



A STUDY OF THE RELATIONSHIP OF CSR WITH THE ENVIRONMENT

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ABSTRACT:

This article highlights the symbiotic relationship that exists between the business, society and environment. It compares the business to the human person. Just like the human person who receives everything from his/her mother is expected to care for his/her mother at the old age, business also has a moral responsibility to care for the environment which provides everything, like raw materials, fuel, atmosphere, etc. for its wellbeing. It also describes how the five elements of nature, namely earth, Water, Fire, Space and Air, contribute to the success of business and after offering everything to the success of business it becomes barren. It paints the sordid picture of how the ecological balance is sacrificed at the altar of modern technological advancement. Hence it is recommended that we concentrate on the sustainable development, where the environment and the technological advancement can go hand in hand. We need to act as the trustees of the nature and environment, and use it for our need and not for our greed. It tries to establish the fact that CSR is not a liability but an asset by quoting prominent management thinkers.

KEYWORDS:

Business, Corporate Social Responsibility, Environment, Sustainable development, Symbiotic relation.

INTRODUCTION:

Many of us have the notion that Corporate Social Responsibility (CSR) is something to do with philanthropy and a doling-out activity, springing from the magnanimity and generosity of the corporate. If we look deeper into the concept of corporate social responsibility we would understand that it is just the opposite of it. As the very term CSR says, it is the 'responsibility' of the corporation to the society.

Someone becomes responsible only when (s)he has the duty to do something so that (s)he may be blamed if something goes wrong. Thus there exists a symbiotic relationship between the business and society as in the case of a mother and her child. The business gets everything it requires from the society and from the nature just as a fetus in the mother's womb gets all it wants from the mother through the umbilical cord. As a fully grown adult, it becomes the duty of him/her to take care of the mother (parents) who is old and sick because she spent everything she had for the



growth and wellbeing of the grown up person. In a similar fashion, the business which sucks everything from the mother-earth and mother-nature for its survival and prosperity has the duty and responsibility to replenish the earth and nature in all possible ways. The business has the responsibility to rejuvenate the nature

The mother brings forth the new-born baby to the world with so much of struggle and sacrifices; and the child, as a grown up person, has the responsibility towards his/her mother – towards her wellbeing, happiness and sustenance. Hence, no one can say that the efforts of the grown up person to support his/her mother is something that flows out of his/her magnanimity of generosity. Rather it is his/her moral responsibility. (S)He is duty-bound. It is a moral imperative on the part of the person to care for his/her mother. It should flow from the person spontaneously and tenderly as a song flows from a cuckoo. This simile is applicable to business and environment as well.

CREATING CUSTOMER IS THE PURPOSE OF BUSINESS:

Business cannot operate either in isolation or in vacuum. Like individuals, businesses also need to exist in the real world, i.e., in society. Business looks up to the society for the needed inputs like money, men, and skills for its manufacturing activity. In addition to that business also depends on the society for the market where the manufactured products may be sold to the buyers. Since business depends on society for its existence and growth, it also has a definite responsibility towards society. Peter F Drucker (1975), the leading management thinker of the last century, tells that creating a customer is the purpose of a business. "If we want to know what a business is, we have to start with its purpose. There is only one valid definition of business purpose: to create a customer. The customer is a foundation of a business and keeps it in existence. The customer alone gives employment. And it is to supply the customer that society entrusts wealth-producing resources to the business enterprise."

Going by the definition of Peter F Drucker, the customer does not live somewhere up in the sky. (S)He lives, moves about and has his/her existence in the society where a business unit also survives and grows solely by taking care of his/her needs. Hence the business is duty-bound to care for the society because it is due to the patronage of the society, a business exists. In short, business revolves around the society.

He further says that Social Responsibility transcends legal obligations and it is on a voluntary basis for the genuine benefit of the society. In the words of Peter F Drucker (1975), "Social responsibility requires managers to consider whether their action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength and harmony."

The same point is driven home by the Marketing guru Philip Kotler (2005). He says, "Corporate Social Responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources." A very good example is found in the person of Henry Ford who brought about a revolution in transportation and American industry. Henry Ford had a deep sense of commitment to the community and exhibited this commitment in a visible form. He took efforts to build subdivisions in Detroit to provide affordable housing for thousands of workers, and established Detroit's first large general hospital for the public.

HUMAN AND BUSINESS LIFE CYCLE:

The Indian mythology says that man is made up of the five elements (panchabootha), namely, Earth, Water, Fire, Space and Air. The human life cycle consists of childhood, adolescence, adulthood and old age. At end of the life cycle, when a (wo)man dies, all these five elements get integrated back into their original sources, namely earth, water, fire, space and air. And that is why the environmentalists say that the human beings have a symbiotic relationship with nature and they need to show greater responsibility to nature and to its protection.

In the same way, business also has its own life cycle and it passes through various stages in its life, such as the introduction stage, Growth stage, Maturity stage and Decline stage. An organization receives inputs from the society in the form of skilled/unskilled labour, raw materials and natural resources. And, in turn, it offers goods and services to society. While on the one hand industry provides employment opportunities and thus facilitates socio-economic progress, it also displaces people, on the other. It becomes the duty of the industry to ensure proper infrastructure facilities.

THE MOST UNKINDEST CUT OF ALL:

“The most unkindest cut of all...” these are the words of Mark Antony in the funeral oration in honour of his assassinated friend Julius Caesar. When Mark Antony calls Brutus’s stabbing of Julius Caesar “the most unkindest cut of all,” he is playing with words. Shakespeare uses the word “unkind” in two meanings. One is that it is an “inhumane” act, and the other is that it is “unnatural.” According to Mark Antony, when Brutus literally “stabbed” the loving Caesar, a bloody act of murder was compounded with ingratitude. It wasn’t the wound that killed Caesar, says Antony, but it is Brutus’s treachery that killed him. In the same way, if the corporate fail to care for the environment and ecology, which gave its bosom to nurture business, such an act can only be termed as the unkindest cut of all.

BENEVOLENCE OF THE FIVE ELEMENTS:

A lot of people are too busy to understand and appreciate the importance of nature’s five elements in their lives. It is important not to be ignorant of what is happening around us, especially to the place we regard as our home – the environment. We have only one planet to live, and let us take care of it. Let us not take it for granted. Let us now examine the beauty and the bountiful riches of each of the five elements.

i) EARTH (BHUMI): The earth interacts with other objects in space, especially the sun and the moon. It is estimated that only one-eighth of the surface of the Earth is suitable for human habitation; three-quarters (75%) is covered by the seas, and the remaining half of the land area is either desert (14%), high mountains (27%), or other less suitable terrain. Both the mineral resources of the planet, as well as the products of the biosphere, contribute riches that are beneficial to support the world’s population. Some of the minerals are non-renewable, such as mineral fuels and ores, which are difficult to replenish with a short period of time.

It is the mother earth’s lap that welcomes a businessman to have his being. It is from the Industrial Revolution time onwards that the earth started bleeding by the construction of huge concrete structures. The green carpet of forests and fields got converted into concrete jungles that monstrous machines to produce goods and services for the greed of the human beings. The soil that was once fertile was made alkaline due to the effluents, pesticides and chemical fertilizers. Our greed has wounded the planet earth and we have a planet to heal.

ii) WATER (JALAM): Water is the source of life, and all the civilizations had their genesis on the banks of the river-in water. There is an inseparable relationship between water and human existence. Our human body is nearly 60% water. The earth is surrounded by water. Environmentalists say that the fight for water as a scarce resource would lead to the Third World War. When human existence is solely dependent on water, it is needless to impress upon the necessity of water for the survival of any business.

Water pollution is the contamination of water bodies like lakes, rivers, oceans and groundwater. Water pollution occurs when pollutants are discharged directly or indirectly into water bodies without adequate treatment to remove the harmful compounds.

Water pollution affects plant and organisms living in these water bodies. In most of the cases the effect is hazardous and poisonous not only to individual species and populations, but also to the total natural biological communities. It has been established by statistics that it is the leading worldwide cause of deaths and diseases. Water contamination accounts for the deaths of more than 14,000 people every day. Approximately 700 million Indians have no access to a proper toilet, and 1,000 Indian children die of

diarrheal sickness every day. Pollutants in the water change the overall chemistry of water, causing a lot of changes in temperature. All these actors have an adverse effect on marine life. They pollute and kill marine life. Marine life gets affected by the ecological balance in water bodies, especially the rivers and the lakes. Water pollution effects have a huge impact on the health of an individual and the environment as a whole.

iii) FIRE (AGNI): The word agni is Sanskrit for “fire” (noun), cognate with Latin ignis (the root of English ignite). Agni has three forms: fire, lightning and the sun. It is fire that taught the primitive hunter to cook food and paved the way for the modern day culinary and cuisine. It is fire that helped man to forge metals and taught and transformed the barbaric hunter into a civilized agriculturist. There started the era of manufacture and production. It is fire that taught man to invent engines to use the energy (remember James Watt and his steam engine) and energy to operate the engines.

In a later Hindu interpretation, as Ravindra Kumar (2008) says, agni stands for knowledge. The light agni emits is the light of knowledge. Hence it is also known as the illuminator of knowledge, intelligence, and buddhi who lights up the path leading to Truth. In the same vein, David Frawley (2006) opines that the human soul or agni is the ultimate result of the evolution of the animal soul and of the plant and mineral realms. The human soul that should be the crowning glory of nature and the protector of the Earth is trampling upon the very animals, plants and even rocks through which it evolved and which are its mothers. This is because we have forgotten our soul, our Agni, our flame portion of the Divine light.

iv) SPACE (AKASHAM): Psalm 19 in the Bible poetically describes the beauty and purpose of the sky: “In the heavens God has pitched a tent for the sun. It is like a bridegroom coming out of his chamber, like a champion rejoicing to run his course. It rises at one end of the heavens and makes its circuit to the other; nothing is derived of its warmth”

The greed of human beings throws a monkey wrench in the works of God. The unbridled craving for goods and services of the human beings has depleted the ozone layer. The consequence of such an irresponsible act of the human beings is colossal. Climate change is a predominant global challenge today for the government, corporate and the civil society. Everyone has a role to play in curbing the greenhouse gas emission. The Polar scientists say that Arctic sea ice has melted to a level not recorded since satellite observations started in 1972 and almost certainly not experienced for at least 8,000 years. The German researcher Georg Heygster, head of the Institute of Environmental Physics at Bremen, says that the record melt was undoubtedly because of human-induced global warming. We should remember that the Arctic ice plays a critical role in regulating Earth’s climate.

v) AIR (VAYU): Air is the most vital element that keeps any being, be it human beings, animals or plants, alive. That is why it is also called as prana, and when someone dies they say that “his life departed” (uskeprannikal gaye). The World Health Organization states that 2.4 million people die each year from causes directly attributable to air pollution, and 1.5 million of these deaths are attributable to indoor air pollution. The health hazards caused by air pollution include difficulty in breathing, wheezing, coughing and aggravation of existing respiratory and cardiac conditions. Smog hanging over cities is the most familiar and obvious form of air pollution. But there are different kinds of pollution – some visible, some invisible – that contribute to global warming. In general, any type of substance that people send up into the atmosphere that has damaging effects on living things and the environment, like the burning of tyre and rubbish during Bhogi or bursting of crackers during diwali, is considered air pollution.

Gandhiji pointed out sadly in Indian Opinion dated 1.2.1913, the irony of the situation where one has to pay a price even to get pure air: “Nature has provided it (air) to such extent that we can have it at no cost. But modern civilization has put a price even on air. In these times, one has to go off to distant places to take the air, and this costs money.”

Carbon dioxide, a greenhouse gas, is the main pollutant that is warming the Earth. It is widely considered to be a pollutant when associated with cars, planes, power plants, and other human activities that involve the burning of fossil fuels such as gasoline and natural gas. In the past 150 years, such activities have propelled enough carbon dioxide into the atmosphere to raise its levels higher than they have been for

hundreds of thousands of years. We need to take conscious efforts to reduce the “carbon footprint” – the amount of carbon dioxide a person is responsible for putting into the atmosphere. On a larger scale, governments are taking measures to limit emissions of carbon dioxide and other greenhouse gases. One of the ways is through the Kyoto Protocol, an agreement between countries that they will cut back on carbon dioxide emissions. Another method is to put taxes on carbon emissions or higher taxes on gasoline, so that people and companies will have greater incentives to conserve energy and pollute less.

DEVELOPMENT AT THE EXPENSE OF ECOLOGICAL BALANCE:

In Tamil there is a proverb to highlight the unmatched cost we pay for a particular object: “sell the eyes to buy a painting”. It makes no sense to buy a magnificent painting by selling one’s eyes. The very purpose of buying an artwork is to enjoy the exquisite beauty of it. After giving the eyes as the price for the artwork, how come a person going to luxuriate in the beauty of the picture? And precisely that is what we are doing to nature. Our ‘instant’ culture, where we wish to have everything instantly, starting from the instant coffee powder to the Caesarean operation to have the birthday of the baby on an auspicious day and hour, we are more anxious about the end we wish to achieve and care less about the means we employ to achieve our ends. In the name of development and sophistication, we have paid a handsome price of messing up the ecological balance.

Alasdair Blair (2001) observes that the last two hundred years have seen fundamental changes to the physical environment-probably greater than any other two hundred year period since the dawn of civilization. The landscape has drastically changed during these two centuries due to the paradigm shift of our focus from agricultural to industrial interests. Business has experienced a sea change to the point that what now poses for business would be unrecognizable to our ancestors in 1800. To give a few examples: the light bulb, television, airplanes, computer, cellphone, internet... the list will go on and on.

All the sophistications come with a price tag. Our four-lane and six-lane roads have bulldozed the trees and reduced the green carpet almost to nil in our metropolitan cities. This has given rise to more heat...more air conditioning...moreo zone layer depletion...and more infirmities. As the Father of the Nation, Gandhiji, says the industrial revolution has made the fresh air a luxury. The white revolution has made milk, the staple diet of the children and the elderly, into a chemical concoction. The Blue revolution has made the sea barren by wiping out all her riches through the monstrous trawlers that fish in the deep sea indiscriminately. The Green revolution has poisoned the earth with chemical fertilizers and pesticides.

This does not mean that all these revolutions and innovations have caused only havoc and brought about misery. No doubt, they played their positive role in the GDP and the economic growth. But we have failed to think of a sustainable growth. We were too greedy to get everything for ourselves without leaving anything for our posterity.

Of course, the nature and the natural resources are meant for the wellbeing of the human beings. As Mahatma Gandhiji’s trusteeship model of governance insists, we are the trustees of these valuable resources and bountiful riches. But we failed to play the role of the trustees, and instead, we assumed the role of the plunderers. As religious leaders say, God has given enough for our need and not for our greed. We need to use these natural resources responsibly. The time has come for us to enrich our mother-nature. The business in particular, has a special responsibility in this process.

RESISTANCE TO CSR:

People who are not in favour of CSR always quote Milton Friedman. The famous dictum, “The business of business is business”, was pronounced by Milton Friedman, winner of the 1976 Nobel Prize for excellence in Economics. His essay in The New York Times magazine (13 September 1970) created a never-ending debate on the conduct of business and its consequent relation to society. But people tend to forget that his essay “The Social Responsibility of business is to increase its Profit’ was written against the backdrop of rising interest in socialist thinking. To counter the socialist thinking Friedman took the other extreme and

criticized the tendency of businessmen talking about social responsibility and social conscience (Sanjay K Agarwal 2008).

But a lot has changed in recent years. Shareholders, being also consumers, employees and community members, are demanding responsibility and accountability from companies. Kumarmangalam Birla, Chairman, Aditya Birla Group, says: "The days are long past when the business was business. The idea that the corporation is merely a legal abstraction, devoid of heart and soul, no longer has legitimacy. The corporation may be an economic wunderkind, but it falls short and often falls apart if it does not meet the needs of society, or if it does not act with a conscience. Today, no stakeholder-be it a shareholder, an employee, the community or the government would accept a business whose rationale is limited to profits at any cost, or only to compulsions of its immediate business."

Many corporate houses are reluctant to be environmentally friendly because they fear that it would increase the cost and the customers would shun the product. But the reality is that 75% of the consumers' purchase decisions are influenced by a company's reputation with respect to the environment, and eight in ten say that they would pay more for products that are environmentally friendly (Philip Kotler and Nancy Lee, 2005)

RAW MATERIAL IN THE WRONG PLACE:

In the process of enriching the environment and ecology we need to learn to Recycle, Reuse, and Reduce. In 1919 Talbot published a book entitled Millions from Waste which attempted to explain to the British industrialists that they were blind to the industrial opportunities to utilize waste that were to some extent already implemented by their international competitors. Talbot defines waste as 'raw material in the wrong place' and provides numerous examples of possibilities of using waste to create valuable products. The throw-away culture has create a lot of havoc to environment. The plastic waste, as a non-degradable waste, is one of the serious concerns of all governments all over the globe. It is consoling to know that researches are carried out to study the various possibilities of recycling the waste.

GREEN IS THE NEW COLOUR OF MONEY:

People have become green conscious. The scorching sun and soaring mercury year has made people realize their responsibility towards nurturing the environment. Thus the concept of the "Green" has pervaded the whole gamut of human life. Mathew J Kiernan (2009) has written a book entitled "Investing in a sustainable world: Why Green is the new colour of money on Wall Street". His book demystifies the concept of sustainable investment and offers a convincing justification for Wall Street to consider environmental and social criteria, not as afterthoughts but rather as core considerations in our investment decision making framework. It is not merely in investment but also in buildings, marketing, and a host of other areas where 'green' is insisted. This is a clear indication that the business has started to respond to the signs of the time.

CONCLUSION:

As many scholars who advocate corporate social responsibility say, the Bottom-line benefits of CSR are increased sales and market share, strengthened brand positioning, increased ability to attract, motivate and retain employees, decreased operating costs, and increased appeal to investors and financial analysts. Peter F Drucker (1968) succinctly points out the sole objective of corporate social responsibility as, "The proper social responsibility of business is to tame the dragon-that is, to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth."

Anyone who understands the symbiotic relationship of business with the environment would not hesitate to care for nature. Let the corporate houses understand that it is time for them to nurture and environment. Let them do it with great devotion and dedication. This will help the sustainable growth of the

economy as well as the environment. When the nature is well-protected, our future is also well-protected. Just as Gandhiji wanted, we all will serve as the responsible trustees who care for the development of the humanity and safeguard the beauty and richness of mother-earth.

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