Ethics & Morality · GS - IV

In contemporary world, corporate sector's contribution in generating wealth and employment is increasing. In doing so, they are bringing in unprecedented onslaught on the climate, environmental sustainability and living conditions of human beings. In this background, do you find that Corporate Social Responsibility (CSR) is efficient and sufficient enough to fulfill the social roles and responsibilities needed in the corporate world for which the CSR is mandated? Critically examine.

EXAM YEAR	PAPER	SUBJECT
2022	GS - IV	Ethics & Morality

MARKS	WORD LIMIT
10	~150 words

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Answer Hint

Corporate Social Responsibility encourages businesses to contribute to social welfare and environmental sustainability. However, voluntary or expenditure-based initiatives cannot substitute for responsible core operations, legal compliance and accountability. Effective corporate responsibility requires measurable outcomes, transparent reporting and integration of environmental and social safeguards into business decisions.

Model Answer

Introduction

Corporate Social Responsibility (CSR) recognises that businesses have responsibilities towards society and the environment beyond profit generation. India mandates CSR expenditure for qualifying companies under Section

135 of the Companies Act, 2013.

Contribution of CSR

CSR can support education, healthcare, sanitation, skill development, rural development and environmental conservation. Corporate resources and expertise can complement government programmes and address local needs. For example, companies may fund watershed restoration, school infrastructure or vocational training.

Limitations

CSR expenditure does not necessarily prevent pollution, unsafe working conditions or exploitation within a company's own operations. Projects may prioritise visibility over community needs, lack measurable outcomes or become fragmented. Compliance with spending requirements cannot replace environmental regulation, fair labour practices or ethical corporate governance.

Way Forward

Companies should integrate sustainability into core business strategies, conduct environmental and social impact assessments, disclose measurable outcomes and consult affected communities. Strong regulatory enforcement, independent audits and transparent grievance mechanisms are necessary.

Conclusion

CSR is valuable but insufficient by itself. Responsible corporate citizenship requires both meaningful social investment and ethical, sustainable business operations backed by effective regulation and accountability.

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