

WWJMRD 2017; 3(1): 83-85
www.wwjmr.com
Impact Factor MJIF: 4.25
e-ISSN: 2454-6615

Falguni Mitesh Thakkar
SDJ International College,
Surat, Gujarat, India

Sustainable development through corporate social responsibility and corporate sustainability

Falguni Mitesh Thakkar

Abstract

In recent years there has been significant discussion in the business, corporate, academic, and even press about 'Corporate Sustainability.' This term is often used in conjunction with and in some cases as a synonym for other terms such as 'Sustainable Development' and 'Corporate Social Responsibility.' The sustainable development of society refers to three major components of human existence: economical, ecological and human. The relation between economical growth and the protection of the environment is an essential problem in the approaching sustainable development because the approach of economical growth not only by GDP, without trying a quantification of medium and long term advantages, resulting from environmental protection is only a basic form, unacceptable in sustainable development analysis.

Keywords: Sustainable Development, Corporate Social Responsibility, Corporate Sustainability

Introduction

The origin of the term SD lies in the 18th century. It was originated by Carlowitz in 1713 and was actually used in forestry. In those times, it was only allowed to cut down a certain number of trees so that a long-lasting protection of the tree population was guaranteed. Carlowitz emphasized importance of timber growth and lumbering. This method ensured a continuous supply of wood without reducing resources for forthcoming generations.

The term was first popularized in 1987, in *Our Common Future*, a book published by the World Commission for Environment and Development (WCED). Sustainable Development means 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'

But what are our present needs? For an individual need might be clean air to breathe and proper transportation or for a country it's need is for cheap labor and worker's needs for livable wages or an individual families need for firewood conflict with the need to prevent erosion and conserve topsoil. Our needs are conflicting in itself. Which would we choose? How to make decision? At individual level, we have conflicting needs, how much is that multiplied when we look at a whole community, city, country, world? How do we decide whose needs are met? Poor or rich people? People living in cities or in the countryside? You or your neighbor? The environment or the corporate? This generation or the next generation? When there has to make choice, whose needs should go first? Here comes to help the concept of sustainable development.

Meaning of Sustainable Development

Sustainable development is often referred as the matrimony of economy and ecology. i.e. to attain economic development without compromising the ecological balance. It is 'a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.' Sustainable It can be attained by rigorous policy change, taking action and changing practices. Sustainable development suggests that meeting the needs of the future depends on how well we balance social, economic, and environmental objectives--or needs--when making decisions today. Some of these needs are itemized as under.

- **Economic:** To attain balanced growth through providing Services, fulfilling household needs, growth of industries as well as agriculture and Efficient use of available labor.

Correspondence:

Falguni Mitesh Thakkar
SDJ International College,
Surat, Gujarat, India

- **Social:** Guarantying equity, participation, empowerment, social mobility, cultural preservation, justice and democracy.
- **Environmental:** To preserve the eco system, there must be emphasis on reducing waste, effluent generation, emission into environment, use of renewable raw material elimination of toxic substances, clean air and water etc.

Many of these objectives may seem to conflict with each other in the short term. For example, industrial growth might conflict with preserving natural resources. But in the long term, responsible use of natural resources now will help to ensure that there are resources available for sustained industrial growth for the future.

John Elkington goes more into detail when arguing that companies should not only focus on enhancing its value through maximizing profit and outcome but concentrate on environmental and social issues equally (Elkington, 1994). Therefore sustainable development is defined as a model of triple- bottom-line. In the United Nations Conference on Environment and Development in Rio de Janeiro 1992 and the Johannesburg Summit on Sustainable Development 2002, the Brundtland-concept of the three pillars has been further elaborated.

Sustainable development is not the sole responsibility of government regulators and policy makers. But it is recognized fact that industry has a significant role to play because corporations have always been the engines for economic development. They needed to be more proactive in balancing this drive with social equity and environmental protection, partly because they have been the cause of some of the unsustainable conditions and also because they have access to the resources necessary to address the problems.

Components of Sustainable Development

1. Corporate Social Responsibility (CSR)
2. Corporate Sustainability

Corporate Social Responsibilities (CSR)

A company's/ Corporate sense of responsibility towards the society i.e community and environment in which it operates is called Corporate Social Responsibility. In other words Corporate Social Responsibility refers to business practices involving initiatives that benefit society. It can encompass a wide variety of tactics, from giving away a portion of a company's proceeds to charity, to implementing "greener" business operations.

CSR deals with the role of business in society. Its basic premise is that corporate managers have an ethical obligation to consider and address the needs of society, not just to act solely in the interests of the shareholders or their own self-interest. In many ways CSR can be considered a debate, and what is usually in question is not whether corporate managers have an obligation to consider the needs of society, but the extent to which they should consider these needs.

A 1973 article by Nicholas Ebserstadt traced the history of CSR back to ancient Greece, when governing bodies set out rules of conduct for businessmen and merchants (Managing Corporate Social Responsibility, Little, Brown and Company, 1977). The role of business in society has been debated ever since. According to Archie B. Carroll, one of the most prolific authors on CSR, the modern era of CSR

began with the publication of the book Social Responsibilities of the Businessman by Howard Bowen in 1953. Since then, many authors have written on the topic. For the first few decades after 1953, the main focus of these writings was whether corporate managers had an ethical responsibility to consider the needs of society. By 1980 it was generally agreed that corporate managers did have this ethical responsibility, and the focus changed to what CSR looked like in practice.

Broad forms of Corporate Social Responsibility:

Environmental efforts: One primary focus of corporate social responsibility is the environment. Businesses regardless of size have a large carbon footprint. Any steps they can take to reduce those footprints are considered both good for the company and society as a whole.

Philanthropy: Businesses also practice social responsibility by donating to national and local charities. Businesses have a lot of resources that can benefit charities and local community programs.

Ethical labor practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States.

Volunteering: Attending volunteer events says a lot about a company's sincerity. By doing good deeds without expecting anything in return, companies are able to express their concern for specific issues and support for certain organizations.

Corporate Sustainability

Sustainability is a company's capacity to prosper in a competitive and changing global business environment by anticipating and managing current and future economic, environmental and social opportunities and risks. Companies that address these factors through innovation, quality and productivity enhance their ability to generate long-term shareholder value."

Corporate sustainability is imperative for business today – essential to long-term corporate success and for ensuring that markets deliver value across society. To be sustainable, companies must have three things. Foremost, they must operate responsibly, □ must do their business activities in alignment with universal principles and take actions that support the society around them. Then, to push sustainability deep into the corporate DNA, companies must commit at the highest level, report annually on their efforts, and engage locally where they have a presence.

Corporate Sustainability is a company's delivery of long-term value in financial, environmental, social and ethical terms. It is a business approach that creates long-term consumer and employee value by creating a "green" strategy aimed toward the natural environment and taking into consideration every dimension of how a business operates in the social, cultural, and economic environment.

Benefits of Corporate Sustainability

1. Strong Corporate sustainability can make company a better company
2. Decision-making through a Sustainability lens supports long-term profitability

3. A big goal of Corporate Sustainability is increased transparency.
4. Sustainability is largely about managing risk and driving innovation, both of which are top priorities for most corporations
5. Attract and retain top talent
6. Corporate Sustainability can drive innovation and efficiency and ultimately, valuation.

Conclusion

Sustainable Development can be achieved through implementation of following in the business:

- **Identifying Business Goal**

The business has to identify the most appropriate goal for the business and to focus all the efforts and available resources on making progress towards achievement of the goal by producing product or providing services.

For example food retailer may align with nutritional experts to decide contents to be used in the product which will not hamper health of the customers, keeping in mind employment generation for it might make sense for a drinks company to focus on SDG 6 – Clean Water & Sanitation and support a programme to provide safe drinking water to communities around the world, whereas a food retailer may want to align with SDG 2 – Zero Hunger relating to food security, nutrition and sustainable agriculture.

If a businessman is able to make a measurable difference in his selected area, this approach can help them gain brand awareness, competitive advantage, and secure positive acknowledgement.

Whilst this approach can be a good way to establish focus and motivate organization, companies adopting it must remain mindful of the wider impacts related to their business operations and have a strategy in place to manage these. Failing to do so could lead to negative impacts that undermine the positive work you deliver against your selected flagship Goal.

- **Using the Global Goals as a framework for action**

Focusing on a flagship Global Goal makes most sense for organizations whose core business purpose or products are closely aligned to a particular issue. For others it can be more appropriate to use the whole suite of Global Goals as a framework for sustainability.

By taking a holistic approach company can prioritize and plan activity that will strengthen your supply chain, build local market awareness and generate positive partnerships with local governments, businesses and influencers – helping you build a sustainable and profitable future for your business, as well as delivering towards the goals themselves.

Using the Goals for collaboration

An often overlooked, but important role of the Global Goals is as a tool to encourage collaboration and shared investment – something that ClimateCare is experienced in facilitating.

All businesses require environmental and social infrastructure to operate and grow.

The Global Goals provide a common language which business can use to engage with each other, investing in partnership programmes to provide the shared

infrastructure each party requires – for example clean air, reliable energy, efficient transport, education, and health. The results not only improve life for some of the world's poorest and hardest to reach communities – they can grow your business.

References

1. Oxford University Press, 1987
2. Carlowitz, H.C. Edler von (1713): Sylvicultura Oeconomica. Meissen
3. WCED (The World Commission on Environment and Development; 1987): Our common future. Oxford
4. John Elkington, "Towards the Sustainable Corporation: Win-Win-Win Business Strategies for Sustainable Development," *California Management Review* 36, no. 2 (1994): 90–100. www.worldbank.org www.businessnewsdaily.com
5. www.go.sap.com www.dac.dk/en/dac-cities/...cities/.../1987
6. www.globalcompact.de/.../un_global_compact_guide_to_corporate_sustainability
7. www.dac.dk/en/dac-cities/...cities/.../1987--brundtland-
8. www.chapters.theiia.org/Denver/.../Corporate%20Sustainability