CHAPTER - 3

Corporate Social Responsibility

In

Information & Technology Industries
The current chapter deals with CSR in I.T Industries in India with historical view to the present condition

3.1 Post-Independent India

The post-independence Indian government decided to establish a democratic and secular structure to tackle the issues pertaining to its society, economy, security, foreign relations, and overall development to emerge as a respectable nation in the world to deal with its unique problems of diversity the gap between the haves and have not’s in society and to set up the basic industries and build the infrastructure, various models were chosen.

3.1.1 Models Chosen to Revive the Economy

India emerged out of its colonial status with a destroyed economy, and the major challenge before the leaders was to reconstruct the country's economy. India started with the 'license-permit raj', which was intended to protect the nascent Indian industries against competition from the mature an industries of the developed world. Unfortunately, the Indian industry failed to take advantage and the regulatory processes bred nepotism and bureaucratic corruption. The 'mixed economy' model, based on public ownership of all necessary and infrastructural amenities and private ownership of the other sectors, was chosen as the economic structure. Both the innovations did not deliver the required results and India suffered from major fiscal imbalance, inflationary pressure, and also balance of payment crisis. It was in 1991, when the government decided to open up the economy, that India entered an era of liberalization, privatization, and globalization (LPG).

3.1.2 Appearance of the Private Sector

State intervention and control over economic activities have reduced remarkably and this has given a boost to the private sector in India. The services sector has recorded maximum benefit from this liberal face of economic reforms. Information technology enabled services (ITES), communication, and banking and insurance have reaped enormous profits. GDP has increased from a meager 1.4 per cent for the period after independence till 1991, when the economy liberalized, to almost 7.5 to 8 percent at present However, this growth has not been an inclusive growth and the disparity in the socio-economic sphere is still glaring. The infrastructure sector is a major impediment to investment. The restrictive labour and product related laws hamper the
proper utilization of the strength of our economy. India has a sizeable population of well educated youth who can actually add to the economic growth process but they need to be employed efficiently and effectively. The public sector in India has been administered on a socialistic pattern to ensure sharing of wealth. However, the regulatory and governance processes have led to their stagnation and they have become symbols of loss and misappropriation of public money. In contrast, the private sector has emerged as a better governed entity using resources well. The tax structure of India also needs to be reviewed to attract foreign direct investment (FDI). Finding the fine balance between the capitalist models versus the socialist model is the only way to the expected economic prosperity. Obviously, this needs a sound base of regulation related to governance issues. The Government of India has tried to address this issue through de-regulation of the market. India has consciously moved towards a market economy. Direct taxes have been reduced and the financial markets have been revived with major growth oriented changes in the banking sector.

As explained in the section on corporate governance, this was the time when bodies like the Securities and Exchange Board of India (SEBI), the Confederation of Indian Industry (CII), and the Company Law Board provided the necessary impetus to better supervision and regulation. Entry barriers of foreign investments were reduced and there were also currency reforms, which encouraged economic growth. According to the OECD report, all these reforms led to a rise of 24 per cent in exports and imports in the GDP. Inflows of FDI increased to 2 per cent of GDP from less than 0.1 per cent of GDP in 1990. There was a massive increase in output, with the potential growth rate of the economy estimated to be around 8.5 per cent per year in 2006. GDP per capita is now rising by 7.5 per cent annually in spite of the World wide economic recession. India is today recognized as the third largest economy in the world (after the US and China, and just ahead of Japan) The current expansion, which started in 2003, has not led to an imbalance between supply and demand, despite annual GDP growth reaching 9 per cent in 2006 (Organization for Economic Co-operation and Development, Policy Brief, Economic Survey of India, 2007).
3.2 India’s Fundamental advantage

India’s abundant talent and low cost are sustainable over the long term. With a young demographic profile, where over 3.5 million graduates and postgraduates are added annually to the talent base, no other country offers a similar mix and scale of human resources. While some gaps in talent suitability exist, they are being addressed through strong provider level initiatives and industry led programmes. India enjoys a cost advantage of around 60-70 percent as compared to source markets. Additional productivity improvements and the development of tier cities as future delivery centers, is expected to enhance India’s cost competitiveness.

3.3 Information Technology Industry in India

Today, Information technology industry is flourishing at an incredible pace. The IT industry in India has today become a growth engine for the economy, contributing substantially to increases in the GDP, urban employment and exports, to achieve the vision of a “young and resilient” India. While the environmental impact of the Information Technology industry is relatively minor, its societal impact is very significant. It is interesting to note that the success of the industry has come without regulation, and has been enabled by the government staying out of the way, while facilitating some of the services needed to support the industry (the Software Technology Parks of India is a good example). The industry must push sustainability in practice on a voluntary basis so that it becomes a concerted effort and practices such as triple bottom line reporting become voluntary actions by corporate. Information Technology could help the government solve a number of its operational problems, bringing in transparency and accountability, but these initiatives have to be voluntary in nature, and managed professionally. Until a few years ago corporate in the Information Technology Sector stayed away from direct interaction with the government, but that is changing now. Given the impact the Information Technology industry has on society, it is entitled to pro-active aggressive support from the government, protecting its assets such that corporate can continue to serve the society well, and help in progress, in a sustainable fashion.
3.4 Indian I.T. Sector Structure and Market Share

The Indian information technology industry has played a key role in putting India on the global map. According to the National Association of Software and Service Companies (NASSCOM), the apex body for software services in India, the revenue of the information technology sector has risen from 1.2 per cent of the gross domestic product (GDP) in FY 1997-98 to 5.8 per cent in FY 2008-09. India’s IT growth in the world is primarily dominated by IT software and services such as Custom Application development and Maintenance (CADM), System Integration, IT Consulting, Application Management, Infrastructure Management Services, Software testing, Service-oriented architecture and Web services. Indian IT-BPO sector grew by 12 per cent in FY 2009 to reach US$ 71.7 billion in aggregate revenue (including hardware). Of this, the software and services segment accounted for US$ 59.6 billion. IT-BPO exports (including hardware exports) grew by 16 per cent from US$ 40.9 billion in FY 2007-08 to US$ 47.3 billion in FY 2008-09. (NASSCOM Report 2008). Moreover, according to a study by Springboard Research, the Indian IT services market is estimated to remain the fastest growing in the Asia-Pacific region of 18.6 percent. Despite the uncertainty in the global economy, the top three IT majors Infosys, TCS and Wipro have seen revenue growth from all important sources of income from the North American and European regions, in the financial services and from application Maintenance and Development (ADM) offerings between fiscal years 2008 and 2009.
3.5 Information Technology Scenario in India

Information technology essentially refers to the digital processing, storage and communication of information of all kinds. The information technology can potentially be used in every sector of the economy. The true impact of information technology on growth and productivity continues to be a matter of debate, even in the United States which has been the leader and largest adopter of information technology. However, there is no doubt that the information technology sector has been a dynamic one in many developed countries, and India has stood out as a developing country despite the country’s relatively low level of income and development. Although India has the largest number of people working in the software industry and has the highest rate of growth of revenue, the revenue per employee is the lowest (Arora 1999). India’s achievement in information technology at present has enviable record of accomplishment. What started as a pure resource pool for fulfilling programming demands of other countries has now changed substantially in scope. Over the years, the term ‘information technology’ has become more widespread and now encompasses several sectors of the economy and has created several opportunities. Yet, there are some common threads, lessons and success factors have identified from the past success in pure software development.

3.6 Role of Information Technology in Economic Development

The truly revolutionary aspect of modern information technology is believed to be the possibility it offers to unbundled information from its physical carrier. This means that the economics of information can be separated from the economics of things. The ‘information superhighway’ is, as Negroponte (1995) has defined it, “about the global movement of weightless bits at the speed of light”. Quah (2001) argues that it is this increasing weightlessness or dematerialization of production that is characteristic of modern economics. By this he means that an increasingly greater fraction of gross domestic product comes to reside in economic goods with little or no physical manifestation. Economic value is embedded more and more in intangible goods than in Physical objects. This process of dematerialization derives from the increasing output share of all services in general and from the growing importance of information technology in particular.
3.7 Share of Information Technology output to (GDP)

India’s experience with growth of the information and communication technology (ICT) sectors, especially the information technology component, has attracted attention for a number of reasons. The pace of growth has been rapid, from a low base, tallying with the dynamism seen as typical of the industry. Thus, according to data provided by Dataquest, over the 17 years period 1991-92 to 2008-09, the annual compound rate of growth of output was 37.4 per cent. That is, output was doubling every 2.2 years. The net result has been that rose from 0.38 per cent in 1991-1992 to 5.80 in 2008-09. It is evident from Table 3.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Output Growth(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>0.38</td>
</tr>
<tr>
<td>1993-96</td>
<td>1.08</td>
</tr>
<tr>
<td>1997-98</td>
<td>1.20</td>
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<td>1.80</td>
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<td>2000-01</td>
<td>2.08</td>
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<td>3.00</td>
</tr>
<tr>
<td>2007-08</td>
<td>5.50</td>
</tr>
<tr>
<td>2008-09</td>
<td>5.80</td>
</tr>
</tbody>
</table>

Source: Dataquest, http://www.gartner.com

Table 3.1 the ratio of gross information technology sector output to GDP.
3.8 Gross Revenue from Information Technology Sector

Information Technology (IT) industry in India is one of the fastest growing industries. Indian IT industry has built up valuable brand equity for itself in the global markets. IT industry in India comprises of software industry and information technology enabled services (ITES), which also includes business process outsourcing (BPO) industry. India is considered as a pioneer in software development and a favorite destination for IT-enabled services. The origin of IT industry in India can be traced to 1974, when the mainframe manufacturer, asked its India sales agent, Tata Consultancy Services (TCS), to export programmers for installing system software for a U.S. client.

The IT has industry originated under unfavorable conditions. Local markets were absent and government policy toward private enterprise was hostile. The industry was begun by Bombay-based conglomerates which entered the business by supplying programmers to global IT firms located overseas.

During that time Indian economy was state-controlled and the state remained hostile to the software industry through the 1970s. Import tariffs were high (135% on hardware and 100% on software) and software was not considered an "industry", so that exporters were ineligible for bank finance.

Government policy towards IT sector changed when Rajiv Gandhi became Prime Minister in 1984. His New Computer Policy (NCP-1984) consisted of a package of reduced import tariffs on hardware and software (reduced to 60%), recognition of software exports as a "De-licensed Industry", i.e., henceforth eligible for bank finance and freed from license-permit raj, permission for foreign firms to set up wholly-owned, export-dedicated units and a project to set up a chain of software parks that would offer infrastructure at below-market costs. These policies laid the foundation for the

Today, Indian IT companies such as Tata Consultancy Services (TCS), Wipro, Infosys, HCL, and Intel are renowned in the global market for their IT prowess.
Figure 3.1: I.T Companies CSR activities
3.9 Highlights of Indian I.T Industry

1. ICT sector GDP increased from Euro 15.8 billion in 2000-01 to Euro 45.18 billion in 2007-08 with CAGR of 21.3%
2. Contribution of the ICT sector to GDP increased from 3.4% to 5.9%
3. Share of ICT manufacturing sector to GDP remains more or less constant with about 0.35%
4. Share of ICT services sector to total GDP increased from 3.05% to 5.52% (Euro 14.15 billion to Euro 41.8 billion)
5. Annual growth rate of ICT services between 23% and 6%
6. IT services exports increased from Euro 5.93 billion (2003-04) to Euro 20.20 billion (2008-09)
7. Contribution of exports in total ICT sector has increased from 64.5% in 2004-05 to 66.1% in 2008-09

3.10 NASSCOM - The Apex Body of Indian I.T. Industry

National Association of Software and Service Companies (NASSCOM) is an apex industry association in India. The member companies of NASSCOM are in the business of software development, software services, Internet, e-commerce and IT-enabled services. It was established in 1988 as a ‘not-for-profit’ organization. It represents 95 per cent of the total revenues of the information technology, software and services industry. It has played a vital role in catalyzing the growth of the information technology industry in India. It is credited with having positioned the Indian information technology industry overseas markets as one that stands for an impeccable cost value proposition. It has actively networked with policy makers, industry players, technologies and academicians to propel the growth in the Indian information technology sector. It acts as a single reference point for overseas companies or investors for setting up the operations or alliances in the ICT sector for investments.
Fig. 3.2 profile of member companies

3.11 Department of Information Technology

The Department of Information Technology was created during November 2003. The Department was created with a view to promote the use of Information Technology (IT) and act as a promoter or facilitator in the field of Information Technology in the state and build an IT interface with the rest of the country and the world.

With a view to introduce flexibility and dynamism and to incorporate IT tools for imparting technical education, the technical education sector was transferred and merged with the department of IT on 1st October 2004.

The vision of the Department is to make the State a destination for investors both within and outside the country and to initiate the people of the State to take advantage of this technology through e-Governance and providing IT-enabled services to the State which shall aim at facilitating in providing a SMART (Simple, Manageable, Approachable, Responsive and Transparent) Government to the people.
**Functions and Duties**

The department of Information Technology has been set up with the following function and duties:

1. Formulation of IT policy.
2. Secretariat of the IT council and the state level coordination committee for IT applications.
3. Planning of different IT related programme.
4. Coordination of all IT projects in the government.
5. Appraisal of new technologies and prescribing uniform standards.
6. Prioritization of departmental IT programmes.
7. Technical support to government departments.
8. Pro-active promotion of IT.
9. Participation/organization of IT events.
11. Publication of promotional material
12. IT-enabled services.
13. Bandwidth management and planning internet access.
15. Geographical information system.
16. IT and IT-enabled education.
17. E-governance.
19. Focal point of IT related investment.
3.12 Ministry of Corporate Affairs

3.12.1 Fundamental Principle
Each business entity should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives, which should be an integral part of the overall business policy and aligned with its business goals. The policy should be framed with the participation of various level executives and should be approved by the Board. The CSR policy should normally cover the following core elements.

Core Elements.

3.12.2 Care for all Stakeholders
The companies should respect the interests of, and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project-affected people, society at large, etc., and create value for all of them. They should develop a mechanism to actively engage with all stakeholders, inform them of Inherent risks, and mitigate them where they occur.

3.12.3 Ethical functioning
Their governance systems should be underpinned by ethics, transparency and accountability. They should not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

3.12.4 Respect for workers' rights and welfare
Companies should provide a workplace environment that is safe, hygienic, and human, and which upholds the dignity of the employees. They should provide all employees with access to training and development of necessary skills for career advancement, on an equal and non-discriminatory basis. They should uphold the freedom of association and effective recognition of the right to collective bargaining of labour, have an effective grievance redressal system, should not employ child or forced labour, and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment.
3.12.5 Respect for human rights
Companies should respect human rights for all and avoid complicity with human rights abuses by them or by a third party.

3.12.6 Respect for environment
Companies should take measures to check and prevent pollution recycle, manage and reduce waste, should manage natural resources in a sustainable manner, and ensure optimal use of resources like land and water, should proactively respond, to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy, and environment friendly technologies.

3.12.7 Activities for social and inclusive development
Depending upon their core competency and business interest, companies should undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of their operations. These could include education, skill-building for livelihood of people, health, cultural and social welfare, particularly targeting the disadvantaged sections of society.

3.12.8 Implementation Guidance
1. The CSR policy of the business entity should provide for an implementation strategy, which should include identification of projects/activities, setting measurable physical targets with timeframes, organizational mechanism and responsibilities, time schedules, and monitoring. Companies may partner with local authorities, business associations, and civil society non-government organizations. They may influence the supply chain for CSR initiative and motivate employees for voluntary effort for social development. They may evolve a system of need assessment and impact assessment while undertaking CSR activities in a particular area. Independent evaluation may also be undertaken for selected projects/activities from time to time.
2. Companies should allocate specific amount in their budgets for CSR activities. This amount may be related to profits after tax, cost of planned CSR activities, or any other suitable parameter.
3. To share experiences and network with other organizations, the company should engage with well-established and recognized programmes/platforms, which encourages Responsible business
practices and CSR activates. This would help companies to improve on their CSR strategies and effectively project the image of being socially responsible.

4. The companies should disseminate information on CSR policy, activities, and progress in a structured manner to all their stakeholders and the public at large through their website, annual reports, and other communication media.


3.12.9 Introduction to the Guidelines
The Guidelines are not prescriptive in nature, but are based on practices and precepts that take into account the realities of Indian business and Society as well as global trends and best practices adapted to the Indian context. It Urges businesses to embrace the “triple bottom-line” approach whereby it's financial Performance can be harmonized with the expectations of society, the environment and the many stakeholders it interfaces with in a sustainable manner. The adoption of these National Voluntary Guidelines will improve the ability of businesses to enhance their competitive strengths, improve their reputations, and increase their ability to attract and retain talent and manage their relations with investors and society at large. These Guidelines have been drafted in a way that makes them easy to comprehend and implement.

The Guidelines have been articulated in the form of nine (9) Principles with the core elements to actualize each of the principles. A reading of each Principle, with its Attendant Core Elements, should provide a very clear basis for putting that Principle into practice. To assist implementation, a section has also been included on Developing Management Systems and Processes for responsible business, which indicates that businesses can adopt to self-steer and regulate their journey towards becoming sustainable and responsible businesses. The Processes focus on changes in leadership and the leadership structure in the organization, the integration of the Principle and Core Elements into the very business purpose of the organization and ensuring that engagement with stakeholders happens on a consistent, continuous basis.

While a broad list of Indicators has been provided to enable businesses to monitor their own implementation process, these are not exhaustive, but sufficiently Representative to give a clear idea of the direction that businesses have to take in the implementation of these Guidelines.
3.12.10 Principles and Core Elements

**Principle 1:** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain.
2. Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.
3. Businesses should not engage in practices that are abusive, corrupt, or with unhealthy competition.
4. Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.
5. Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document.
6. Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.

**Principle 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. Businesses should assure safety and optimal resource use over the life-cycle of the product from design to disposal and ensure that everyone connected with it designers, producers, value chain members, customers and recyclers are Aware of their responsibilities.
2. Businesses should raise the consumer's awareness of their rights through education, product labeling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
3. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
4. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating the Social, ethical and environmental considerations.
5. Businesses should recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Businesses should recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

**Principle 3:** Businesses should promote the wellbeing of all employees.
1. Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
2. Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
3. Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. Businesses should take cognizance of the work-life balance of its employees, especially that of women.
5. Businesses should provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
6. Businesses should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis.
7. Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.
8. Businesses should create systems and practices to ensure harassment free workplace where employees feel safe and secure in discharging their responsibilities.

**Principle 4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
1. Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.
2. Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
3. Businesses should give special attention to stakeholders in areas that are underdeveloped.
4. Businesses should resolve differences with stakeholders in a just, fair and equitable manner

**Principle 5:** Businesses should respect and promote human rights.
1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
5. Businesses should not be complicit with human rights abuses by a third party.

**Principle 6:** Business should respect, protect, and make efforts to restore the environment
1. Businesses should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy 5. Businesses should develop Environment
Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.

6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.

7. Businesses should proactively persuade and support its value chain to adopt this principle

**Principle 7:** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.

2. To the extent possible, businesses should utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

**Principle 8:** Businesses should support inclusive growth and equitable development.

1. Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.

2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.

3. Businesses should disclose all information truthfully and factually, through labeling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner.

Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.

4. Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.

5. Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.

6. Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

3.13 Newspaper Article

3.13.1 The new Companies Bill CSR activity

By Rica Bhattacharyya, ET Bureau, 3 May, 2013

The new Companies Bill, passed in the Lok Sabha in December, made it mandatory for firms to report on how much they spend on CSR every year.

MUMBAI: The ministry of corporate affairs is developing a reporting framework for corporate social responsibility (CSR), which could potentially be a game-changer for CSR in India, sources close to the development told ET.

The government is formulating guidelines to classify what activity can be qualified as CSR and what expenditure can be counted as CSR spend, even as companies prepare to comply with a new guideline that encourages them to spend 2% of their net profits on such causes.

The new Companies Bill, passed in the Lok Sabha in December, made it mandatory for firms to report on how much they spend on CSR every year. If companies spend less than 2% of their average net profit over the last three years, they are required to explain the reasons. India is the first nation in the world to frame such legislation.

If companies in the BSE 100 were to comply with this fully, their combined CSR spend could total up to about Rs 5,800 corer.

The ministry is developing guidelines and reporting framework for companies to implement and report their CSR initiatives as per Clause 135 of the Companies Bill, 2012. The Indian Institute of Corporate Affairs is the nodal agency spearheading this effort along with the MCA. The final guidelines are expected to be announced after the Bill gets passed in the Rajya Sabha, according to sources. The government expects it to get passed in the second half of the Budget session.

These guidelines will include an extended Schedule-7 of the Companies Bill including more activities that qualify as CSR spends. Some of these activities in the pipeline include promotion of sports and games, promotion of art and culture, welfare measures for differently disabled and adoption of villages, among others. The guidelines also include the types of organizations: trusts, societies, etc, that are eligible consumers of CSR capital, sources said.

Investment in startup incubation centers has already been certified as a valid CSR activity, as announced by FM P Chidambaram, during his budget speech this year. Email queries sent to the
MCA and IICA did not to elicit response. Firms like NextGen, which help companies in sustainability, are working closely with the government in developing the enabling ecosystem for implementation of the CSR norms of the Companies Bill, 2012. Once this start many lot of development can be expected in the society as Rica B.

### 3.13.2 Company's law set to mandate 2% CSR spend

By Sidhartha, TNN Feb 10, 2011

NEW DELHI: India Inc should brace to set aside a specified portion of its profit on corporate social responsibility (CSR). The Ministry of company affairs (MCA), which is finalizing the new Companies Bill, has accepted a Parliamentary Standing Committee's recommendation on the issue. The standing committee on finance headed by former finance minister Yashwant Sinha has proposed that companies with a turnover of Rs 1,000 crore or net profit of Rs 5 crore or more earmark 2% of their net profit for the preceding three years on CSR.

### 3.13.3 Corporate Social Responsibility in India: A long way to go

Written by: Enakshi Sengupta 13 Jun 2012

The concept of Corporate Social Responsibility (CSR) is not new in India. It emerged from the ‘Vedic period’ when history was not recorded in India. In that period, Kings had an obligation towards society and merchants displayed their own business responsibility by building places of worship, education, inns and wells. Although the core function of business was to create wealth for society and was based on an economic structure, the business community with their rulers believed in the philosophy of “Sarva loka hitam” which means “the well-being of all stakeholders.

Indian society is witnessing a market in rapid transition, characterized by a growing degree of liberalization, privatization and globalization. The acceptance of social responsibility is redirecting Indians to their cherished values and teachings of their ancestors and their religious scriptures in the field of business. There are different ways through which a firm can exert positive social change in society and collaborate with partners who have the explicit power to trigger such change. Changes that led to power and authority are being transferred from government to the private sector. With the growing power and authority vested with the
corporations, corporations are now answerable for a wider range of issues and are held responsible for their actions to a multiple level of stakeholders.

Firms should have in-depth understanding of the circumstances that lead them to pursue various CSR activities and implement those activities that demonstrate a convergence between the firm’s economic objectives and the social objectives of society. Beckmann and colleagues point out that CSR is becoming more explicit and argues that this shift entails those firms can no longer practice a “silent strategy” and is gradually being replaced by a more visible approach to CSR activities. The requirements for how corporations communicate their CSR activities are however large. CSR communication is gaining its importance, and there is an increasing awareness and interest in the challenges and practices of communicating CSR.

The National Voluntary Guidelines 2011 released by the Ministry of Corporate Affairs, India was set up as part of the multi-stakeholder platform on CSR making it mandatory for companies to disclose their CSR projects.

“In a bid to turn companies’ management decisions more transparent, the corporate affairs ministry may mandate more disclosures in their annual financial statements and the reports of boards of directors. The manner in which companies carried out their Corporate Social Responsibility (CSR) activities during the year will become part of the annual mandatory disclosure.” (International Bar Association, CSR e-bulletin, October, 2011). To find out how well this mandate of disclosing CSR activities is accepted by Indian companies the author chose to study 23 companies belonging to private sector companies in Kolkata, India. These companies operate mainly in the manufacturing or heavy engineering sector. The nature of their business may often results in polluting the atmosphere or displacement of inhabitants. The websites of the companies was studied in detail and other relevant documents found online.

A Gap Analysis tool in the form of a score card was developed by the author along with her colleague having 46 criteria which highlighted areas such as stakeholder engagement, performance and compliance, management systems and procedure, scope and boundaries of CSR reporting, targets and achievements and assurance of the report writing. Scores were given in the denomination of ‘1’ or ‘0’ depending upon the information available.
Most of the companies revealed a very low CSR score, the average being 6-7 out of 46. The declaration made in the websites on CSR was inadequate and did not reveal much about the CSR health of the company. Most of the activities were altruistic in nature without generating any value creation towards the bottom line growth of the companies. None of these companies have embedded CSR in their core business strategy.

They are yet to realize the role of stakeholders for their business and often choose to ignore them in communicating their CSR activities. The websites are outdated and the information available is often a couple of years old. The booklet depicting CSR activities in a few companies were not written under any global guidelines and resemble picture albums glorifying un-coordinated philanthropic activities.

In order to make their CSR activities more strategic in nature companies are required to embed CSR in their core business strategy and to use the framework laid down by Ministry of Corporate Affairs, Govt. Of India, National Voluntary Guidelines 2011 or the framework suggested by Global Reporting Initiatives (GRI) to disclose their CSR activities through a well written Sustainability Report.

The research provides further scope of assessing the cultural dimensions of corporations engaging in CSR, their definition of CSR, their motives for engaging in CSR and how they plan to communicate CSR to their stakeholders in the future.
### 3.14 Sustainability Relation Act Rule of Government of India

Some of the Acts and Rules of the Government of India (sustainability-related) are listed below for ready reference and understanding the spread and depth of the CSR concept.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Rules And Acts.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Environment (Sitting for Industrial Projects) Rules, 1999 ;</td>
</tr>
<tr>
<td>C</td>
<td>Coastal Regulation Zone Notification (1991, as amended)</td>
</tr>
<tr>
<td>E</td>
<td>Eco-sensitive Zones Notifications (especially the notifications on Matheran, Mahabaleshwar-Panchgani, Dhahanu Taluka, Murud-Janjira, and in general about other notifications)</td>
</tr>
<tr>
<td>F</td>
<td>Environment Impact Assessment Notification</td>
</tr>
<tr>
<td>G</td>
<td>Hazardous Waste (Management &amp; Handling) Rules 1989 and amendments</td>
</tr>
<tr>
<td>H</td>
<td>The Batteries (Management &amp; Handling) Rules (2001)</td>
</tr>
<tr>
<td>I</td>
<td>The recycled plastic manufacture and usage rules</td>
</tr>
<tr>
<td>J</td>
<td>Prohibition of Azo Dyes</td>
</tr>
<tr>
<td>M</td>
<td>The Municipal Solid Waste (Management &amp; Handling) Rules 2000</td>
</tr>
<tr>
<td>P</td>
<td>Noise Pollution (Regulation and Control) Rules (2000), as amended</td>
</tr>
<tr>
<td>Q</td>
<td>The Ozone Depleting Substances (Regulation and Control) Rules, 2000</td>
</tr>
<tr>
<td>R</td>
<td>The Water (Prevention and Control of Pollution) Act, 1974 (amended in 1988) &amp; Rules under the Act</td>
</tr>
<tr>
<td>S</td>
<td>The water(prevention and control of pollution) Act 1974 (amended in 2003) &amp;</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>T</td>
<td>The Air (Prevention and Control of Pollution) Act, 1981 (amended in 1987), Rules under the Act and important notifications under the Act,</td>
</tr>
<tr>
<td>V</td>
<td>National Environment Appellate Authority Act, 1997 (National Green Tribunal Bill, 2009)</td>
</tr>
<tr>
<td>W</td>
<td>National Environment Tribunal Act, 1995</td>
</tr>
<tr>
<td>X</td>
<td>The Prevention of Cruelty to Animals Act, 1960, Rules and notifications under the Act</td>
</tr>
<tr>
<td>Z</td>
<td>The Indian Forest Act, 1927, The Forest (Conservation) Act, 1980 (amended in 1988), Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, Rules and notifications under the above Acts</td>
</tr>
<tr>
<td>AA</td>
<td>Biological Diversity Act, 2002 and Biological Diversity Rules, 2004</td>
</tr>
<tr>
<td>AB</td>
<td>The Factories Act and the Factories Rules of Various States</td>
</tr>
<tr>
<td>AC</td>
<td>The Explosives Act and the Explosives Rules</td>
</tr>
<tr>
<td>AD</td>
<td>The Petroleum Act and the Petroleum Rules</td>
</tr>
<tr>
<td>AE</td>
<td>Static and Mobile Pressure Vessels Rules</td>
</tr>
<tr>
<td>AF</td>
<td>Gas Cylinders Rules</td>
</tr>
<tr>
<td>AG</td>
<td>Inflammable Substances Rules</td>
</tr>
<tr>
<td>AH</td>
<td>Companies Act, etc.</td>
</tr>
</tbody>
</table>

Table 3.2 Rules and Acts, Source: The list has been compiled by Prof. L. Ramakrishnan-Distinguished Professor and Head in search Centre of Sustainability Management (I-COSM)
3.15 Managing E-waste

Waste management has become a critical part of CSR programs across the IT industry. E-waste is one of the biggest hazards faced by the average Indian corporate. With the rapid growth of the IT industry globally in recent years, the consequent environmental implications have to be considered. A side-effect of the IT revolution is the generation of e-waste, a colloquial term for electronic products that have become obsolete or reached their end of life. Hazards arise due to the improper recycling and disposal processes used. E-waste is a mounting concern; 20 million devices become obsolete every year.

Over the years, e-waste leads to chemical and metal leaching finally resulting in groundwater contamination. Mercury, for example, will leach when certain electronic devices such as circuit breakers are destroyed.

3.16 Integrating CSR in Organizations: Guidelines to Effective Change

The question that now arises is what standards are available to put CSR into practice. Does the implementation of sustainable behavior by a company depend solely on the whims and fancies of the management or can a company follow processes that would help it to implement CSR? The three mechanisms- ISO 260.00, Triple Bottom Line (TBL), and Triple Loop Learning (TLL)- of incorporating CSR by a company are given below. However, as we analyze them, we will see that each system has its own strengths and weaknesses.
3.17.1 ISO 26000 highlights the 7 principles of social responsibility

1. Accountability
2. Transparency
3. Ethical behavior
4. Respect for stakeholder interests
5. Respect for the rule of law
6. Respect for international norms of behavior
7. Respect for human rights
3.17.2 Core subjects of social responsibility

ISO 26000 addresses 7 core subjects of social responsibility as shown in the graphic below:

![Image of 7 core subjects of social responsibility]

Source: International Organization for Standardization ISO Central Secretariat 1, ch. de la Voie-CreuseCP56CH-1211 Geneva20 Switzerland
3.17.3 ISO and CSR

ISO is the International Organization for Standardization. It is the world's largest developer and publisher of International Standards. The term 'ISO', is derived from the Greek *isos*, meaning 'equal'. Whatever the country, whatever the language, the short form of the organization's name is always ISO.

One hundred and sixty-three countries are members of ISO. Membership is given to one member per country and the Central Secretariat is located in Geneva, Switzerland, which coordinates the system. ISO is a non-governmental organization that connects the public and private sectors. This is achieved through its public sector and private sector membership: on the one hand, many of its member institutes are part of the governmental structure of their country or are mandated by the Government. On the other hand, other members have their roots uniquely in the private sector, having been set up by national partnerships of industry associations.

Therefore ISO is able to build a consensus on solutions that meet both the requirements of business and the broader needs of society. Some of the well-known standards are ISO 9001 that deals with quality, ISO 22000 relates to food safety management systems, ISO 14001 is a standard for the environmental management of businesses, and other similar standards have been created. The international body decided to launch the development of an International Standard providing guidelines for social responsibility (SR) by promoting ISO 26000.
3.17.4 ISO 26000

ISO standardization does not, as a rule, pre-determine which particular type of organization may use its standards or other deliverables. As a result, ISO social responsibility deliverables are referred to without organizational specification. Keeping in mind the inter-relationship between economic, environmental, and social aspects the characteristics and underlying principles of social responsibility according to ISO include the following:

1. Assumes compliance with all applicable laws and regulations (as a minimum)
2. Includes voluntary commitments that address economic, environmental, and social aspects not addressed in laws and regulations. Inclusiveness, communication, and engagement with affected or interested parties involving dialogue on expectations and activities
3. Accountability
4. Transparency
5. Ethical behavior

Flexibility to reflect diversity and needs Part of sustainability or Sustainable development Social responsibility specifically includes issues such as:

- Human rights (Universal Declaration of Human Rights, ILO core Conventions)
- Workplace and employee aspects (including occupational health and safety)
- Unfair business practices including bribery, corruption, and anti-competitive practices (all organizations) in Organizational governance
- Environmental aspects
- Marketplace and consumer aspects
- Community aspects
- Social development aspects.

ISO has decided to launch the development of an international standard providing guidelines for social responsibility. It has chosen Swedish Standards Institute (SIS) and Brazilia Association of Technical Standards (ABNT) to provide joint leadership of the ISO Working Group on Social Responsibility of (WG SR). The WG SR has been given the task of drafting an international standard for social responsibility that will be published in 2010 as ISO 26000 he and will be voluntary to use. It will not include requirements and will thus not be a certification standard.
ISO 26000 is supposed to provide harmonized, globally relevant guidance, based on international consensus among expert representatives of the main stakeholder groups, and so encourage the implementation of best practice in social responsibility worldwide.

There is a range of many different opinions as to the right approach, ranging from strict legislation at one end to complete freedom at the other. ISO claims that it is looking for a golden middle way that promotes respect and responsibility, based on known reference documents without stifling creativity and development.

The standard will aim to encourage voluntary commitment to social responsibility and will lead to common guidance on concepts, definitions, and methods of evaluation. The need for organizations in both public and private sectors to behave in a socially responsible way is becoming a generalized requirement of society. It is shared by the stakeholder groups that are participating in the WG SR to develop ISO 26000: industry, government, labour, consumers, non-governmental organizations, and others, in addition to geographical and gender-based balance.

3.17.5 About the Standard

According to the new work item proposal, the standard should assist organizations in addressing their social responsibilities while respecting cultural, societal, environmental, and legal differences and, economic development conditions; provide practical guidance related to operationalizing social responsibility, identifying and engaging with stakeholders, and enhancing credibility of reports and claims made about social responsibility; emphasize performance results and improvement; increase confidence and satisfaction in organizations among their customers and other stakeholders be consistent with and not in conflict with existing documents, International treaties and conventions, and existing ISO standards not be intended to reduce government's authority to address the social responsibility of organizations; promote common terminology in the social responsibility field; and broaden awareness of social responsibility.

The ISO 26000 standard offers a framework through its proposal for CSR but does not provide any incentive for organizations to put the scheme into action. Every ISO standard has a certification process that encourages a company to achieve it as a brand of quality. Unfortunately, the CSR standard is propagated as a voluntary commitment and therefore may not be practiced.
Thus, though it proposes an international standard for social responsibility, it may only remain a wish list, as organizations can provide various excuses for not putting the standard into practice. The other risk is unscrupulous organizations may use ISO 26000 as a smoke screen to enhance their image without really being accountable for socially responsible activities, since there is no certification process, and therefore checking fraudulent use would be difficult, if not impossible.

### 3.17.5 Triple Bottom Line

This is another popular mechanism that was considered a practical method for implementing CSR. The phrase was coined by John Elkington in 1994. It was later expanded and articulated in his 1998 book, Cannibals with Forks:

Elkington was the co-founder and chairperson of Sustainability Limited, which was founded in 1987 and is headquartered in London, with offices in US and Europe, and also has a number of partnership networks in other parts of the world, especially in emerging economies like China, India, Brazil, and South Africa. It is an international business consultancy dealing with principles of sustainable development or what is called 'performance with purpose'. TBL accounting attempts to describe the social and environmental impact of an organization's activities, in a measurable way, to its economic performance in order to show improvement or to make evaluation more in-depth. TBL is a form of reporting that takes into account the impact a business has in terms of social and environmental values, along with financial returns. TBL has its own synonyms in Triple-E (economy, environment, equity) or 3P (people, planet, profit), which are penetrating the traditional language of business. The 3P is explained below.
3.17.6 People
The concept looks at the human aspect of business not just as a human resource but as human capital. This is not only about fair employment opportunities but also about giving back to society in the form of social investment. Therefore, it goes beyond providing just a fair day's pay for a fair day's work; it entails returning to the community through sponsorships, donations, and investments for common good and welfare. This reinvestment can usually be factored in business operating expenses, as it. Would give long-term benefits to the organization by building a strong reputation and trust in society.

3.17.7 Planet
This is natural capital or the environmental issues that need immediate attention if long-term sustainability is the aim. A business will strive to minimize its ecological impact in all areas—from sourcing raw materials to production processes including administration, to marketing of its products and services. It is a 'cradle-to-grave' approach and in some cases 'cradle-to-cradle' approach i.e., taking some responsibility for goods after they have been sold. For example, offering a recycling or take-back programme. A TBL business will also refrain from the production of toxic items, even as effluents or waste products.

3.17.8 Profit
This brings to the forefront the ways and methods of earning profit and not just making profit. The argument is that the means are as important as the ends. Profit should be earned honestly in harmony with the other two principles of people and planet. In today’s global and virtual business perspectives, the supply chain and outsourcing processes also need to be scrutinized under the TBL principle.

3.17.9 Importance
There are currently few standards for measuring these other impacts. However, the importance of the concept lies in the fact that at least it raises the issue that an organization cannot accomplish economic growth responsibly and holistically without embracing the vast multitude of non-financial impacts of its activities. Considering the growing influence of the business world and the wide spread of its tentacles, one cannot remain immune to the responsibility of business in
all spheres of business activities, TBL tries to capture the myriad of influences of business through three parameters and that is where it faces problems in the eyes of critics.
3.17.10 The ISO 26000 OF Corporate Social Responsibility

Figure 1 — The seven core subjects at a glance

Figure 3.4 The Seven core subjects at a glance
Figure 3.5 Social Responsibility ISO 26000 Guidelines
3.17.11 ISO 26000 Standard

Guidance on Corporate Social Responsibility adopting the principles of ISO 26000 Guidance on Social Responsibility clearly demonstrates the positive actions taken by your organization to contribute towards sustainable development.

Every organization needs to instigate actions aimed at making the world a better place. The ISO 26000 Standard published in 2010 provides guidance on the underlying principles of social responsibility and ways to integrate socially responsible behavior into organizational strategies, systems, practices and processes. By looking at an organization's behavior, the ISO 26000 Standard evaluates to what extent the organization acts transparently and ethically and:

- Contributes to sustainable development, including the health and welfare of society
- Takes into account the needs and expectations of stakeholders
- Is compliant with applicable laws and consistent with international norms
- Integrates and implements these behaviors throughout the organization

Our performance assessment is suitable for all organizations in both public and private sectors, in developed and developing countries, as well as in economies in transition. It works as a tool to identify your organization’s performance level at the time of the assessment. It will help you operate in the socially responsible manner that society increasingly demands.
3.18 Software Industry in India

The computer software and services industry was worth Rs. 337 billion Euro (24.7 billion) in 2005/06 and it is estimated to increase to Rs. 3483.30 billion (Euro 55 billion) in 2010/11.
3.19.1 Top 20 IT Firms In Terms Of Revenue

<table>
<thead>
<tr>
<th>Company</th>
<th>Employees</th>
<th>Revenue (million Rs.) 2007–08</th>
<th>Export</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Consultancy Services (TCS)</td>
<td>126,150</td>
<td>212,150</td>
<td>93</td>
<td>7</td>
</tr>
<tr>
<td>Wipro Technologies</td>
<td>108,071</td>
<td>168,840</td>
<td>75</td>
<td>24</td>
</tr>
<tr>
<td>Infosys Technologies</td>
<td>104,850</td>
<td>155,310</td>
<td>99</td>
<td>1</td>
</tr>
<tr>
<td>HP India</td>
<td>31,656</td>
<td>154,540</td>
<td>18</td>
<td>82</td>
</tr>
<tr>
<td>IBM</td>
<td>76,000</td>
<td>101,010</td>
<td>58</td>
<td>42</td>
</tr>
<tr>
<td>Cognizant Technology Solutions</td>
<td>48,000</td>
<td>63,100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Ingram Micro</td>
<td>1,200</td>
<td>86,200</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>HCL Technologies</td>
<td>51,979</td>
<td>62,000</td>
<td>93</td>
<td>7</td>
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<tr>
<td>HCL Infosystems</td>
<td>6,077</td>
<td>50,580</td>
<td>100</td>
<td></td>
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<tr>
<td>Redington India</td>
<td>1,700</td>
<td>62,800</td>
<td></td>
<td>100</td>
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<tr>
<td>Cisco India</td>
<td>4,850</td>
<td>58,370</td>
<td>92</td>
<td>8</td>
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<tr>
<td>Oracle India</td>
<td>24,000</td>
<td>58,080</td>
<td></td>
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<tr>
<td>Intel India</td>
<td>2,500</td>
<td>43,100</td>
<td>90</td>
<td>10</td>
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<td>Accenture</td>
<td>40,000</td>
<td>38,000</td>
<td>93</td>
<td>7</td>
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<tr>
<td>SAP India</td>
<td>5,424</td>
<td>32,600</td>
<td>79</td>
<td>21</td>
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<tr>
<td>Dell India</td>
<td>13,000</td>
<td>32,000</td>
<td></td>
<td>100</td>
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<td>Tech Mahindra</td>
<td>24,318</td>
<td>36,370</td>
<td>98</td>
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<tr>
<td>Microsoft India</td>
<td>5,300</td>
<td>32,630</td>
<td>90</td>
<td>10</td>
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<tr>
<td>Mphasis</td>
<td>33,810</td>
<td>18,810</td>
<td>100</td>
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<tr>
<td>Patni Computer Systems</td>
<td>14,479</td>
<td>25,690</td>
<td>99</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 3.3 Top 20 IT Firms In Terms Of Revenue

IT companies like TCS and Wipro have developed software to help teachers and children in schools across India to further the cause of education. The adult literacy software has been a significant factor in reducing illiteracy in remote communities. Banks and insurance companies are targeting migrant laborers and street vendors to help them through micro-credits and related schemes.

In June 2008, a survey was carried out by TNS India (a research organization) and the Times Foundation with the aim of providing an understanding of the role of corporations in CSR. The findings revealed that over 90% of all major Indian organizations surveyed were involved in CSR initiatives. In fact, the private sector was more involved in CSR activities than the public
and government sectors. The leading areas that corporations were involved in were livelihood promotion, education, health, environment, and women's empowerment. Most of CSR ventures were done as internal projects while a small proportion were as direct financial support to voluntary organizations or communities.

3.20 CSR of leading IT companies

3.20.1 Infosys Sustainability Solution

Infosys—the Indian IT industry icon—also helps in creating a sustainability framework in businesses catering to healthcare, banking, power, energy and utilities, logistics, and retail sector through the Infosys Sustainability Solution, which helps organizational to deploy a sustainability reporting framework. Like other rating frameworks, this also helps companies to capture data on energy efficiency, water conservation, product performance, economic performance, human resource and labour efficiency, and safety performance. The above mentioned rating frameworks show the varied components and methodologies followed by various agencies and institutions. Thus, many companies are setting up their own matrix for tracking the CSR activities that are more relevant to their own business practices. Two examples, one of an indigenous Indian company and the other of a multinational company, have been given below to show how intricately the matrixes need to be formulated. This naturally requires a high level of conviction from the management of the companies. Both the featured companies (Tata and Philips) are world renowned brands and enjoy unparalleled trust from stakeholders and therefore have an excellent balance sheet showing sustainable profits.

3.20.2 Infosys Technologies Limited

Infosys Technologies of India has shown the path towards transformational change by becoming the victor of the environment rather than the victim. When the rest of Indian entrepreneurs were complaining of red tape, poor infrastructure, lack of support, and other constraints in the Indian political and socio-economic environment, Narayan Murthy, the visionary, conceived Infosys in 1981 and today it is a world renowned company. He believed in sharing the wealth earned by the company with all the stakeholders and it is visible in their activities, ranging from the employee stock ownership plan (ESOP), facilities provided to employees, customer service, sheltering of
schools, and other support for education of the underprivileged, etc., thus covering CSR at all levels—inner, intermediate, and outer. It was voted as India's best-managed company for six years in a row, between 1996 and 2001, by the Asia Money Poll. In 2003, Infosys Technologies co-founder and chairman, N.R. Narayana Murthy, won the Ernst & Young World Entrepreneur of the year award. Judges of the award praised his 'intellectually, philosophically, ethically and spiritually driven entrepreneurship' and his company's 'outstanding financial performance and global impact in a dynamic and volatile industry'. Infosys won the prestigious 'Global Most Admired Knowledge Enterprises (MAKE)' Award in 2004. It won the award for the second time in a row, and remains the only Indian company ever to have been named for this award. Many more such awards have substantiated its value orientation. The employee challenges are the addressed through what it terms 'PRIDE' (Process Repository Infosys for Driving Excellence),

1. Development environment at another. As a result of this, 'Infosys will reap the benefit of an army of employees that works the same way, gains in process in efficiency and productivity, and higher quality.

2. Ingrained in the soul of Infosys is a drive to awaken in our employees, ac-customers, investors and other stakeholders, as well as the larger society, a spirit of m responsibility to ourselves, the environment, our civic systems, and the governments.

3. In the regions where we work and contribute, and to the future of the generations

4. The efforts of Infosys to continuously add value to the business environment be can be seen when in July 2007, Infosys co-chairman Nandan Nilekani co-chaired a report,

5. Director and Chief Executive, Refining and Marketing, British Petroleum, to identify three specific ways in which global companies can fulfill this role through 'expanding the space' in which they operate. The report clearly points out that that the market economy has been the driver of unprecedented growth and should not be replaced but working of the market economy certainly needs a revisit to embrace a more.

6. Holistic growth. Today, the market economy has to address the unsustainable outcomes like climate change, persistent poverty, and abuse of human rights that I have emerged as a result of earlier business practices. The report stresses that the purpose of tomorrow's global company is 'to provide ever better goods and services
7. In a way that is profitable, ethical and respects the environment, individuals, and the communities in which it operates’. (Fernando 2006)

Infosys is actively involved in various community development programs. Infosys promoted, in 1996, the Infosys Foundation as a not-for-profit trust to which it contributes up to 1% PAT every year. Additionally, the Education and Research Department (E&R) at Infosys also works with employee volunteers on community development projects. Infosys leadership has set examples in the area of corporate citizenship and has involved itself actively in key national bodies. They have taken initiatives to work in the areas of Research and Education, Community Service, Rural Reach Programme Employment, Welfare activities undertaken by the Infosys Foundation, Healthcare for the poor, Education and Arts & Culture.

**Infosys Foundation** has worked to support the underprivileged in society and enrich their lives. Promoted by Infosys Technologies Limited, the Foundation began its work in Karnataka, India, gradually extending its activities to the states of Tamil Nadu, Andhra Pradesh, Maharashtra, Orissa and Punjab. Making high quality healthcare the norm is an ongoing challenge. Since its inception, the Foundation has initiated several activities that benefit the rural and urban poor. Apart from constructing hospital wards, donating hi-tech equipment and organizing health camps, the Foundation also distributes medicines to economically-weaker sections in remote areas. Whether it is organizing an annual mela that empowers destitute women or building orphanages that give children a better life, the Foundation's activities address the needs of society's most neglected. The Foundation has organized unique annual melas in different parts of the country, including Bangalore and Sedam in Karnataka, and Chennai in Tamil Nadu, to distribute sewing machines to destitute women and help them earn a livelihood. The Foundation also offers an edge to deprived and rural students, through its activities in what is one of the largest rural education programs in the country; the foundation has donated 10,200 sets of books in Karnataka alone, and in Andhra Pradesh, Karnataka, Orissa and Kerala, under its Library for Every Rural School project. Through this program, the Foundation has set up more than 10,150 libraries in rural government schools. A minimum of 200 books, depending on the strength of the school, is provided. The Foundation has helped revive the art of the weavers of Pochampalli village in Andhra Pradesh. It helps organize cultural programs to promote artists in rural areas of Karnataka and Andhra Pradesh. It traces and honors artistes from different parts of India. It
organizes programs like puppet shows and other cultural events to encourage artistes and performers in rural areas of Karnataka and Andhra Pradesh.

3.20.2 Tata Group & Tata Consultancy Services

To bring TCS Associates and their families closer and encourage hidden aspirations and talents like Quiz Workshop on theater, Yoga, Origami, Flower arrangement, Chocolate making etc. Socially relevant activities and endeavors.

Advanced Computer Training Center For Visually Impaired

Courses catering to industry requirement, Employment Opportunities, Recruited more than 30 differently disabled people in Infrastructure service management, BPO Processes, Learning and development coordinator, Human Resource Manager, Global Helpdesk, Accessibility testing.


Rural Development Initiatives: Wazapur-A village in Maharashtra provide Water supply working on Illiteracy and Women empowerment awareness in health and hygiene Trained in embroidery stitching and other textile craftwork Inaugurated Gram Vikas Abhiyaan Kendra in Education Mid day meal scheme for Balwadi Kids Computer literacy program a state of the art science lab.

Thalassemia Drive: In a partnership with Red Cross, TCS embarks on periodic blood donation drives towards the treatment of Thalassemia.

Hiv/AIDS Awareness Program: The focus of the initiative is to treat HIV as a social issue and commemorating world AIDS Day. Also Online quiz for creating more awareness, removing myths and misconception through articles are conducted. In India there are an existent but small number of companies which practice CSR. This engagement of the Indian economy concentrate seminally on a few old family owned companies, and corporate giants such as the Tata and Birla group companies which have led the way in making corporate social responsibility an intrinsic
part of their business plans. These companies have been deeply involved with social development initiatives in the communities surrounding their facilities. Jamshedpur, one of the prominent cities in the northeastern state of Bihar in India, is also known as Tata Nagar and stands out at a beacon for other companies to follow. Jamshedpur was carved out from the jungle a century ago. TATA’s CSR activities in Jamshedpur include the provision of full health and education expenses for all employees and the management of schools and hospitals. In spite of having such life size successful examples,

3.20.3 Intel Technology India Pvt Ltd

Launched in 2002, the Intel ‘Involved in the Community’ program started as a small-scale informal employee initiative, which focused on activities such as tree planting and blood donation drives. By 2004, Intel Involved was fully incorporated into the company’s corporate culture through the development of team volunteering activities, with programs focusing in the areas of education, technology inclusion and health. Some of the key initiatives include: Centre for Economic Empowerment of Intellectually Challenged (CEEIC) - In conjunction with AMBA, a local NGO, Intel provides the intellectually-challenged community with training to learn computer skills. The Centre then helps procure employment from various companies for the participants, empowering them to earn a regular income. This initiative has now grown to 15 centers HIV/AIDS Awareness Program Intel has established a program for raising awareness levels on HIV/AIDS to high prevalence areas in the community. In partnership with NGOs, voluntary counseling and testing agencies, the HIV/AIDS peer education program has reached out to 15,000 adolescents in Bangalore. Also Intel believes that climate change is a serious economic, social and environmental challenge. Activities include celebrating Global Earth Day, World Environment Day and the Environment Research Contest. Over the last five years, Intel employees have planted and nurtured more than 6,000 trees in and around Bangalore while the “Intel for a Better Bannerghatta” project resulted in a plastic and litter-free biological park and also created a learning space for the local community with the setup of information kiosks. Meanwhile, a Solid Waste Management Program in partnership with TERI (The Energy Resources Institute) is currently underway in Annasandra, Bangalore.

Intel is also involved in ‘Volunteer Matching Grants Program’. The program encourages Intel employees to invest time in identified K–12 schools and NGOs. With every 20 hours invested by Intel employees, the Intel Foundation donates US$80 to schools and NGOs. Currently more than
15 schools and NGOs are part of this program in Bangalore, Delhi and Mumbai. Employee participation has doubled over the last two years with 91 percent of employees volunteering more than 36,000 hours.

3.20.4 WIPRO

Wipro CSR Activities
Firstly, Initiative of Wipro is towards education: Wipro Care, Wipro Applying Thoughts Campaign.

Secondly, its initiative is towards environment: Eco Eye

**Wipro Care:** Wipro Cares” strives hard to address major issues responsibly. From community relief and rehabilitation in times of disaster of education, opportunities, health, and wellness program for the needy. Make sure that our social initiatives touch every level of society that needs our help. Wipro care is the initiative by wipeouts. Wipro care contributes through two prolonged strategy learning enhancement and disaster rehabilitation.

**Wipro applying thoughts in Schools:** Through the applying thought in school initiative engaged in more than 1000 schools, 10,000 educators and 30 social organizations across 17 states in the country to bring about educational reform. Incisive experiments. Educational literature program and advocacy program and support new organization.

**Mission 10 xs:** Mission 10X aims at enhancing employability of engineering graduates by empowering faculty members. Having thus far trained over 10,000 faculty members across 20 states, the initiative intends to now reach out to over 25,000 additional engineering faculties in the near future.

**Eye Ocon** to strike a balance with environment, formed Eco Eye a few years ago to bring all green initiatives under one banner, and to incorporate better ecological balance in every project we execute. Aims to promote, Initiatives undertaken in direction of environment saving, Inter connection of sewer line, Biogas plant, Rainwater harvesting, Eco-friendly chemical.

**Inter Connection of Sewer Lines**  
Situation: STP capacity is 200 KLD only, whereas total sewage collection at CDC-2 around 260 KLD. Inter connection of CDC-2 & 5 STP’s. ECO-SOLUTION: Pipe interconnection, ECO-IMPACT: treated water usage.

**Biogas Plant**  
Large amount of solid waste generated on daily basis at Wipro’s Electronic City Campus. Manage solid waste. Bio-Methanation, plant large amount of biogas generated, good quality manure, and sludge treated eco-friendly manner.

**Rain Water Harvesting:** water flooding causes damage to main motor able road, to tap and harness the rain water, collection of water, filtering, softening and then STP treatment, reduction in ground water depletion.

**Eco-Friendly Chemical:** Chemicals to have eco-friendly properties. Use of non-pollutants, biodegradable reduced exposure to harmful chemicals.

**3.20.5 Patni Computers**

National Special Economic Zone Circumstances wants to voluntarily come up with a Roadmap to repay or share some of our prosperity to needy and genuine Indian masses show society or Bureaucracy (Silent Demon) by large Reciprocating Benefits to the INDIAN masses. Fundamental Rule to Survive in Indian Environment is to give. Built Green Facility it will solve purpose (Social Commitments) in International Arena. Unfortunately Indian Environment is different. Forms of Contribution: Contribution By Time Devotion Contribution Through Materials Contribution Through Money Contributions Through IDEAS or Practical Knowledge. Transition India Comes in Third World Country or Developing Nation. Though a rich in natural resources we never be a developed nation where every individual have basic resources to conquer his/her dreams. Reason is many like Poverty, Corruption, and Terrorism etc.

Receivers Active and Passive Achieving 30:70 ratio: Active Receivers Needs help from Individuals (Corporate) in beginning but would be converted into Business resources must have 30% share of total contribution. Passive Receivers we cannot derive any direct business benefits but we shall fulfill social commitments through it must be restricted to 70% of total contribution. Now time has come to explore the Active Receivers. Business consistently demands low cost but
highly efficient human resources for their Profitability. Action Points for CSR volunteers exploring young generation and share whatever pains or grievances they have. It is proved that Genuine Information crisis would have more impact than any other crisis like financial or material crisis. Starting point would be to Spread Genuine information's and uplift and direct youth of our country to better and prosperous Livelihood. For this visit Government Funded Schools, colleges, Local Coaching institutes, even can involve Top Shot Religious Institutions like Jama Masjid, Birla Mandir, St Steven Church and Bangla Sahib Gurudwara.

1.21 IT industry in Globe

3.21.1 Microsoft Inc

Microsoft has never been very popular because, as The Economist noted, rulers of the 'quality more than the quantity of its critics' Internet users, who sled tend to have higher than average educational levels, are continually furs room traded with Microsoft because of its dominance of the way most personal computers are run. Nevertheless, Microsoft is concerned with development. For instance, it fane launched a technology skills partnership for unemployed textile workers in Portugal in conjunction with the Technological Centre for the Textile and Clothing Industries of Portugal. The Technology, Innovation and art Initiative programme will provide unemployed workers in Portugal's textiles industry with new skills and qualifications to improve their long-term employment prospects. Supported by Microsoft through its Unlimited that Potential programmed, it aims to train at least 3000 unemployed people in I.T to the sector, which is being significantly affected by increasing global company such petition. Both partners in the programme, together with the Institute do such Emperor Professional, will also work with local companies and unions to help trainees find jobs or start new businesses. The venture has been welcomed by the European Commissioner for Employment, Social, Affairs and Equal Opportunities, Dr Vladimir Spidla, who hailed it as an 'important contribution' to the European Jobs and Growth Partnership Initiative launched by the EC last year. Remarkable, too, has been the goodwill generated by Microsoft's pipe founder, Bill Gates, through the Gates Foundation. Bill Gates has, to date, label donated $258 million to battle against malaria. The fact that neither the ICCU rich countries nor the UN's health agency WHO, have done very much to ration curb this major killer of poor people is little short of scandalous. As Bill, For Gates noted, 'the rich
world's efforts in tackling the disease is "a disgrace". Client The grant was equivalent to more than three-quarters of global spending on along research into the disease in 2004. But good works can quickly be negated by crass actions that illustrate said, the dividing line between doing well for its own sake and doing good when form it is good for business. In December 2005, Microsoft acceded to a Chinese end its government request to shut down a blog carried on its MSN service. (The Economist 2005)

### 3.21.2 Oracle Corporation

Oracle Corporation is an American multinational computer technology corporation headquartered in Redwood City, California, The United States. The company specializes in developing and marketing computer hardware systems and enterprise software products particularly its own brands of database management systems. Oracle is the third largest software maker by revenue, after Microsoft and IBM.

The company also builds tools for database development and systems of middle tier software, enterprise resource planning software (ERP), customer relationship management software (CRM) and supply chain management (SCM) software. Larry Ellison, a co-founder of Oracle Corporation, has served as Oracle’s CEO throughout its history.

**Oracle Education Foundation**

The Foundation makes select grants that fund evaluation, research, and special projects that support its mission. Grant proposals are accepted by invitation only. No unsolicited proposals are considered.

The Foundation is a nonprofit corporation funded by Oracle Corporation. Oracle houses the Foundation and donates the services of its worldwide staff at a value of over $8.5 million annually. In addition, Oracle provides the Foundation with free, unlimited use of its technology, which we leverage to bring you Think Quest.

The Foundation is a private foundation. A private foundation is a nongovernmental, nonprofit organization funded by a single source and established to maintain or aid social, educational, or other charitable activities serving the common welfare, primarily by operating a program or making grants. The Foundation is governed by a seven-member Board of Directors, three of whom are appointed by Oracle and four of whom are elected by the Board. The four-member
majority is comprised of outstanding individuals at the intersection of education, technology, and philanthropy.

Oracle leverages its core competencies in information technology and the Internet to support education through the Foundation and the Oracle Academy.

3.21.3 SAP AG

SAP AG is a German multinational software corporation that makes enterprise software to manage business operations and customer relations. Headquartered in Walldorf, Baden-Württemberg, Germany, with regional offices around the world, SAP is in the market of enterprise applications in terms of software and software-related service.

The company's best-known software products are its enterprise resource planning application systems and management (SAP ERP), its enterprise data warehouse product SAP Business Warehouse (SAP BW), SAP business objects software, and most recently, Sybase mobile products and in-memory computing appliance SAP HANA. SAP is one of the largest software companies in the world.

Creation of long-term values

Those companies, who act responsibly, are better at what they do. They implement the best data security. They make the fewest mistakes. They offer the fastest customer support. They design the most efficient processes that consume the fewest resources. They anticipate risks. Those who act responsibly are appreciated. Appreciation strengthens the bonds of customer and employee loyalty, and builds the most credible public image. Responsible action is therefore neither an end in itself, nor the result of an altruistic attitude.

Software AG’s definition of sustainability is not limited to ecological sustainability. It refers more broadly to the creation of long-term values. Relationships to customers, technology, partnerships, investments in our company, and knowledge capital thanks to employees are all values that have existed for many years. These sustainable values benefit all stakeholders and society as a whole. With this edition of the Corporate Social Responsibility report, Software AG provides an overview of its CSR activities for the first time in the company’s history.
Figure 3.8 Software AG'S Six CSR criteria

1. A Global Company
   “Knowledge is the only raw material on Earth whose availability is unlimited and doesn’t dwindle with use, but rather multiplies.”

2. Innovation and R&D
   “Have the courage to use your own understanding.”

3. Employees and Corporate Culture
   “Reason is like a map; it only makes sense when it is used.”

4. Business and Ethics
   “Freedom is not constituted primarily of privileges, but of responsibilities.”

5. Growth and Prosperity
   “The path to your goal begins the day you accept full responsibility for your actions.”

6. Good Corporate Citizenship
   “Facts don’t disappear when you Ignore them.”
3.22 Views of corporate leaders on CSR

Vikas Goswami, CSR Lead, Microsoft India says:

“We have understood that certain issues like providing IT training, skills, techniques and tools to create social and economic opportunities can transform communities and help common people realize their potential. Microsoft’s community investment efforts are focused on increasing digital inclusion and bringing the benefits of technology and technology skills to 250 million underserved people worldwide by 2010.”

Bidyut. K. Thakar Asst. Vice President & Mentor, Corporate Social Responsibility at CSC India

“The IT Industry is a sunrise industry; however it adopted CSR as one of its core missions quickly”, Asst. Vice President & Mentor, Corporate Social Responsibility at CSC India.

Rahul Bedi, Director Corporate Affairs, Intel India says.

“As a socially responsible corporate citizen, Intel India is focused on enhancing lives by helping provide a fair opportunity to education and improved healthcare, as well as, undertaking various community welfare initiatives. Reflecting Intel’s global objective of transforming communities through the effective use appropriate technology, Intel India is actively involved in preparing students to succeed in the global economy, spreading awareness of timely healthcare and educating communities on the responsible use of natural resources.”

Over the years, as economies have transitioned and experienced different stages of growth, CSR has become an integral and important part of doing business in almost every country.

Georg Kniese, Managing Director, SAP Labs India says.

“To me, engaging in CSR activities is important to any organization irrespective of origin and category but then the importance of such engagements becomes even more critical when a new industry booms in a country and with it the society gets introduced to new opportunities as well as issues.”
Lokesh Mehra, Regional Manager Corporate Responsibility for Cisco Systems South Asia says.

“Companies wanting to reach the bottom of the pyramid have to innovate and CSR no longer gets labeled as a ‘do-good’ but more as a core business opportunity. In short, the goal post for businesses has moved due to society’s expectation from them and it is now a generic concern for the “good of all” rather than risk mitigation.”

The goal post for businesses has moved due to society’s expectations and it is now a generic concern for the “good of all” rather than risk mitigation.

P Ravindranath, Director Public Affairs, HP India, says

“Global Citizenship is an important part of our business, from developing energy-efficient products and managing a responsible supply chain to protecting data privacy and recycling equipment at the end of its useful life.”

HP’s Ravindranath says.

“We are committed to reducing the environmental impact of our operations, products and services. We design our products to be sustainable throughout their life cycles, offer product reuse and recycling solutions, and set high environmental standards in our operations and supply chain. The HP Planet Partners Hardware Return and Recycling Program offers to take back end-of-life HP computer and printing hardware products. This initiative offers customers an option to dispose and recycle of used computing equipment in a socially and environmentally responsible manner.”

HP is working with an approved e-waste recycling vendor in Bangalore. “Waste management is a serious concern. An estimate says that IT in Bangalore produces almost 7,000 tones and India produces nearly 100,000 tones of ‘end of life’ (products to be recycled) equipment, annually. In the past one year HP has recycled 160 tones of equipment from its facilities,” says Ravindranath.
Krishan Dhawan, Managing Director, Oracle India says.

“The whole initiative is known as Oracle Education Initiatives (OEI). We know that the long-term future of our business and the IT industry is reliant upon the next generation of learners and leaders. By investing in the education of today’s students and partnering with governments and academic bodies, Oracle is helping students meet the challenges of the information age. Over 4, 00,000 students in Indian schools and colleges benefit from OEI today.”

SAP Labs India has a huge emphasis on CSR.
SAP is dedicated to educating today’s students so that they can play an active role in tomorrow’s economies. On a global level, we do it through our University Alliance Programme and First Lego League programme. On a national and local level; we have customized programmes that suit and meet the local needs of the society,” says Kniese of SAP.

3.23 Current Scope & Opportunities

Shifting CSR new challenges and opportunities new industries and new challenges, Although corporate social responsibility in India is and has been predominantly about practices that nourish people, community and cultural values, there has been a new shift in focus of CSR in some new industries such as Information Technology Enterprise Solutions (ITES) and Business Process Outsourcing (BPO), which have emerged from India’s globalization. These industries’ corporate rationality has different features than older industries, with attendant differences in their approach to CSR.

Breaking the conventional norms of the employer-employee relation, the IT sector has initiated and promoted a friendly and flat structure in corporate India. The work environment and employer-employee relations at all the leading firms is more relaxed and more flexible than the Traditional corporate culture, with first name identification, direct e-mails and performance driven packages all common.

Though a strict hierarchy is still prevalent in the old economy sectors such as manufacturing, services and finance, seniority in sectors like ITES and BPO depends on performance. For years, leading companies in India have focused on products, innovation, competition, process transformations and technology to gain a competitive edge.
However, there is a distinct realization today that while these things all are still important, the key differentiator now is people. The growth of these new industries has made it necessary and inevitable that the new people recruited were professionally trained and qualified. These new people capable, competent and professionally trained have focused on meeting professional goals, climbing the corporate ladder, managing success, responding to complex situations, redefining their role in their company and adjusting to pushes and pulls from multiple systems (Parikh 2002). People are taken to be the most critical factor in achieving high economic performance, according to executives in these industries (Accenture 2007).

“India Inc.”, especially the new knowledge based businesses, now faces considerable challenges not the least of which is building and sustaining a workforce that can help it achieve high performance. While companies’ core functions have competed against multi-national corporations on a level playing field, human resource management has worsened due to a lack of change and stagnancy (Accenture 2007).

In addition, as Indian companies have begun to play in a global market, they are also under global pressure to improve environmental sustainability, and to act on climate change. Managing the environmental impact of growth is increasingly under the spotlight in India. A recent World Bank report has also identified environmental sustainability as the next great challenge that India faces along in its path to development. According to the report, only half of Indian industries monitored complied with government pollution standards. And these monitoring programs do not cover many small and medium enterprises, which are less able to afford clean technology and pollution controls.

Such evolving social demands for Indian companies have led to a shift in CSR in the begun efforts to turn such challenges into opportunities. In particular, companies have focused on CSR as means of workforce development, and as a reason to become more environmentally responsible and efficient. Ansoff (1980) argues that social demands could present potential opportunities for the firms like the way that they convert external threats into opportunities by aggressive entrepreneurial management.
3.24 A Critique of CSR

Some more radical critics argue that MNEs marginalize local entrepreneurs and small-scale competitors, thereby undermining local economies and traditional employment? They argue that MNEs rarely support local entrepreneurs to generate income and jobs. For the even more critical, selling branded products to the poor is little more than an attempt by MNEs to capture the income of the poor without giving anything in return. At the other end of the spectrum, many investors and corporate executives believe that foreign direct investment will automatically benefit the host country. They argue that all jobs related to the company's activities are additional jobs created, and that technology, skills and expertise will be transferred to local workers and companies. They believe that investment by MNEs will help the country to be better integrated into the global economy and so directly or indirectly, will help to reduce poverty. They argue, therefore, that host countries should welcome such investment, no matter how much or how little of the wealth that it generates is retained within the country. There are examples around the world of poor countries and communities that have suffered many of the negative impacts described above, while others have benefited significantly from the positive impacts. CSR does not necessarily imply more regulation and less liberalization in fact a closer examination of what CSR proponents are saying will reveal that the key point is not the pursuit of profits per se but how profits are on made. Therefore, in some cases further liberalization makes sense as does de-regulation if both are carried out in a socially responsible way where we saw that proliferation of concepts has grown up relating to the area of business in a society - corporate sustainability, corporate citizenship, corporate responsibility, business responsibility, business social responsibility, business reputation, the ethical corporation.

Michael Bryane writes that within the literature focusing on CSR's role in development, 'three "schools of practice" appear to be emerging: the neo-liberal school (focused on self regulation by industry according the risks and rewards as CSR activity) The state-led school (focused on national and international regulation and corporation) and the “third way” school forced on the role of for profit and not –for –profit organizations).yet, each of these school of practice may be critique using theories application cable to the broader field of the development. Namely, the neo-liberal school fails to address the resources misallocation caused by CSR. The state-led
school fail to address the underlying politics behind government encouraged CSR. The "third way" school fails to address the self-interest involved in CSR.

Michael continues: The CSR discourse appears to signal a new form of co-operation between government, business, and civil society in the promotion of social objectives. Yet, left out of the discourse are the difficulties and complexities which development theory lose who wore has been debating for a century. The neo-liberal school stresses CSR as simply the adequacy of the incentives versus insurance model yet the responsibility fails to address important resource misallocations. The state led school emphasizes the balance between co-operation versus control exercised by the state - yet ignores important contestation political power, by international organizations, national governments, and business Interests, The third sector school notes the new potential for public engagement in policy making but ignores the highly politicized and conflicting nature of that engagement, CSR is part of a larger transformation in the relations between government, business and civil society. (Michael Bryane 2003)
References