

ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN PROTECTING THE ENVIRONMENT: A CRITIQUE

Dr. Santosh Kumar

Assistant Professor

Dept. of Law Justice and Governance

Gautam Buddha University, Greater Noida

Email: santoshtiwari@gbu.ac.in

Aarti Chaprana

Research Scholar

Dept. of Law Justice and Governance

Gautam Buddha University, Greater Noida

Email: aartichapranakhari@gmail.com

Abstract

Humans, societies, and environments are interdependent. Because society and the natural world are intertwined, it is human nature's duty to protect them. This fundamental belief considers environmental preservation. However, their influence on the environment has grown due to the quick expansion of science, technology, and the economy. They have increased ecological imbalances and environmental deterioration. As a result, numerous specialized laws have been created to safeguard the ecology and environment. Additionally, to these laws, a comprehensive law, i.e. The Environment (Protection) Act of 1986 and its implementing regulations aim to avoid, control, and mitigate all forms of pollution. But the applicability of these laws is in jeopardy since firms are hesitant to comply.

Conversely, the businesses are requesting Corporate Social Responsibility (CSR). They contend that caring for and protecting the environment and human resources is their societal duty. Because of this, several corporations are developing or have developed codes of conduct. A phenomenon known as "corporate social responsibility" holds that businesses must act morally even when it goes beyond the letter of the law. The premise of the concept is that businesses should address social and environmental challenges in addition to governmental policies. More specifically, corporate social responsibility (CSR) is defined as the voluntary integration of social and environmental issues into business operations and stakeholder interactions by businesses. Being a socially conscious business entails more than just following the rules when it comes to the environmental degradation and natural resources.

However, the issue is: Is that CSR is necessary? First, why not to follow the existing law? Numerous reports have surfaced indicating that businesses are not even meeting the bare minimum of requirements set forth by law to improve environmental protection. The

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Dr. Santosh Kumar,
Aarti Chaprana

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Dr. Santosh Kumar, Aarti Chaprana

second thing that comes to mind after reading these reports and hearing companies' justifications for CSR is whether or not these corporate entities are truly protecting the environment or if they have other agendas. Once more, will businesses forfeit their profits to mitigate their influence on the environment? The final and most important question is whether businesses are implementing CSR out of a sense of social duty or to keep their stockholders accountable.

In this work, I have investigated and looked into each of these questions. Before delving into the gray areas of CSR, this paper clarifies what CSR is, and why, as opposed to CSR, law should law be incorporated? Thus, this essay analyzes CSR and makes the case for legal compliance.

Introduction

“Love for Nature” is a phenomenon that is as old as humanity itself. Plato once stated, “Man is the measure of all things.” Man loves the natural world, and the natural world feeds him. A man protects himself because he loves society. Because nature and society are interdependent, it is human nature’s duty to protect both. This fundamental idea envisions both the preservation of humanity and the protection of the environment. Because of this, man both creates and shapes his surroundings, giving him physical form and the chance to develop intellectually, morally, socially, and spiritually. During the lengthy and arduous process of human evolution on Earth, man has reached a point where, thanks to the speedy advancement of science and technology, he is able to alter his surroundings in an unparalleled number of ways. Therefore, man-made environments, such as those created by scientific and technological breakthroughs, have a negative impact on the natural environment, which includes the wind, water, earth, tree, plants, animals, microorganisms, waterfalls, natural lakes, mountains, etc. Corporate entities, especially those in the chemical industry, have had a negative impact on the environment due to their development in the field of atomic energy and their increased usage of fossil fuels.

Furthermore, it is believed that corporate entities constitute the backbone of the country’s economy, yet they have also been linked to pollution and environmental damage. The well-known Minamata sickness that struck Japan in 1956, the Bhopal gas tragedy in 1984, and the 1986 Chernobyl atomic reactor accident in the USSR have all demonstrated how industrialization poses a major threat to aquatic life, vegetation cover, animals, and people. Businesses urgently need to repair their reputations because of the widespread mistrust and indignation over the careless behavior of big business. Because of these conditions, the term “corporate social responsibility,” or “CSR,” became popular among business organizations hoping to control public opinion around the world while operating in an open market economy.

According to the World Bank, corporate social responsibility (CSR), the duty of a business to account to all of its shareholders for all of its working. When

making choices, socially conscious businesses balance the interests of all stakeholders with the requirement to turn a profit. They also take notice of the full expansion of their impact on human beings and environment. According to Deborah Doane (2004), CSR is essentially a change in the emphasis of the corporate responsibility from increasing shareholder profits within legal requirements and accountability to wider arena of shareholders, inclusion of the community concerned like environmental preservation and shielding from both the ethical and legal obligations.

CSR policies refer to a company's promises to demonstrate heightened care for the environment, human rights, and fairness to suppliers and customers. This commitment is naturally reflected in the company's statements of entrepreneur principles or corporate-specific codes of working.

It is contradictory that while corporate social responsibility (CSR) activities aim to prevent pollution and preserve the environment, these firms are also held accountable for ecological imbalances and environmental deterioration. There are countless examples, such as the suffering of the Ogoni people of Nigeria or the inhabitants of Bougainville Island, as well as comparable incidents of infringement of human rights and its abuses committed by African oil magnates and companies like Exxon and Sheel. The reason multinational corporations (MNCs) developed into develop or advance countries is surely no altruism; rather, it is to take advantage of advantages such as low-cost labor and natural materials, also the slack enforcement of labor and environmental preservation in these countries. "I have explored for oil in Venezuela, I have explored for oil in Kuwait, and I have never seen an oil rich town as completely impoverished as Oloibiri," said a BP engineer on a 1990 visit to an oil town in Nigeria. (Greenpeace International 1994:14; Eweje 2006:111 cites this source).

From the foregoing, it is evident that corporate social responsibility (CSR) is a clever ploy to avoid corporate responsibility or adherence to state-sponsored regulations and norms. The corporate houses continue their reckless practices without fear of being forced to change, giving the idea that voluntary codes and charters are sufficient.

Corporate Social Responsibility and Environment Protection A Reality

Corporate America often argues that it is making its industries more environmentally friendly, but the ultimate result is always the same: never comply.

Corporate entities assert that they are implementing the Corporate Social Responsibility (CSR) agenda to make their corporations more environmentally and humanely friendly; nevertheless, the reality varies somewhat. In reality, corporations

want to profit from their stockholders. Numerous reports demonstrate that industry is the primary cause of environmental contamination.

Industries that prioritize profit over environmental preservation harm the environment in the available ways (Shastri, 2005):

- a) Industrial application by way of natural resources, which devastates the environment and destroys nature. As raw materials, natural products are needed for the production of cotton, textiles, paper, iron, coal, oil, feed, plywood, food processing, etc.
- b) Industrial waste products, or effluents, are dumped untreated into land and water, contaminating both and harming subsurface water and aquatic life.
- c) The use of fossil fuels in the production of kerosene, coal, diesel and Atomic energy also degrades the air quality with radioactive particles and smoke.
- d) Another significant byproduct of industry and industrial goods is noise, which contributes to noise pollution.
- e) Another significant source of contamination for the environment is industrial waste, especially radioactive and hazardous waste.

Numerous incidents have occurred that demonstrate how the human race is in danger as a result of over exploitation of natural resources and corporation waste. Love Canal Incident of 1978 in the United States, where residents were safely take away from the place and the United States authority spent over \$30 million on a clear-up operation, the Bhopal Holocaust (1984) in which over 3000 people died and approximately lakhs were directly or indirectly stirred by the leakage of MIC gas, and the Seveso Incident (1976) in North Italy, where contaminated dangerous debris, available in steel drums, were moved out of innocuously with a barrel of vinegar at a plant that made pickles, and it caused chaos thereafter.

A representative sample of the dangers that industrialization poses to the current generation and future generations is the methyl-mercury poisoning that occurred in Minamata Bay (Japan) between 1956 and 1980. Other examples include nuclear accidents at Three Mile Island, the USA nuclear power plant in 1979, and Chernobyl in the former USSR. Studies on these occurrences show a range of immediate and long-term impacts on people, animals, and plants. It is still necessary to compile an exhaustive list of the different conditions and their reversible and irreversible side effects. While some negative impacts have been recognized and assessed, others have not materialized. The assessment is challenging.

According to a NEERI study that was never published, air pollution from factories and industries is thought to be the cause of respiratory illnesses in 60% of Calcutta's population. Emissions of pollutants, particularly SPM, are mostly caused by burning coal for home and industrial use. Throughout Calcutta, suspended particulate matter from burning coal is undoubtedly a serious issue that needs to be the primary focus of immediate management measures. The low sulfur content (0.3 percent) of the local coal accounts for the surprisingly low SO₂ values (within WHO standards). Visit www.ess.co.at.

Judiciary Role in Grading the Environment

Corporate houses have been held accountable for environmental deterioration and pollution in a number of cases that have been brought before the Indian Supreme Court and State High Courts.

The Ganga Pollution Case, *M.C. Mehta vs. Union of India* (1988) 1 SCC 471, is well-known for establishing that a tannery had contaminated the sacred river Ganga. In this instance, tanneries used to release raw wastewater into waterways, and the Ganga river water near Kanpur was discovered to be extremely poisonous. The court mandated that tanneries cease operations and establish pre-treatment facilities for trade effluents prior to resuming. Furthermore, it was decided that statutes have to be properly applied and followed.

The Supreme Court recently ordered the closure of companies or their relocation from the State of Delhi due to the pollution of the holy river Yamuna by untreated effluent and sludge from these enterprises in *A.Q.F.M. Yamuna vs. CPCB* (2000) 9 SCC 440.

The Taj Mahal in Agra, a historical monument, was determined to have yellowed due to chemical and hazardous industries, and an oil refinery in the *M.C. Mehta v. Union of India* (Taj Trapezium Case). The marble of the Taj Mahal is impacted by "acid rain," which is sulfuric acid created when oxygen in the atmosphere combines with sulfur dioxide from the Mathura Refinery and moisture. Consequently, the Supreme Court issued directives ordering the relocation or closure of 292 industries located on the Taj Trapezium.

The Union Carbide Corporation's Bhopal MIC gas leak provided a catalyst for the development of environmental legislation and the laws governing compensation amount. *Union of India v. Union Carbide Corp.* The opportunity to advocate for the concepts of "no-fault liability" and "absolute liability and non-delegable duty of the industry dealing in inherently threatening and serious or risky operation" was once again presented by the oleum gas leak from *Shri Ram Food and Fertiliser Corp. (Union of India v. M.C. Mehta)*

In addition, the Supreme Court recognized the principle of Polluter pay in *Indian Council for Environment Legal Action and Others v. Union of India* (1996) 3 SCC 212. In this instance, dangerous chemicals like oleum were generated by a few chemical companies in Bichhri (Udaipur District). These industries lacked the necessary licenses, permissions, etc. Additionally, they lacked the technology required to treat the harmful effluents that were released. Poisonous materials seeped into the Earth's interior as a result of untreated waste waters and poisonous sludge. Subterranean water supplies and aquifers became contaminated; wells and streams turned murky and dirty; and water became unsafe not only for human use but also for livestock to intake and for land purposes. So much, that it was no longer suitable for farming soil. The tremendous destruction of the environment led to a slow decline in health, sickness, and other disasters, as well as a rebellion by the local residents. The Supreme Court ruled that, in accordance with the Polluter Pays Principle, anyone engaging in hazardous or fundamentally harmful conduct is responsible for making up whatever losses he causes to third parties regardless of whether he exercised reasonable caution when doing his action.

Therefore, it was mandated that polluting enterprises reimburse the locals for whatever harm they had suffered.

These are a few significant instances where corporate entities were found accountable for environmental harm and ecological imbalances. In order to maximize their profits, practically every corporation in the world, and especially in India, exploits natural resources, harming the environment.

Conclusion

There are numerous particular environmental laws as well as general regulations in India. For example, although the Environment (Protection) Act of 1986 was passed to preserve the environment, firms are developing a new agenda for corporate social responsibility (CSR) to prevent environmental damage from beyond legal limits. However, the thought occurred to them that there are numerous laws in India that include stipulations that have been violated, including the Environment Policy of 2006. Why do they not follow these laws first? The corporation is found liable for damaging the natural environment and causing ecological disturbance, as has been highlighted in a number of cases, demonstrating the truth of their corporate social responsibility objective. In actuality, it is just poor capitalism. They claim to be doing well for society overall and to be socially responsible for the environment and human resources by incorporating CSR, but in reality, they are doing this to cover up their reckless commercial practices. Furthermore, the majority

of them portray themselves as socially conscious in order to maintain the company's reputation, but in reality, they have little regard for the environment.

In conclusion, I put forth my argument that the Corporate Social Responsibility goal will become pointless until and unless the industry and its entity violate current legal regulations. The current legislation should be followed; there is no excuses to go beyond it. The existing law should be made compulsory to comply with.

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