

# **THE FUTURE OF CSR AND ITS IMPACT ON THE WORLD**

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## **1. Introduction**

The term corporate social responsibility has created a stir in the international economic field recently, as the role of institutions has expanded from a focus on the economic to include aspects of social development, and it has become necessary for many companies to follow corporate social responsibility rules because it is a foundation for the institution's success.

## **2. Positive links between CSR and financial performance**

Profits are not harmed as a result of CSR, but rather increase and flourish. Businesses that disregard CSR put their bottom line and brand at danger. Consumers nowadays are willing to spend their money on products and services they believe in, and to engage with companies that follow ethical practices that meet their needs and beliefs. Having a bad reputation socially and environmentally can have serious negative effects on the overall profitability and success of the company.

Many recent research have looked at secondary data to prove causality. For example, Flammer examined 273 artifacts to see how the US stock market reacted to publicly traded corporations' environmental activity between 1980 and 2009. Using regression analysis, Flammer discovered that news about environmentally friendly operations had a beneficial impact on the stock market.

Others have used the shareholder value theory to investigate the link between CSR and financial success. This theory focuses on maximizing the interests of a company's stockholders. Mujahid and Abdullah (2014) analyzed data from the 2011 annual reports of ten companies in Pakistan with high CSR disclosures and ten companies with limited CSR disclosures, and discovered a positive relationship between CSR and financial performance. This is consistent with Geetika, Akansha, and Tanu's (2017) study of the positive links between foreign institutional investment and CSR of Indian energy companies from 2010 to 2015, which compared CSR spending and disclosures to profit after tax, return on assets, return on equity, and market capitalization.

## **3. The United States and the CSR**

And we personally believe that the United States should pass a law similar to Article 135 of the Indian Companies Act, where the spending rate is no less than 2% to 10% due to the increase in poverty and unemployment, as companies must To

contribute to the development and development of the environment and society and to return the favour to the country, not just to make money and profits. Because companies that are known for adopting effective CSR practices are expected to reap significant benefits in the long run. There are many ways companies can take social responsibility, including:

1. Volunteering in the community
2. Reducing carbon use and protecting the environment
3. Respect for human rights and workers
4. Helping young people to get a job

There is a study that proves that millennials want to work with companies that play a positive and effective role and provide clear services to society.

Many countries around the world have passed a social responsibility law with great success, including Canada. A long time ago, a culture of social responsibility spread in Canada with the aim of alleviating poverty, and monthly payments were spent on families without income or those with low income. This social assistance represents an increase in the advancement of corporate social responsibility, as it helps companies to succeed and create value for them. Canada is now seeking to extract private sectors that are globally competitive. In addition, the Canadian government expects Canadian companies to add corporate social responsibility in all its management and operations.

#### **4. Background and examples**

There are some international companies that have won many awards for social responsibility through the nature of their social activities and highlighting the role they play in the development of their societies:

##### **1- The Walt Disney Company**

It is considered one of the largest companies for entertainment and film making, as it has carried out its responsibility to society through

- Conserve water and reduce wastage
- Reducing the emission of gases that cause global warming
- Teaching employees healthy living initiatives

## 2- Carrefour company

Where Carrefour has provided more than 200 charitable projects around the world during 12 years

Of which

- Raised 1.7 million euros in donations for the victims of the tsunami floods
- Supporting a vocational training program for young people from the outskirts of Buenos Aires in Argentina

## 5.Conclusions

Corporate social responsibility is more than a passing fad in the business world. Businesses who embrace CSR will gain from it if they want to stay relevant to new generations , additionally Corporate role in social responsibility ensures to a large extent the support of all members of society and help them achieve their goals.

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