela"

The South African Constitution, the main treaty signed by South Africans, contains the principles of stability. The fulfilment of the most fundamental rights is a responsibility that the Constitution places on both individuals and legal entities. Corporate responsibility is the responsibility of the company for the effects of its decisions and actions on society and the environment through ethical and transparent behaviour that: contributes to sustainable development, including the health and welfare of society; takes into account the legitimate interests and expectations of stakeholders; complies with applicable laws and is consistent with international norms of behaviour; and is integrated throughout the company. The notion behind corporate citizenship is that a company should act sustainably because it is a living being.

The "King Report on Corporate Governance" is used in South Africa (South Africa 2009 - King III). This code, which is closely aligned with worldwide corporate governance standards, encourages appropriate social and environmental actions as a component of effective corporate governance. King III applies to "all organizations, public, private, or not-for-profit, regardless of the type and type of organization or organisation." The 2009 South African King Governance Report ("Report"), the 2009 South African King Governance Principles ("The Law"), and the King III Implementation Statement issued by the Ministry of Labour provide guidance on how to implement the Law. The various management practices covered by the law are all subdivided into a set of practices that must be followed. Both the guide and the report offer recommendations for best practices to turn these ideas into reality. According to the King III study, corporate citizenship and sustainability are as follows:

9. SWEDEN

Sweden is a world leader in corporate social responsibility. Sweden's economic system is a prime example. The Swedish government invited businessmen to join Swedish Partnership for Global Responsibility in an open letter sent in March 2002, with the goal of recognising international human rights, labour rights, and environmental rights. The Swedish corporations have a strong approach to corporate social responsibility as a result of the strong reputation for responsible global corporate activities held by several big Swedish companies including Volvo, Nordea, and ABB. Young individuals who are looking for jobs increasingly favour corporate social responsibility clauses. The major factor to take into account when engaging in corporate social responsibility activities is the stakeholders. The media, governments, and various associations, as well as environmental groups and public authorities, are secondary stakeholders. The primary stakeholders are the employees, clients, and suppliers. Three criteria were used to categorise corporate social responsibility as it relates : interpersonal relationships, stakeholder management, and corporate social responsibility.

IV. Conclusion

"More cases studies illustrate that companies with corporate social responsibility in their DNA are more resilient and make a better business model for success and long-term sustainability." – *"President Singapore Compact, Mr. KwekLengjoo"*

We all know that people in today's society are more educated and aware of appropriate business behaviour than people in earlier eras. As a result, in this new business environment, a company's goodwill and reputation are its most valuable assets, and Corporate Social Responsibility is a very effective tool for optimising long-term profitability and the company's reputation. The economic landscape of the world has been evolving during the last few decades. Since then, the equilibrium within government, business, and civil society has changed and been put to the test[10]. "Public policy also has a key role in encouraging a greater sense of corporate social responsibility and in establishing a framework to ensure that business integrates environmental and social considerations into their activities .Business should be encouraged to take a pro-active approach to sustainable development in its operations both within the EU and elsewhere."[11] Corporate Social Responsibility aids in following ethical business practises with regards to product creation, increasing sales, establishing shareholder trust, and other factors that may be crucial for Companies.

Any type of business organisation, no matter how big or small is viewed as a product of society, and its ability to survive depends on it. In turn, society appears to place certain duties or obligations on the corporate organisation to fulfil. Therefore, corporate social responsibility involves a broad range of activities that the commercial firm is expected to carry out in order to meet the needs of many stakeholders and uphold amicable relations with the community in which the business is based. Businesses are typically seen as helpful neighbours in the communities where they operate. The pressure on businesses to take part in social issues involving stakeholders such as employees, society, the environment, and the government is growing despite the fact that they have played a crucial role in producing employment opportunities, wealth, products, and services.

[10] Friedman M, "The Social Responsibility of Business is to Increase its Profits, New York, Times Magazine, (13th September, 1970), pp. 32-33."

[11] European Commission's Communication on Sustainable Development, from EU Green Paper (2001) Promoting a European framework for Corporate Social Responsibility. Brussels, Commission of the European Communities.

V. REFERENCES

1. Alka Talwar, Resetting the Planet: Creating a Brighter Future, V (III) CSR Mandate , (2020).
2. Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. International Journal of Management Reviews, 12(1), 85-105.
3. Juraez Valdez Enrique Luis, Corporate Social Responsibilities: It's Effect on SMEs, 7(3) Journal of Management and Sustainability, (2017).
4. Michael Blow field-Alan Murray, "Corporate Responsibility a Critical Introduction"
5. Maamoun,A.Corporate Social Responsibility and the developing world: Commitment or duplicity? Business Studies Journal, 5(2), 7-26 (2013).
6. PWC, Confederation of Indian Industry, Handbook on Corporate Social Responsibility in India.
7. Esa, E., & Ghazali, N. A. M. (2012). Corporate social responsibility and corporate governance in Malaysian government-linked companies. [Article]. Corporate Governance: The International Journal of Effective Board Performance, 12(3), 292-305
8. Schwartz Mark S. and Archie B. Carroll, Corporate Social Responsibility: A Three-Domain Approach, Cambridge University Press (2016).
9. Zain, M. M., Mohammad, R., & Alwi, M. R. (2006). Malaysian corporate responsibility disclosure: Miscommunication between providers and users of information? Social Responsibility Journal, 2(2), 151-158.
10. http://www.springer.com/978-3-642-40399-
11. www.unglobalcompact.org/ - United Nations Global Compact
12. http://www.accountability.org - Accountability
13. http://www.iso.org/- International Organization for Standardization
14. http://www.sustainabilitydictionary.com
15. http://www.mallenbak.er.net/csr/CSRfiles

*****