

CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL WELFARE

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In today's era of globalization, the trend of Corporate Social Responsibility (CSR) is appearing as a managerial "magic word". In many business studies it has been found that CSR is mainly a comprehensive business strategy, arising mainly from performance considerations and stakeholder pressure. Though, this phenomenon is not new at all to argue that firms should behave ethically or on a responsible manner. The companies have long been subject to regulation by welfare states regarding many aspects of social responsibility. In this context, the classical regime of labour law is probably the most important, since it regulates and enforces the main social responsibilities of enterprises (employers) towards employees (in terms of CSR and business ethics, employees are core and primary "stakeholders"). However, the constantly changing business environment and corporate power are creating new tendencies. However, globalization and the constantly rising (multinational) corporate power are creating challenges to existing rules and regulations for compliance of carrying out new, non-governmental and self-regulating forms of CSR-regulation.

It would be an attempt to place this new-found "trend" of voluntary CSR initiatives and practices into the regulatory context of the traditional labour law dimension with an analytical and comparative framework for conceptualising and understanding the potential connections and overlaps between CSR and labour law.

Key Words: Corporate social responsibility, Social responsibility, Labour welfare, Social security, Social welfare.

Introduction

In this world of business, the main objective for corporations has historically been to make money and increase shareholder value which can also be termed as the financial responsibility of them. This corporate financial responsibility has been the sole bottom line driving force. However, corporations in last few decades are under the pressure of recognizing their responsibility towards for the environment, for local communities, for working conditions, and for ethical practices – in short towards a broader group of stakeholders, external as well as internal. This new driving force is known as corporate social responsibility (CSR). In the business community, CSR is alternatively referred to as "corporate citizenship," which essentially means that a company should be a "good neighbor" within its host community. Corporate social responsibility (CSR) is the latest concept in a long line of philosophies aimed at ensuring that companies and corporations accept the notion of being responsible to society beyond merely providing goods or services that benefit the public on a functional level. Social responsibility, at its most basic level, is about ensuring that what a company produces is useful to those for whom it is produced. Beyond that, however, there has always been an underlying belief that organizations should also act in a responsible manner in other areas, such as environmental stewardship, safety issues, and philanthropy.

In today's world more and more companies are realizing that in order to stay productive, competitive, and sustainable in a highly changing business world, they have to become socially responsible. In the last couple of decades, globalization has wiped away national borders, and technology has diminished the time and masked distance. In this drastically changed corporate environment, companies want to increase their ability to manage their profits and risks, and to protect the reputation of their brands. As a result of globalization, there is also fierce competition for skilled employees, investors, and consumer loyalty. How a company relates with its workers, its host communities, and the marketplace can greatly contribute to the sustainability of its business success.

CSR as “the continuing commitment”

The term ‘CSR’ (Corporate Social Responsibility) has grown over the years which indicates that companies today have to prepared with a definite plan to balance business and social objectives, in turn laying the structure of a reputable organization. It marks a transformation from being a good company to a great one.

It is commonly said that the Corporate Social Responsibility (CSR) concept is still being elaborated (ASHLEY, 2002). There is no single definition for corporate social responsibility, it “generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet”¹. “People” constitute the company’s stakeholders: its employees, investors, customers, business partners, suppliers and vendors, the government, and the community. Gradually more and more stakeholders expect that companies should be more environmentally and socially responsible in conducting their business.

Council for Sustainable Development defined CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” In 80s & 90s there were fewer definitions but more efforts to measure and conduct research for the purpose of operationalizing CSR. New concepts which were closely related to CSR were introduced; stakeholder theory, business ethics, corporate governance, responsiveness, corporate social performance, and corporate citizenship.

According to Infosys founder, Narayan Murthy, “social responsibility is to create maximum shareholders value working under the circumstances, where it is fair to all its stakeholders, workers, consumers, the community, government and the environment”. Commission of the European Communities 2001 stated that being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing ‘more’ into human capital, the environment and the relation with stakeholders (Bajpai, 2001). Over the time four different models have emerged all of which can be found in India regarding corporate responsibility (Kumar et al., 2001).

All these different views in defining CSR refer mainly to the social character of corporate responsibility. Some authors link the concept to the company’s action towards the community, seeking to minimize social inequality and promote social well-being. For others, the social responsibility of the company is not only

¹ Sir Geoffrey Chandler, “Defining Corporate Social Responsibility,” *Ethical Performance Best Practice*, Fall 2001.

social, but also ethical and includes everyone. Such approaches are not mutually exclusive and allow us to conclude that actions in relation to the community represent only one of the aspects of corporate social responsibility with a specific stakeholder, the community. Therefore, conceptual design for the CSR building can be proposed based on four main fundamentals: ethics, the stakeholders, the abstruse condition, and participation. The importance of joining the concept to all of the company's fields of action lead us to the abstruse condition, a concept whereby the ethically committed company is itself an example and witness of what it claims.

CSR in India: Evolution and Present Scenario

While CSR is relevant for business in all societies, it is predominantly considerable for developing countries like India, here limited resources for meeting the ever growing targets and variety of a pluralistic society, make process of sustainable development more challenging.

India has set many examples of close business involvement in social causes for national development in the past. Here, CSR is known from ancient time as social duty or charity, which through different ages is changing its nature in broader aspect, now generally known as CSR. The evolution of CSR, however, in India was conceived through various studies in-so-far could be further described through a four phase evolutionary model. Prior to 1914 CSR commitment of businesses was based mainly on values and order of religious teachings (Sharma, 2002) and self-regulation. Merchants involved themselves to society by building small businesses and infrastructure and provided relief in times of natural disasters. All religions practiced in India during this period also supported for citizens' involvement in humanity in terms of charity and philanthropic giving's. During the period from 1914 to 1960 the process was influenced by Swadeshi movement brought into sharp center by Mahatma Gandhi's trusteeship model for consolidation and amplification of social development (Mahatma, 1995). He recommended the Indian entrepreneurs to engage in social reform and generate capacity for self-dependence and exhibit protest to the British rule. The companies largely brought their social initiatives with Gandhi's reform programs together such as abolition of untouchability, women's empowerment, abolition of sati system and rural development (Arora and Puranik, 2004). He also developed a framework to ethically and professionally treat customers with respect and dignity. During this phase, the Indian political structure of a socialist democratic republic strengthened public investments to the detriment of private sector undertakings (Chahoud et al. 2007). During the phase of 1960 to 1980 mixed economy the government initiated high taxes, quota and license system and more rigid restrictions on private sector; resulting in corporate misconducts. As a result corporate governance, labor and environmental issues had to be legislated, shifting the prominence from self-regulation to strict legal and public regulation. The present era (1980- present) describes that companies and stakeholders took steps to combine CSR as a consistent and sustainable business strategy. The Indian government introduced LPG (Liberalization, Privatization and Globalization) in the economy to tackle shortcomings of "mixed economy" and integrate into the global market. As a result, controls and license systems were partly abolished and the Indian economy experienced a pronounced boom (Pradhan, 2009) meaning reformed company law's. In the perspective of liberalization, India finds its foot in significant economic growth and has come under criticism from Western consumer markets about labor and environmental standards, necessitating compliance to global CSR standards. This phase is popularly known

as the New Economic Policy initiated by the present Prime Minister of India Dr Manmohan Singh when he was the Finance Minister. This phase was a decisive moment in the economic transition from a protected to an open economy which still continues opening the Indian economy to the rest of the world.

Though today India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. are still everywhere and the government has limited resources to tackle these challenges. This scenario has opened up several areas for businesses to contribute towards social development. There is a variety of initiatives under the CSR in these corporate houses. Big names in India's Corporate sector like the Tata Group, the Aditya Birla Group and Indian Oil Corporation, have been involved in serving the community ever since their foundation. Many other organizations have also been playing their part for the society through donations and charity events.

Today, CSR in India has gone beyond only charity and donations and is approached in a more strategic activity and it has become an integral part of the corporate strategy. Companies have CSR teams that formulate specific policies, strategies and goals for their CSR programs and set aside budgets to support them: many CSR initiatives are accomplished by corporate in partnership with Non- governmental organizations (NGOs) who are well versed in working with the local communities and are experts in tackling specific social problems. For instance, Hope Foundation, an NGO that works for the betterment of the poor and the needy throughout India, has been working on short and long-term rebuilding initiatives for the tsunami victims. Almost all leading corporate in India are involved in corporate social responsibility (CSR) programmes in areas like education, health, livelihood creation, skill development and empowerment of the weaker sections of the society.

Over the last decade, there has been a trend towards compartmentalizing CSR and turning it into a specialized activity. It is fundamental to all parts of a business, and hence is reflected in the actions of a company, in all aspects such as HR, marketing, corporate governance and management, etc. However, the manifestation of a company's CSR activities and commitments could take myriad forms. Till today, it has manifested itself in different forms ranging from corporate philanthropy, internal organizational and educational initiatives, social and environmental reporting, improving the quality of life of differently-abled people, environmental sustainability, talent sustainability, community investment, supporting causes or a combination of several of these.

With the proposed Companies Bill, 2012 India would possibly become the first country to have Corporate Social Responsibility (CSR) spending through a statutory provision. The bill, aimed at enhancing corporate governance has a clause regarding mandatory spending of two per cent of average net profits in the previous three preceding financial years to be spent on corporate social responsibility (but, only companies reporting Rs 5 crore or more profits in the last three years have to make the CSR spend). As per the new bill, if the entities are unable to comply with the CSR rules, they would be needed to give explanations. Otherwise, they would face action, including penalty.

Interface between CSR and Labour Welfare

The term welfare is derived from the French phrase "welfare" which means to Fare well. The chambers

dictionary defines the term welfare “as a state characterized by happiness, well being or prosperity”². Since business is a social institution; it owes certain responsibilities towards society. Business decisions cannot be unconcerned to the wider social implications. The challenge is to make an economic enterprise truly human with an integrated social purpose in which issues like work enhancement, labour welfare and participation, ecology and consumerism influencing the managers. It is the task of management to merge these separate and sometimes conflicting responsibilities. Robert Owen, an industrialist, was a pioneer in making some contribution to the development of the concept of social responsibility. In 1819, he recommended certain measures for improvement in working hours, employment conditions etc. for women and children in England. Since then there have been number of factors which have contributed to great extent towards the development of this concept.

Economic development and prosperity of a country depends upon the development and growth of industry. No industry can flourish unless there is industrial peace and cooperation between all the concerned in particular especially between employer and labour. Labour welfare has tremendous potentialities for maintaining the industrial relations good and healthy. The establishment of a welfare state is the goal of all efforts of the government in our country. The ultimate goal of welfare state is the well-being of the society as a whole. The happy and contented labour force is one of the main pillars of the society in which the structure of industrial relations should rest.

To build a stable and efficient labour force it is essential to create a marked improvement in the conditions of worker’s life and work combining it with social security. Welfare measures persuade the sentiments of the workers. They develop the feeling of healthy and professional relationship. They improve the health of worker and their families, reduce the incidence of vices and increases their mental efficiency and economic productivity.

ILO on Corporate Social Responsibility

The International Labour Organization (ILO) is one of the first international organizations which identified the need for a deeper study and implementation of CSR in multinational companies during the sixties and seventies of the last century. In 1977, ILO adopted³ the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, that has been amended several times so far, but, representing for the first time to conduct an attempt to create international instruments dedicated to conduct for Multinational Enterprises and their relations predominantly with developing countries, where they carried out most of their production activities. The ILO guidelines addressed national governments; Multinational Enterprises, workers and employers’ organizations, and they were committed to the field of employment, vocational training, living and working conditions, industrial relations and human rights. The role of the ILO in the implementation of a labour law dimension of CSR is undeniably great. Its new constitutional architecture formed by the adoption of the *Declaration on Fundamental Principles and Rights at Work* in 1998 (that have been previously mentioned) is important for the CSR system. The sources of labour law that emerged within the ILO framework are the results of the tripartite action at the international level, i.e. a

² Charubala Annunico, “The Business of caring “outlook, `1999, June 21, PP 46 & 47.

³ *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, adopted by the Governing Body of the International Labour Office at its 204th Session (Geneva, November 1977) as amended at its 279th (November 2000) and 295th Session (March 2006).*

social dialogue between the representatives of governments, trade unions and employers. In addition to binding legal sources, the ILO provides a series of guidelines, codes of practice, declarations and the like that can facilitate the implementation and awareness of international labour law standards which do not have a binding character.

The *ILO Declaration on Fundamental Principles and Rights at Work* was adopted, it should be noted, on the basis of conclusions of the Ministerial Conference of the World Trade Organization (WTO) held in Singapore in 1996, which laid emphasis on the willingness and compulsion to respect internationally recognized labour standards and expressed support for their further progress within the ILO. Since the prohibition of forced, compulsory and child labour, the prohibition of employment and workplace discrimination and the freedom of association and the right to collective bargaining were recognized as fundamental principles and rights, the adoption of the Declaration imposed fundamental obligation on the Member States to comply with them, even in cases when provisions of relevant international conventions do not apply to the employees of a Member State because they have not been ratified. The Declaration defined the fundamental obligations that draw their strength from the membership in the Organization and the principles preserved in its Constitution, and not in the ratification of the so-called core conventions established in 1995. Its content and follow-up created a significant foundation for a decentralized system for the implementation of labour standards which reduces the hitherto strong responsibility of governments and encourages different factors from Multinational Enterprises to consumers, in defining, promoting, and even implementing core labour standards⁴. In fact, this is where today's potential of CSR and its instruments as sources of labour law lies. The *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* of 1997 mentioned in the Introduction along with the *Declaration on Principles and Fundamental Rights at Work* becomes the backbone of Multinational Enterprise's behaviour in the context of functioning of labour-related issues as part of CSR.

Labour Laws in India Ensuring Social Security and Welfare

Labour law is widely considered to be in crisis, attacked for impeding efficiency, flexibility and development, vilified for reducing employment and for favouring already well placed employees over less fortunate ones and discredited for failing to cover the most vulnerable workers and workers in the informal sector. The relevance of the dignity of human labour and the need for protecting and safeguarding the interest of labour as human beings has been enshrined in Chapter III (Articles 16, 19, 23 & 24) and Chapter IV (Articles 39, 41, 42, 43, 43A & 54) of the Constitution of India keeping in line with Fundamental rights and Directive Principles of State Policy. The right to social security is a human right, according to Articles 22 & 25 of the Universal Declaration of Human Rights" enacted by the United Nations, access to social security is a basic right.

The goal of social security is protection against "social insecurity" the situation in which people are exposed to and unprotected against overwhelming, frequently inscrutable social forces. The expansion of social security might play an important role in combating poverty and alleviating other social problems such as sickness, accident and under employment, especially for women. The function of social security is to give people an effective contribution which will help them permanently to satisfy their basic needs by improving their situation, which does not come up to an acceptable minimum standard.

⁴ Philip Alston, *Core Labour Standards and the Transformation of the International Labour Rights Regime*, *European Journal of International Law*, Vol. 15, Issue 3, 2004, p. 460; Francis Maupain, *Revitalization Not Retreat: The Real Potential of the 1998 ILO Declaration for the Universal Protection of Workers' Rights*, *European Journal of International Law*, Vol. 16, Issue.

Thus it is an integral part of the development process because it helps to create a more positive attitude to the challenge of globalization and the consequent structural and technological changes. It envisages that the employees shall be protected against all types of social risks that may cause undue hardships to them in fulfilling their basic needs. The workers do not have enough financial resources to face such risks arising due to sickness, accidents, old age, diseases, unemployment, etc. and also do not have alternative source of livelihood to help them in the period of adversity. Hence, it becomes the obligation of the State to help the workers by providing them the social safety cover.

The Constitution of India is the supreme law of a nation and all legislations have been devolved from it. A social revolution casting an obligation on every instrumentality including the judiciary to transform the status quo ante into a new human order in which justice, social, economic and political will inform all institutions of national life and there should be equality of status and opportunity to all. The right to social security is also enshrined in the Human Rights Charter and indirectly also in the guiding model of sustainable development.

The **principal laws** for social security ensured to labours in India are as follows:-

1. The Employees' State Insurance Act, 1948 enacted with the object of providing certain benefits to employees in case of sickness, maternity and employment injury and also to make provision for certain other matters incidental thereto. It basically tries to attain the goal of socio-economic justice enshrined in Directive Principles of State Policy under Articles 41,42, 43 which enjoin the state to make effective provision for security the right to work, to education and public assistance in cases of unemployment, old age, disablement. The benefits of this Act extend to both the class of employees working inside the factory or establishment or elsewhere and even if they are directly employed by principal or through intermediate agency.
2. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 for the institution of provident funds, pension funds and deposit linked insurance fund for the employees in the factories and other establishments. There are problems even with regard to extending adequate security cover to the organized private section under Employee Provident Fund. Payment of Wages Act 1936 requires that wages upto a particular amount has to be paid in cash.
3. The Employees' Compensation Act, 1923, aims to provide workmen or their dependents some relief in case of accidents arising out of and in the course of employment by causing either death or disablement of workmen. Since a workmen is entitled to get compensation as per Employee State Insurance Act so he is not entitle to get compensation under this Act. Equity considerations require that social security legislation relate benefits to needs of the people and not to period of service or membership, cause of injury and the like.
4. The Maternity Benefit Act, 1961, the object of the act is to regulate the employment of women in certain establishments for certain periods ie. for 12 weeks wages during maternity as well as paid leave in certain other related contingencies. Basic insurance and social protection against existential risks should be made an essential component of social security system before the principle of social justice can be strengthened by other redistribution policies.

5. The Payment of Gratuity Act, 1972, it enforces the payment of gratuity, a reward for long service, as a statutory retiral benefit. Every employee is entitled to receive gratuity if he has rendered continuous service of 5 years or more than 5 years. Gratuity cannot be described as a retirement benefit, as it is payable upon separation after service. It may be a deferred wage since large number of employees encash gratuity periodically. The social security system must have the provision of transferring gratuity liability upto a specified date to EPS and the amount being used to fund shortfall in past service liability of EFPS members and improving contingency.
6. Separate Provident fund legislation exists for workers employed in Coal Mines and Tea Plantations in the State of Assam and for seamen.

The present social security system in India can be seen as comprising two autonomous parts (i) protective social security measures largely for the organized sector such as medical care and benefits relating to sickness, maternity, old age etc. (ii) promotional security for the unorganized sector in terms of self employment, wage employment, and provision of basic needs. The major limitation of the currently legislations for social security system are that these functions are not followed in totality. In the absence a National Wage Policy, which was brought in the 70's but left unceremoniously after a few years. A worker thereby is not only underpaid but he or she is successfully kept out of the purview of benefits like leave, insurance, provident fund, gratuity etc. Moreover, now a sectoral approach also makes premature settlement unavoidable due to inter industrial movement of workforce, which comes in the way of compounding of benefits, necessary for system in the country.

The trinity of Indian Constitution, the Preamble, the Fundamental Rights and the Directive Principles of State Policy, embody the fundamental principles, which provide guide to labour legislations. This assures its citizens to provide "Socialistic Pattern of Society" and create "Welfare State" and all labour welfare legislations.

Judicial Precedents

A number of leading cases have clearly shown that the courts have always considered the economic uplift of workers as something vital for the progress of the country. The courts have been firm in ensuring that there is no violation of labour laws enacted for the benefits of the working classes. Labour jurisprudence related to adjudication proceedings has been put on firm footing since the welfare of the workers is the primary concern of especially Part IV of the Constitution, industrial adjudication has always kept the needs of social justice in mind. Infact, the concept of reasonable restricts runs like a golden thread through the entire fabric of Constitution and amply reflected in the labour legislations.

The rule is that the like should be treated alike and not that unlike should be treated alike. In *Randhir Singh v. Union of India* (AIR 1982 SC 879), the Supreme Court has held that although the principle of 'equal pay for equal work' is not expressly declared by our Constitution to be a fundamental right, but it is certainly a constitutional goal under Articles 14, 16 and 39 (c) of the Constitution. This right can, therefore, be enforced in cases of unequal scales of pay based on irrational classification. This decision has been followed in a number of cases by the Supreme Court.

In *Daily Rated Casual Labour v. Union of India* ((1988) 1 SCC 122) it has been held that the daily rated casual labourers in P & T Department who were doing similar work as done by the regular workers of the department were entitled to minimum pay in the pay scale of the regular workers plus D.A. but without increments. Classification of employees into regular employees and casual employees for the purpose of payment of less than minimum pay is violation of Articles 14 and 16 of the Constitution. It is also opposed to the spirit of Article 7 of the International Covenant of Economic, Social and Cultural Rights 1966. Although the directive principle contained in Articles 38 and 39 (d) is not enforceable by virtue of Article 37, but they may be relied upon by the petitioners to show that in the instant case they have been subjected to hostile discrimination:

Denial of minimum pay amounts to exploitation of labour. The government cannot take advantage of its dominant position. The government should be a model employer. In ***F.A.I.C. and C.E.S. v. Union of India*** the Supreme Court has held that different pay scales can be fixed for government servants holding same post and performing similar work on the basis of difference in degree of responsibility, reliability and confidentiality, and as such it will not be violative of the principle of equal pay for equal work, implicit in Article 14. The Court said, “Equal pay must depend upon the nature of the work done. It cannot be judged by the mere volume of work. There may be qualitative difference as regards reliability and responsibility. Functions may be the same but the responsibilities make a difference.

In *Mewa Ram v. A.I.I. Medical Science* the Supreme Court has held that the doctrine of ‘equal pay for equal work’ is not an abstract doctrine. Equality must be among equals, unequals cannot claim equality. Even if the duties and functions are of similar nature but if the educational qualifications prescribed for the two posts are different and there is difference in measure of responsibilities, the principle of equal pay for equal work would not apply. Different treatment to persons belonging to the same class is permissible classification on the basis of educational qualifications.

In *Olga Tellis v. Bombay Municipal Corporation* popularly known as the ‘pavement dwellers case’ a five judge bench of the Court has finally ruled that the word ‘life’ in Article 21 includes the ‘right to livelihood’ also. The court said:”It does not mean merely that life cannot be extinguished or taken away as, for example, by the imposition and execution of death sentence, except according to procedure established by law. That is but one aspect of the right to life. An equally important facet of that right is the right to livelihood because no person can live without the means of livelihood. If the right to livelihood is not treated as a part of the constitutional right to life, the easiest ways of depriving a person of his right to life would be to deprive him of his means of livelihood. In view of the fact that Articles 39(a).and 41 require the State to secure to the citizen an adequate means of livelihood and the right to work, it would be sheer pedantry to exclude the right to livelihood from the content of the right to life.”

In *State of Maharashtra v. Manubhai Pragaji Vashi* the Court has considerably widened the scope of the right to free legal aid. The right to free legal aid and speedy trial are guaranteed fundamental rights under Art. 21. Art 39A provides “equal justice” and “free legal aid”. It means justice according to law. In a democratic policy, governed by rule of law, it should be the main concern of the State to have a proper legal system.

Social security benefits in India are need based i.e. social assistance is more important in the publicly managed schemes. All schemes for preventing deprivation, assuring the individual of basic minimum income for himself and his dependents and to protect the individual from any uncertainties. The State bears the primary responsibility for developing appropriate system for providing protection and assistance to its workforce. Social Security is increasingly viewed as an integral part of the development process. It helps to create a more positive attitude to the challenge of globalization and the consequent structural and technological changes. Social security measures have far reaching benefits in the form of improving and bringing sense of pride and self respect amongst the citizens. Such measures also help in providing the minimal level of providing protection against any unforeseen event.

The social security regulations are designed to protect the welfare of employees. Under the Labour Laws, it is illegal to enter into an agreement with employees to reduce their salaries in order to provide social security benefits and / or otherwise to recover/claim the social security benefits from employees.

Conclusion

Responsibility towards society simply means fulfilling the commitments towards the society and the components of business and improving its economic and social conditions by all possible means. In other words, the concept of social responsibility assumes that the business has not only economic and legal obligations but also certain other social responsibilities too i.e. a company must besides taking care of its own interest, must also take care of interest of the community members i.e. – workers, suppliers, customers etc. Workers have direct interest in an organization because by working there they satisfy their needs. The traditional economic concept of organizational functioning does not give workers their proper share in the distribution of income. But, in this globalized business environment it is significant on the part of the companies to understand the importance a stable and satisfied workforce. Sooner or later, modern labour law need to accept the changes in relation with CSR and codes of conduct, despite resistance and aggravating factors referring to the lack of the interpretive capacity or specific legal culture in societies in which the teleological interpretation is neglected, as the creative potential of creating legal sources and sources of law.

Social security systems are important pillars for sustaining social and economic welfare in contemporary societies. Social security systems provide a safety shelter to protect individuals as labours from the undesirable outcomes that might occur as a result of risks associated with high probabilities of being deprived from acquiring a level of income that is sufficient to cover the costs of basic human needs. These dangers that any individual in any random society might face creates basis for solidarity in between the members of communities because no one can be sure about which step of the welfare ladder one might end up- conceptualized as veil of ignorance. Currently, India's social security mechanism is not linked with wage employment. Even today the workers who do not have access to any formal scheme for old age income provisioning constitute about 90% of the estimated workforce of 400 million people. The rights of labour are set forth in the positive laws – to protect rights and privileges of workers ensuring a decent and dignified life yet much is to be done so that in real.

Footnotes:-

1. Sir Geoffrey Chandler, “*Defining Corporate Social Responsibility*,” Ethical Performance Best Practice, Fall 2001.
2. Charubala Annunico, “*The Business of caring*” outlook, `1999, June 21, PP 46& 47.
3. Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, adopted by the Governing Body of the International Labour Office at its 204th Session (Geneva, November 1977) as amended at its 279th (November 2000) and 295th Session (March 2006).
4. Philip Alston, Core Labour Standards and the Transformation of the International Labour Rights Regime, European Journal of International Law, Vol. 15, Issue 3, 2004, p. 460; Francis Maupain, Revitalization Not Retreat: The Real Potential of the 1998 ILO Declaration for the Universal Protection of Workers’ Rights, European Journal of International Law, Vol. 16, Issue.

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