

# Corporate Social Responsibility for climate change using social contracts: A new research agenda

Sanil S Hishan<sup>1</sup>, Suresh Ramakrishnan<sup>1</sup>, Ahmad Jusoh<sup>1</sup>

<sup>1</sup>Azman Hashim International Business School (AHIBS), Universiti Teknologi Malaysia, Malaysia.

\*Corresponding Author: [hishanssanil@gmail.com](mailto:hishanssanil@gmail.com)

## ABSTRACT:

Climate change is one of the long persisting problems in the past few decades. Political leaders, world organizations, corporate sector and the citizens are affected by the climate change. The catastrophic effect of climate change is the increasing frequency and magnitude of disasters across the globe. Hence, this is a global problem which needs a global solution. The main aim of this paper is to propose a model for disaster mitigation which can be sustainable. The study uses a systematic literature review approach which includes the articles published in different databases. The output proposed a new conceptual model using a social contract theory where there is a holistic approach and each one takes up the responsibility to mitigate disaster between all the stakeholders. The study aligns with one of the seventeen Sustainable Development Goals (SGD) set by the United Nations (UN).

**Keywords:** Climate Change, Disaster Mitigation, Flood Mitigation, Sustainable Development Goal

**How to cite this article:** Hishan SS, Ramakrishnan S, Jusoh A (2020): Corporate social responsibility for climate change using social contracts: A new research agenda, *Ann Trop Med & Public Health*; 23(S6):710-713. DOI: <http://doi.org/10.36295/ASRO.2020.23618>

## INTRODUCTION

Social contracts, which have served as an important conceptual tool for managing the relationship between citizens and the government. The citizens and the government both are a cause of social and environmental problems, and a possible solution [1]-[3]. Given the complex and far-reaching impacts of climate change on social-ecological systems [4], it is time to discuss the potential role of social contracts as a political response to a changing climate [5]. Resilience thinking offers a new way of understanding complex adaptive systems and it can provide key insights into the evolution of the social contracts that underpin many systems of governance. Hence, the study explores how the resilience approach can contribute to the new social contracts for climate change actions,

## I. LITERATURE REVIEW

This section discusses the review of previous models and theories surrounding CSR, which serves as a theoretical framework for this study. Since middle of 20th century, a lengthy argument on CSR took place. Bowen (1953)[6] wrote a book named 'social responsibility of the businessmen' from then there found a transformation in the terminology, social responsibilities of businesses to CSR. In addition, this arena has expanded expressively and at present comprises a huge explosion of terminologies, theories and approaches. Society and Business, social issue organization, community policy, businesses, corporate accountability and stakeholder managements are few terms utilized to expand the phenomena connected to corporate responsibilities in the society. Carroll (1979) [7] emerged with a three-dimensional conceptual model which was intended to help managers to theorize some vital issues on the social performances, to systemic thinking regarding the social issue, to advance diagnosis of social performances. As per this model CSP requires that three basic criteria firstly, the firm's social responsibilities must be assessed, secondly, the firm must identify the social issue which it needs to address and finally a response philosophy must be chosen. In 1980s, few more new definitions, experimental researches, and alternate theme started to become mature. Such alternate theme comprised corporate social performances (in short CSP), stakeholders' concept, and business ethic related theories [8]. As Bacharach (1989)[9] said that "A theory is like statements of relation amongst various concepts in a boundary set of assumption and constraint". As a starting stage for the suitable classifications, most related CSR theory and associated methods are emphasized on either of following features of the social reality, social integration, ethics, economics and politics. Parsons (1961) [10] stated that four features that are monitored in social systems are adaption to environment (associated with economics and resources), goal achievement (associated with politics), pattern maintenances and social integration (associated with values and culture). Furthermore, few theories integrate various methods and utilize similar terminologies with distinct meaning. Almost thirty decades ago Votaw (1972) [11] stated "Corporate Social Responsibilities mean something however, not at all times the similar matter to everyone. CSR carries the impression of the legal responsibilities and liabilities for a set of people, similarly to another set of people; it means informally accountable behavior in ethical logic.

Several people simply equate it with the charitable contributions, few easily consider it to be socially sensible (Votaw, 1972) [11]. The theoretical constituents of CSR as well as a relation between its elements namely intersecting circle, concentric circle and Pyramid. A relative investigation on three conceptual models shall project that similar terminologies represent dissimilar meaning and dissimilar approach towards CSR. There are four types of social responsibilities consist whole CSR: economical (“make profit”), lawful (“obey laws”), moral (“be ethical”), and philanthropic (“become a decent corporate citizen”). As Carroll (1979)[7] stated, the usage of the pyramid depicts conceptual models of CSR for what it is intended “to depict that entire CSR of the business organization consists different component that, considered together, make the full” (Geva, A. ,2008)[12]. This model classifies diverse tasks hierarchically at an aim to minimize significance. Amongst all the responsibilities, the fundamental responsibility is the financial responsibility, all the other commercial responsibility is predicated based on economic responsibilities of a firm. This means excluding economic responsibilities the other will become mere consideration. Business is presumed to work in a certain outline of laws, and this refers to legal responsibilities that depicts the next level of a pyramid. The later one is ethical responsibilities which defines those actions or practice which are prohibited or expected by social member although they might not codify to law (Carroll, 1979)[7]. On the topmost of pyramid remains philanthropic responsibility, it is observed discretionary in real. In short, a pyramid is used to discuss an essential and adequate bundle of obligation that socially accountable business should concurrently fulfill while taking the consideration onto their declining significance. Intersecting circles (IC) model of CSR contradicts with a pyramid model based on two major aspects: (1) it distinguishes the probabilities of interrelationship amongst CSR domain; (2) discards a hierarchical order of significance. A summarization of the characteristic features as well as implication of IC models compared with pyramid models. The IC model considering the interrelationships of it permits for no relation amongst the various fields of responsibilities while a Concentric (CON) model sketches the non-economic social responsibility as permeating and embracing the major financial responsibilities. A CON model was adopted from one prominent statement published in 1971 that firmly advocated the notions that the social contract for a business firm is not only possible but ethically essential and urged businesses to adapt wider and more human views of its functions in the society. From a process of the concentric circle each element out of inner circles are belong to a member of wider, more comprehensive outer circles, hence from the CSR viewpoint as stated in CON models, all the economical responsibilities have ethical, legal and social aspect. CON model highlights the interdependence of stakeholders. The present study uses the concepts of integrative theories and looks at how business assimilates societal demand and depends onto social context for its presence, growth and continuity. It studies the way in which society interacts with businesses and provide them with certain prestige and legitimacy. Therefore, business management must need to consider social demand as well as assimilate them in a way like the businesses operate parallel with the social value. Hence all constituent of business responsibilities is restricted to time and space of every condition depending on society values in that moment and emerges through company’s functional role [13] –[15]. Principally, all theories from these groups are concentrated on detection, scanning and responsive to social demand which achieve societal legitimacy, better social prestige and acceptance. This research has represented a model in which the formation of social contract between the stakeholders in disaster mitigation is the core concept.

## II. METHODOLOGY

This study used the qualitative content analysis method. The study used the secondary data collection method; the past literature on social contract theory in the context of CSR was analyzed for this study. Literature related to social contract was downloaded from google scholars, scopus and web of science databases [16]-[18]. Content analysis was used to analyze the data and arrive at the final conceptual model.

### III. CONCLUSION

Social contract is a concept widely used to study related to business ethic. Based on this theory, universally accepted moral values are possible to be fixed by considering what guides public would willingly make without any existence of pre-defined rules. Social contracts are an unrecorded and firmly hypothetical agreement which does not allow to interrupt ethical values. All the members of the societies are asked to settle on this contract easily by contributing at the societies [19]. According to SCT, all business work for an undocumented contract with any society and the societies allow that company to carry out business in exchange of its beneficial contribution to the society [20],[21]. The importance of giving back to society is the key objective in business that is considered as social responsibility. The members of the society give permission to create a business for the establishments of some specified profits that can increase the benefit of society. The social permissions are equated with the attainment of the legal recognitions and approval for the utilization of social, natural as well as human resource [22]. The literature review has shown that the social contract theory is one of the important conceptual tools that will help to manage the relationship between citizens and government. In the recent times both the citizens and governments have become of the causes a cause of social and environmental problems, and they are also are part of a possible solution [1],[3],[20]. Given the complex and far-reaching impacts of flood risk management [4], social contracts as a political response to a flood risk management becomes important [5]. Resilience thinking offers a new way of understanding complex adaptive systems and it can provide key insights into the evolution of the social contracts that underpin many systems of governance. Hence, this research has suggested measures for improvements by integrating responsibilities of companies and its stakeholders in flood mitigation exercise in Malaysia by representing a process into a model. The final proposed model is shown in Figure 1.

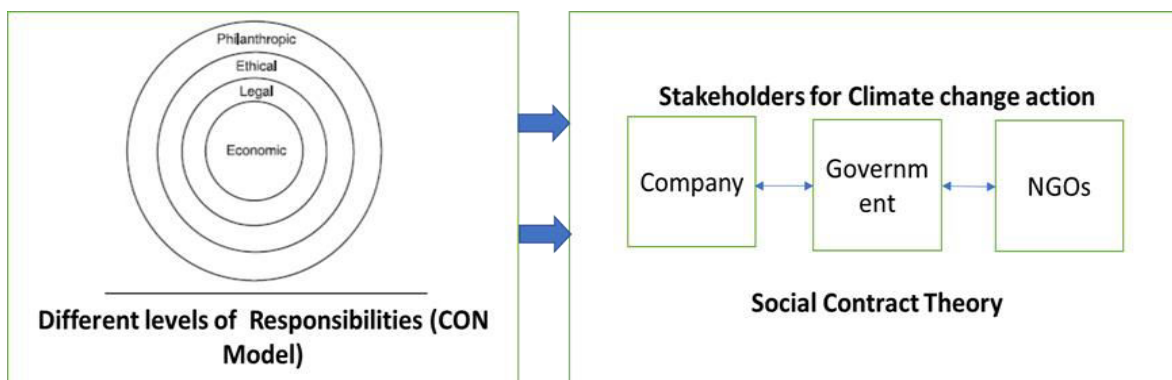


Figure 1: CSR for climate change using social contracts

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