Q5(a)

Examine the relevance of corporate social responsibility in a world marked by increasing environmental crises

UPSC Civil Services Mains 2023 · Sociology GS 1 · 10 marks · Sociology

Sociology - The Discipline: Modernity and social changes in Europe and emergence of sociology; Scope of the subject and comparison with other social sciences; Sociology and common sense.

Core demand of the question

- Examine the relevance of corporate social responsibility in a world marked by increasing environmental crises
- Keep the examination within a 10-mark length

Revision summary

CSR is the firm's claimed duty beyond profit to community and nature.

Climate and toxicity make that duty relevant because firms produce much of the harm.

India's section 135 and ESG reporting institutionalise spending and disclosure.

Bhopal and offshoring of dirt show the limit of voluntary virtue.

Regulation and a change in the energy base remain the core response.

Introduction

Corporate social responsibility is the claim that firms have duties beyond profit to workers, communities, and nature. In a world of climate disruption, toxic waste, and biodiversity loss, that claim is relevant as a limited tool. It is not a substitute for public regulation of production.

Body

Why it is relevant

- Environmental crises are produced in large part by industrial and extractive firms, so the same organisations are asked to internalise costs they once dumped.
- Archie Carroll's pyramid placed legal and ethical duties beside philanthropy. Climate risk now sits inside the economic duty itself, because stranded assets and disasters hit the balance sheet.
- India's Companies Act, 2013, section 135, made a spending mandate for large companies, and Schedule VII lists environment among eligible heads.
- The United Nations Global Compact and later ESG reporting give a common language for investors to compare firms.

Limits in a crisis

- CSR can be a public-relations budget beside a polluting core, which the Bhopal gas disaster of 1984 still illustrates as a failure of industrial duty.
- Voluntary codes do not bind competitors. A firm that cuts emissions can lose market share if law does not bind the rest.

- **Andre Gunder Frank's map of core and periphery still matters:** dirty processes move to weaker regulators while CSR reports are written at headquarters.
- **Marx's point on surplus remains:** a firm exists to accumulate. CSR does not abolish that drive.

Examination

- Relevant as disclosure, local repair, and a political language that communities can use in court and in the press.
- Insufficient as the main response to climate and toxicity, which need state standards, liability, and a change in the energy base.

Flow diagram

Firm accumulation -> Environmental harm

CSR ESG mandate -> Report repair spend

Environmental harm -> Report repair spend

Public regulation -> Environmental harm

Report repair spend -> Limited without law

Conclusion

CSR is relevant in environmental crisis because firms are central producers of harm and can be pressed to report and repair. It is not sufficient, because voluntary spending cannot replace binding rules and a change in accumulation. Use it as one lever beside law, not as the solution.

Facts & figures

Companies Act, 2013, s.135
Indian statutory CSR spending mandate for companies above stated thresholds.

Schedule VII
Lists eligible CSR heads, including environmental sustainability.

Carroll's pyramid
Economic, legal, ethical, and philanthropic layers of corporate responsibility.

Bhopal 1984
Industrial disaster that showed the gap between corporate presence and duty to life and environment.

UN Global Compact
Voluntary principles on human rights, labour, environment, and anti-corruption for firms.