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**THE EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY AND  
ITS CONTRIBUTION TOWARDS SOCIAL UPLIFTMENT****Abstract**

*The concept of corporate social responsibility is a well-known practice in many countries across the world and is regarded as a voluntary activity where the companies act for the betterment of society through various activities and without expecting any profits. Many companies, especially large-scale companies practice corporate social responsibility as it benefits both the society as well as the company's goodwill and public image. But the concept of Corporate Social Responsibility (CSR) is no more the same as it was, years ago, especially in India. This concept is an evolving one. Also, CSR plays a vital role in social upliftment. There are many ways in which companies contribute to social and environmental wellbeing.*

**Introduction**

Corporate social responsibility means the obligation and responsibility of a company to act towards serving society at large without any profits or gains in business. It is a form of self-regulation which makes a company socially accountable and aware of the impacts it makes on society. CSR, according to European Union, is “*The voluntary integration of companies' social and ecological concerns into their business activities and their relationships with their stakeholders. Being socially responsible means not only fully satisfying the applicable legal*

*obligations but also going beyond and investing 'more' in human capital, the environment, and stakeholder relations.”<sup>1</sup>*

### **Corporate Social Responsibility**

Social responsibility means the responsibility of a business to act towards the welfare of society. It obliges the business to act to serve the best interests of society at large. Corporate Social Responsibility makes a company to be aware of the impact it is having on society. The concept of corporate social responsibility has become popular as it serves two purposes. First, it makes a company work for the welfare of the society and act for its betterment in social, economic, and environmental aspects. Second, corporate social responsibility acts as an opportunity for the business firm or company to improve its image.

The term Corporate Social Responsibility defines the responsibilities of the corporate companies to work for social betterment. A company, for its daily functioning, takes a number of resources from society as well as from the environment. Thus, the concept of Corporate Social Responsibility obliges these companies to pay back to society.

<sup>2</sup>There are plenty of benefits of Corporate Social Responsibility from the perspective of a company too. The most important is that the public image of the company improves considerably as the company contributes to making society better. This also helps to improve the brand value of the company and the relationship with the consumers strengthens. Another benefit is that the company which contributes to the welfare of society gains an advantage over other competitors as consumers consider the company to be making a significant impact on society.

### **Evolution of Corporate Social Responsibility**

The concept of Corporate Social Responsibility directs the companies to look beyond the objectives of profits and gains. It obliges the companies to contribute to society through various activities. The concept of CSR has evolved and no more means only the voluntary contributions by the companies to society.

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<sup>1</sup> Historical Evolution of the Concept of Corporate Social Responsibility, *available at:* <https://lawcorner.in/historical-evolution-of-the-concept-of-corporate-social-responsibility/> (last visited on February 14, 2022)

<sup>2</sup> Corporate Social Responsibility Under Section 135 of Companies Act 2013, *available at:* <https://cleartax.in/s/corporate-social-responsibility> (last visited on February 13, 2022)

The term Corporate Social Responsibility might be introduced late in India, but this concept existed for a very long time. Earlier, Corporate Social Responsibility in India was seen through the lenses of philanthropy and was practiced as giving voluntary donations to society and there were no statutory obligations to practice it. Many companies followed this and did philanthropic activities to serve society.

Corporate Social Responsibility was introduced by the parliament in The Companies Act, 2013. *“India became the first country to legislate the need to undertake CSR activities and mandatorily report CSR initiatives under the new Companies Act, 2013.”*<sup>3</sup>

<sup>4</sup>Corporate Social Responsibility is incorporated in Section 135 of The Companies Act, 2013. It defines the guidelines which shall be followed by the companies while performing CSR activities. Companies that meet a specific set of criteria should spend no less than 2% of their average profits of the last 3 years towards activities of CSR. And, communities should be the main focus point, according to the Schedule VII of the Act, which lists CSR activities. According to CSR guidelines, CSR must go beyond communities and the concept of philanthropy. If the companies are unable to abide by the provisions provided under the Companies Act, they would have to explain not spending the money for CSR activities. They would face action, which may include a penalty if they fail to comply.

### **Contribution of CSR towards Social Upliftment**

Businesses and companies play a very vital role in the development of the economy of the country. But the companies use plenty of natural resources in order to function properly. Also, companies pollute the environment by emitting hazardous gases and chemicals in many instances. The concept of CSR thus obliges the companies to perform the activities which would lead to the benefit of the society as a whole and not give any profits to the company. The companies do CSR activities to pay back to society. There are plenty of benefits of Corporate Social Responsibilities that companies, as well as the society, enjoy. The public image of the company improves and the relationship with the stakeholders strengthens. But, when the companies perform activities for benefit of society and not for their profits, the scope

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<sup>3</sup> Corporate Social Responsibility (CSR) in India, available at: <https://csrcfe.org/about-csr-in-india-public-policy/> (last visited on February 14, 2022)

<sup>4</sup> Corporate Social Responsibility in India, available at: <https://blog.ipleaders.in/corporate-social-responsibility-india/> (last visited on February 14, 2022)

for social upliftment increases. Thus, it can be said that CSR plays a very important role in social upliftment. Some ways in which the CSR activities contribute to social upliftment are:

1. Aids poorer communities – When the companies perform activities of CSR, they tend to focus on poorer sections of society as there is a lot more scope of development. Many companies do charity programs, construct schools, hospitals, etc., especially for poorer communities. This plays a vital role in social upliftment.
2. Holistic development of society – The concept of Corporate Social Responsibility has evolved and does not mean only to give voluntary charity. Today, CSR is performed through various activities like building educational institutions, economic empowerment, environmental protection, building hospitals, etc.
3. Bridges gap – Corporate Social responsibility includes the activities of giving back to society. When the large-scale companies of any country progress, the people working there and the consumers too, get benefits. But many a time, the poor people get no benefit. Hence, the concept of CSR helps to bridge the gap between rich and poor and thus maintain a balance in society.
4. Protection of the environment – One of the very important areas where the activities of CSR of companies shall be focused is the environment. For regular functioning, the companies use plenty of natural resources from the environment and also emit harmful chemicals, which contribute to pollution. Thus, working for the improvement of the environment is one of the important tasks of CSR. Contributing to making the environment better is a direction towards larger social well-being. Recently, it is seen in many countries that companies are setting CSR targets to plant trees and work to protect the environment.
5. Eco-friendly methods – To negate the damage done by the company to the environment and pay back to society, many companies have today started to make the products in an eco-friendly manner, which causes no pollution and does minimal harm to the environment.
6. Education and other facilities – Access to good quality education and proper healthcare facilities is a necessity nowadays. But many people of the country are not able to avail these basic facilities. It is seen that many companies and other business firms construct schools and hospitals to provide these facilities. Many companies provide these facilities for free to poor children. This shows that the company has a sense of social responsibility and contributes for social well-being.

Hence, these are some of the ways in which a company, business firm, or enterprise contributes to social upliftment.

### **Conclusion**

Corporate Social Responsibility is an evolving concept and has passed through various stages of change. The stance of CSR in India has changed a lot since the introduction of CSR in the Companies Act, 2013. This has made India the first country to legislate the activities under the Corporate Social responsibilities of a company. There are some guidelines regarding CSR activities that need to be followed. Earlier, the concept of CSR in India was only about voluntary charity and other philanthropic works done by companies. But after the changes, the concept of CSR looks beyond philanthropy and makes it necessary for companies, meeting certain criteria, to do CSR activities and to contribute to the well-being of society.

Also, the role played by the Corporate Social Responsibility of companies in developing the society and to help in the upliftment of society is indispensable. Many enterprises and companies are now seen building educational institutions, hospitals, improving infrastructure, protecting the environment, etc. This is a much-needed step as there lies a duty on the companies to pay back to the society because the enterprise takes many resources from the society for their regular functioning.

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