

# Chapter 4

## Corporate Social Responsibility: Way Forward for Sustainable Growth

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### **ABSTRACT**

*In recent years, many organizations have incorporated corporate social responsibility (CSR) as part of their vision and mission statements. There are many evidences demonstrates the positive results after implementation of CSR. Now, the question is, what are the contributions of CSR towards sustainable development of society and growth? The current study shows the association between CSR and sustainable growth. Real-time analysis of relevant studies of organizations who initiated CSR strategies towards sustainable development and growth are incorporated in the present chapter.*

### **INTRODUCTION**

The twentieth century will find its place in history for its exemplary technological disruptions and growth in living standards, but also for rise in sustainability issues related to society and environment. The main objective of this chapter is to explore the contributions of CSR towards sustainable development of society and growth. The current study shows the association between CSR and Sustainable development.

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It is implicit that industrial capitalism, multinational corporations and globalization are main players in this story. Today as societies across the globe combat intricate issues such as increasing social inequality, enormous unemployment, depletion of natural resources, climate change, waste creation, rising pollution levels, scarcity of clean drinking water and big refugee groups, outbreak of deadly Covid-19 etc., the need is to retrospect and redefine perception of growth and well-being. As these problems are too multifaceted, intricate and dire to find solutions in governments alone, need also is for corporate participation.

The ground-breaking UNO-Brundtland Report of 1987 (WCED, 1987) stating “meeting the needs of the present generation without comprising the ability for future generations to meet their own needs” emphasized that businesses and organizations should operate in socially responsible manner. The report created consciousness about balancing profits with its implications for people and planet. It said that maximizing short-term profits would not result in sustainable growth of enterprises, considering external factors was the only way to achieve long-term equilibrium. Growing awareness about conservation of environment, corporate governance and social wellbeing among the stakeholders, is creating mounting pressure on companies to carry out their functions in socially and environmentally responsible manner. Corporate Social Responsibility (CSR) thus has become crucial component of modern corporate culture. Therefore, it is significant to explore the impact of CSR on sustainable development and growth.

## **BACKGROUND**

### **Corporate Social Responsibility: Origin and Evolution**

The neoclassical viewpoint was that goal of business is to maximize shareholder wealth and money spent on moral stakes is loss for shareholders. It is believed that ethical behavior and profit are not mutually exclusive, as investing in moral area may be an opportunity to minimize future risks and construct strong brand. The concept of CSR first emerged in 1950s and its development over ever since is described below:

1950s -1960s

1. **Bowen (1953):** Obligations of people doing business to make policies, decisions and action in a manner which are desirable in terms aims and principles of society.
2. **Davis (1960):** Socially responsible business decisions that warrant long-term economic gain of firm, thus paying back for socially responsible behavior.

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