**Corporate Social Responsibility**

Companies were taking the necessary things from the society and earning profit. They were providing nothing much to the society. A need in the eyes of society was seen. The necessity of the important steps towards environment started becoming an issue. People realized that corporate sector also has responsibility towards society and environment. Then the term Corporate Social Responsibility came into existence.

**Main Problems, their scope and impact on the society**

 **Lack of awareness in community about CSR:** Local community avoids participating in the CSR activities of the company. There is lack of communication between the base of the community and company.

 **Capacity building of non-governmental organizations:** There is need of local

non-governmental organizations which are trained and efficient for finding the

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real need of the local community and meet their need to the CSR activities which are initiated by the companies.

 **Role of media:** Media highlights the CSR initiatives which are successfully working and due to this many non-governmental organizations involve themselves in the programs which are event based. In this process real meaning of the initiative is often miss out.

 **Narrow thinking for CSR initiatives**: Government and non-governmental organizations look towards CSR initiative with narrow perception, i.e., as a donation kind. So their participation decision becomes difficult for them in those activities.

 **Absence of clear policy for CSR:** Due to lack of clear guidelines for the CSR activities of the companies, it is seen that CSR initiation of the company is dependent on the size of the business and its profile.

 **Lack of full agreement on CSR implementation:** Because of the lack of proper consensus between local agencies and companies regarding CSR projects, competitive spirit generates between local agencies instead of cooperative approach.

 **CSR does not have exact definition:** As CSR is not yet defined exactly so everyone is defining it in their own way as per the profit. Informally, private sectors and companies recognized CSR as charity by providing financial support to different organizations. They worship development and infrastructures and donate some of their money for the betterment of the society.

 **Lack of transparency in the work of local agencies:** local agencies do not focus on disclose of the information about their program, funds and other things. Due to this, companies face problem in building the trust with local communities which is very important for the success of CSR initiative.

 **Absence of clear information about CSR in companies’ annual report:** An analysis of the annual reports of many companies indicate that most of the companies talk about their CSR initiatives at broad level but only a few of them mention the exact amount spent, either in the form of percentage or in absolute terms. For example in the analysis of the annual report of ITC it was found that the detailed expenditure in CSR initiatives was not mentioned. It is also reported that thirty eight companies of the Nifty companies mentioned CSR initiatives in their annual reports or exclusive sustainability reports, but there was no information on the amount spent.

**Economically viable model:**

. In the process there are many steps due to which society and environment get affected in a negative manner. It is not just that CSR is to be made mandatory. It is also important to know the overall economic and social aspects of the corporate sector. For example, a Tobacco company can easily allot 2% of its profits to ‘education’ while continuing to produce cigarettes. Many top companies in India, such as TATAs have a bad social record, recall the farmers agitation in West Bengal against the Nano project. But TATAs has the largest allotment to CSR!

Fertiliser companies take up tree plantations while continuing to ruin the environment,

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pesticide companies provide ‘child care’. The government authorities themselves run amok when villagers and social activities fight for environmental protection

Here comes the term “social loss”. Social loss includes the negative impact of the companies work to the society as well as to the environment. The ways in which a manufacturing company can cause social loss is given in a flow chart.

A manufacturing company causes social loss in three aspects- environment, man power and market which can further be categorised according to the affect to the society and environment.

The model is focussed on the minimization of the social loss caused by the manufacturing company to the society and environment.