

## Corporate Social Responsibility

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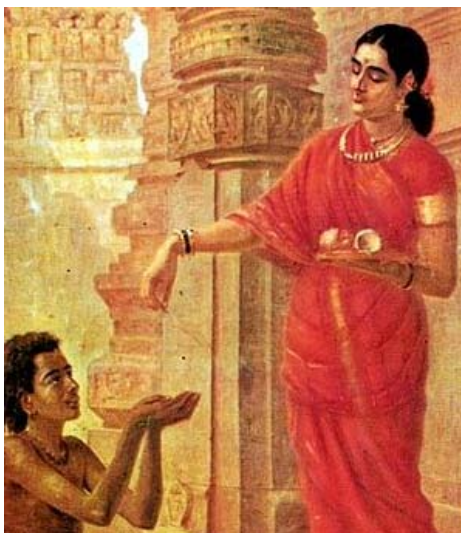
Corporate responsibility and business ethics are the prime topics among the common people today. There are protests against corporate greed all over the world and they are mushrooming every day. Interestingly, hundreds of businesses have emerged claiming to know how to do business ethically and they are benefiting from this newly found opportunity. Business authors are cashing in with hundreds of books and seminars being sold worldwide to businesses, financial institutions, and universities. New vocabulary and terminologies have been coined to keep up with the time. Words and phrases such as oversight, bubble, global humanization, moral compass, brute capitalism, cooking the books, citizenship responsibility have become part of the new business lingo. Businesses are buying into it trying to understand how to run themselves ethically and responsibly.

New laws and regulations have been enacted designed with an aim to mitigate corporate corruption. In 2002, Congress passed the Sarbanes-Oxley Act. This encompasses every aspect of the corporate governance of publicly held U.S. corporations. Similarly, The New York Stock Exchange and NASDAQ adopted new corporate regulations which substantially change the way corporations disclose information to stockholders and the public. The SEC has instituted a requirement obligating CEOs and CFOs of public companies to certify legally that their financial statements and reports

to adopt new practices by approving and implementing revisions to their governance structures, policies, and programs.

But many question the real effectiveness of those laws and regulations. The central question remains: can morality be mandated? In other words, is moral capitalism possible? Despite the fact that many unanswered questions and unknown risks remain, changes in the laws and regulations, with concurrent emphasis on business ethics and corporate social responsibility, serve as a valuable major step in offering hope and instilling confidence in the stakeholders of most small and large businesses.

However, the fact remains that business needs capital. As long as money is borrowed and invested, high-risk equity and lower-risk debt will remain in place. No form of capitalism, moral or otherwise can escape this fact. It is a difficult task to maintain public trust and confidence owners and investors, the providers of capital, are as necessary for business success as all other stakeholders. On one hand it is necessary for them to manipulate money market to their advantage (all of us do) and on the other they are also required to do business morally. Whatever be the circumstance, The operation of a business in the complex global community has brought on new challenges for business leaders to behave more ethically and responsibly. That in itself is a step in the right direction.



are accurate and not misleading – exposing these executives to the possibility of criminal charges if their numbers turn out to be bogus. Many large and small corporations have likewise acted quickly

