

October 29th, 1999 and assented by the President of India and has become the Prevention of Money Laundering Act, 2002 on 17th January, 2003 and came into force from July 1st, 2005. Despite of the legislation to prevent money laundering, it was hardly successful in the prevention of money laundering in India. The Enforcement Directorate booking the cases but in reality

the corrupt politicians and the bureaucrats are not allowing the law come into reality. There needs a change in the mind set of the Government and the authorities as well. Creating awareness among the public is a necessity that money laundering allows the corporates and politicians in diverting the people's money beyond India and bringing back as "Clean money".

SOCIAL RESPONSIBILITY OF BUSINESS – THE NEED OF THE HOUR AND NEED TO THE SOCIETY

By

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Companies need to answer to two aspects of their operations. 1. The quality of their management – both in terms of people and processes (the inner circle). 2. The nature of, and quantity of their impact on society in the various areas.

Companies, on matter what shape or size, have a considerable social, environmental and economic impact on the communities in which they operate. Yet in today's highly competitive economy the importance of ensuring 'positive impact' can be crucial to both corporate reputation and business success. Today many companies are placing greater emphasis on the role that they can play as 'responsible corporate citizens' and have begun to accept and understand the importance of adopting a social, ethical and environmentally responsible approach to business activity. By recognising their wider responsibilities, many companies now accept that they are responsible and accountable a wide range of stakeholders—including business partners, employees, customers, suppliers and community groups – not just shareholders.

Different organisations have framed different definitions – although there is considerable common ground between them. My own definition is that *CSR is about how companies manage the business processes to produce an overall positive impact on society.*

Corporate social responsibility embraces the totality of this approach. The discipline has grown rapidly over the recent years and has developed into a wide ranging practice which permeates all levels of business activity – having an effect on corporate governance, employee relations, supply chain and customer relationships, environmental management, community involvement as well as key business operation. Corporate social responsibility has become an important part of the mainstream business practice and is beginning to have a significant impact on how companies operate.

Arguments for Social Responsibility of Business

1. Public needs have changed, leading to changed expectations. Business received its charter from society and

consequently has to respond to the needs of the society.

2. Improvement of the social environment benefits both society and business. Society gains through better neighbourhoods and employment opportunities; business benefits from a better community, since community is the source of its workforce and the consumer of its products and services.
3. Social involvement discourages additional Government regulation and intervention. The result is greater freedom and more flexibility in decision making for business.
4. Business has great deal of power which, it is reasoned, should be accompanied by an equal amount of responsibility.
5. Modern society is an interdependent system, and the internal activities of the enterprise have an impact on the external environment.
6. Social involvement may be in the interest of stockholders.
7. Social involvement creates a favourable public image. Thus a firm may attract customers, employees and investors.
8. Business has the resources. Business should use its talented managers, specialists, and capital resources to solve some of societies problems.

involvement would create excessive costs for business, which cannot commit its resources to social action.

3. Social involvement can weaken the international Balance of Payments. The cost of social programs, the reasoning goes would have to be added to the price of the product. Thus our companies selling in international markets would be at a disadvantage when competing with companies in other countries which do not have these social costs to bear.
4. Business has enough power and additional social involvement would further increase its power and influence.
5. Business people lack the social skills to deal with the problems of the problems of society. Their training and experience is with economic matters and their skills may not be pertinent to social problems.
6. There is lack of accountability of business to society. Unless accountability can be established, business should not get involved. Today many businesses are involved in social action. A decision as to whether companies should extend their social involvement requires a careful examination of the arguments for and against such actions. Certainly society's expectations are changing and the trend seems to be toward greater social responsiveness.

Arguments Against Social Responsibility of Business

1. The primary task of business is to maximize profit by focusing strictly on economic activities. Social involvement could reduce economic efficiency.
2. In the final analysis, society must pay for the social involvement of business through higher prices. Social

Community Involvement

A key part of any corporate social responsibility programme will be a focus on involvement with the local community – either directly or *via* partnerships with community or voluntary sector organizations.

Whilst traditions of corporate philanthropy date back to Victorian times, companies are now more than ever before, beginning to

actively engage with community organizations and build meaningful relationships which meet both community needs and business objectives – and address key social concerns.

Today community involvement can take the form of charitable donations, gifts in kind, employee volunteering initiatives and staff secondments. Yet many companies are also now developing sustainable and mutually beneficial partnerships with community and voluntary organizations working in a variety of fields – including education, regeneration, employment and homelessness.

Corporate social responsibility and community involvement initiative are increasingly having significant impact. Aside from generating considerable public goodwill, evidence shows that Corporate Social Responsibility can also companies to build links with public policy makers, motivate and involve employees, build corporate reputation and enhance competitiveness.

In short, CSR is now seen as key part of mainstream business practice. A variety of terms are used – sometimes interchangeable – to talk about corporate

social responsibility (CSR) : business ethics, corporate citizenship, corporate accountability, sustainability. Corporate social responsibility can be defined as “achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment.” It is also said that CSR means addressing the legal, ethical, commercial and other expectations society has for business, and making decision that fairly balance the claims of all key stakeholders. In its simplest terms it is : “what you do, how you do it, and when and what you say.”

In this sense, CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into operations, supply chains, and decision-making processes throughout the company – wherever the company does business – and includes responsibility for current and past actions as well as future impacts. The issues that represent a company’s CSR focus vary by business, by size, by sector and even by geographic region. In its broadest categories, CSR typically includes issues related to : business ethics, community investment, environment, governance, human rights, marketplace and workplace.

ARTICLE ON HUMAN RIGHTS VIOLATION

By

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Human rights are the birthrights of every human being and they form an integral part of the socio-cultural fabric of mankind all over the world. But they are vulnerable to abuse and violation. It is the duty of the nations to protect and sustain these rights by constitutional measures. The situation in most of the third-world countries is quite disturbing. The economically weaker segments

of population suffer much in their daily lives. This is due to flagrant violation of human rights by many groups. People having an influence and people belonging to higher castes are the culprits. They indulge in such violations because they are powerful in one way or the other. They have muscle power, money power and support from other powerful sections in the society. Indian