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A GLOBAL PERSPECTIVE ON CSR WITH COMPARATIVE ANALYSIS BETWEEN INDIA AND JAPAN

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Abstract

In the present world, social and environmental issues are becoming incredibly essential. Reporting on corporate social responsibility has become more important as a result. How information concerning this should be reported is a topic of increasing discussion. This study aims to examine the approaches taken by the governments and businesses in Japan and India to this problem. Japan looks to be more forward-thinking on the subject of CSR reporting than any of the other two nations, which do not appear to have any form of mandated regulations.

Keywords- *corporate social responsibility, India, Japan, international perspective, system perspective*

Introduction

"India's phenomenal economic growth has resulted in worsening social and environmental issues, which have social responsibility repercussions for businesses in those countries." (2010), p.299, Wong et al.

The above quotation alluded to the seriousness of Japan and India's dubious levels of corporate social responsibility (CSR). The fact that the economies of India and Japan are expanding is well known, but little research has been done on the detrimental impacts of this growth on their CSR up to this time. As a result, the goal of this paper is to determine whether the aforementioned statement is true as well as how India's CSR practices stack up against those of a more developed

Asian country like Japan. The largest and most developed economy in Asia is specifically Japan. In addition, Japan has experienced sustained economic success, leading one to believe that Japan has higher levels of CSR than India.

A thorough assessment of the literature revealed that the degree of CSR has already been the subject of a significant amount of research, including comparisons between the US and EU. The various CSR levels in the various Asian economies, however, are something that still needs more research.

Companies are morally obligated to contribute back to society in addition to their obligations to investors or stockholders since they rely on societal resources to operate efficiently. 'Corporate social responsibility' (CSR) is based on this fundamental tenet. Another name for it is "enlightened self-interest." CSR entails businesses being socially and environmentally conscious, supporting fair trade, enhancing labor standards, giving back to the community, reducing environmental harm, and boosting employee satisfaction.

Asia must satisfy the expanding demand for CSR since the financial markets must adapt and remain flexible to fulfill the expectations of investors. Companies and governments all across the world are adapting due to concerns that globalization is wreaking environmental havoc and fostering social unrest since investors no longer only worry about financial performance. In other words, the demand for CSR reporting arises as exploitation and greed are being replaced with compassion and sustainability.

The level of CSR across Asia's largest economies will therefore be examined in this paper, along with the question of whether it would be particularly useful to compare them given their wide range. Additionally, it is crucial to assess the extent to which CSR is practiced in booming nations like India and Japan since, as the statement stated, if they do not, their growth may not be sustainable. In light of this, the specific research topic of this study is "How is India and Japan compared with regard to their level of CSR?"

This paper will first examine the idea of corporate social responsibility (CSR) and how CSR can be quantified in Asia in order to respond to the research question. Including environmental, social, and economic aspects in CSR reporting is essential. CSR reporting concentrates on a company's success on other issues, which is different from a typical annual report. For instance, a CSR Report might cover topics like child labor, pollution, health and safety risks, and human rights. In order to

determine where India and Japan stand in terms of their level of CSR, this study will analyze both countries next. This essay will discuss the reasons for the current situation, what can be done to make it better, the effects it will have going forward, and whether an Asian approach is appropriate.

Corporate social responsibility

First, it needs to be stated that the west is where the idea of CSR originated. A CSR model was already developed more than thirty years ago by Carol (1979), who suggests a model that will divide CSR into four basic components. Although this model has undergone a few small revisions, it is still largely regarded as capturing the spirit of CSR. First, there is an economic component that requires businesses to function efficiently economically and to satisfy consumer wants. The legal component demands businesses to align their economic objectives with the local legal framework. Third, enterprises must adhere to society's moral standards as part of the ethical component.

The final element is a little more ambiguous, but it imposes obligations on businesses to have a charitable and philanthropic mindset. The paper is therefore aware that CSR is a Western idea. The following explanation led to the decision to utilize a Western notion, though. Asia is undergoing globalization; thus, they are required to adhere to the general, universal standard based on Western ideas. Although there are different ways to deal with this, the paper will stick with the widely accepted method. The involvement of Asian public bodies and businesses in implementing CSR policies and reporting standards has also increased over the past ten years. However, it should be noted that standard monitoring by third parties generally.

The main goal of CSR reporting is to give domestic and international investors the data they need to make decisions. The demand for this information is rising as a result of a trend that demonstrates a rise in social and environmental funding. As a result, numerous businesses in the EU and the US, including Shell, McDonald's, and the Body Shop, already willingly offer such information. These particular businesses highlight their accomplishments on an environmental and social level in their annual reports or in a separate standalone report that is available to the public. Other businesses in sectors including manufacturing, forestry, and energy are also employing similar strategies to counteract any unfavorable press.

The major issue with this, though, is that there isn't much consistency and comparability in the standards of the existing reports; they are more like environmental spins than they are accurate representations of the company's true status. As a result, it has become essential that there be reporting standards or criteria to adhere to, as the majority of the reports in use today are nothing more than a clever marketing plan that helps a particular business. According to Habermas, the concept of free riding is the motivation behind the implementation and usage of universally recognized standards.

Specifically, in order to prevent free-riding, political institutions and civil society must establish legal frameworks and globally recognized codes within which economic pressures are managed, preventing free-riding competitors from taking advantage of the moral behavior of firms (via the implementation of these standards).

The current state of affairs, in which there are numerous diverse and also conflicting standards of responsibility, is a result of the rise in demand for a uniform method of CSR measurement. Many academics are logically concerned that the reports of the various regulatory bodies cannot guarantee safety to the same degree as a globally recognized standard. In light of this, this article will provide a summary of some of the most prevalent, globally accepted standards, along with some advice and ideas.

The Institute for Social and Ethical Accountability's (ISEA) AA1000S. The AA1000 Assurance standard was established in 2003 and quickly rose to prominence. The objective of this standard's development was to uphold the validity and caliber of an organization's public reporting on particular topics including social, environmental, and economic performance (AA1000 Framework, 2010).

(GRI) Global Reporting Initiative. The UN and the Coalition for Environmentally Responsive Economies (CERES), a Boston-based business organization, created the GRI in 1997. This project encourages businesses to take environmental policies into account and aims to standardize the reporting process for sustainability. Since many firm reports are not examined, this initiative's sole drawback is that it is truly more about disclosure than performance (organizations implementing the Guidelines, 2010).¹

¹ <https://www.businessnewsdaily.com/4679-corporate-social-responsibility.html>

CSR Perspective in India

India's business sector is still developing. After India obtained independence in 1947, industrialization essentially began, but it didn't take off until 1950, when the country became a republic and an industrial policy was established. Since there was a centrally planned economy based on the former USSR, the public sector was given a stronger role and served as the primary catalyst for the expansion of these principles. As a result, the government started to enforce social altruistic values. Some public sector businesses spent up to 5% of their income on CSR initiatives. However, it soon became clear that the widely advocated policy of the public sector as the primary driver of economic growth was ineffective. After 1980, industrial strategy changed, and the privatization of the public sector became the new tenet of economic expansion. The new WTO framework was another factor that made privatization even more necessary. The Indian businesses were compelled to comply with all legal criteria when environmental regulations tightened up if they wanted to keep running their current businesses. The Bhopal disaster in 1984 caused a paradigm change in thinking about environmental and safety issues. It demonstrated how vulnerable Indian businesses are to environmental threats and how they behave differently from foreign corporations.

The Indian government was forced to alter its environmental policy as a result. Although there were some environmental laws in place in India as early as 1974, the environmental protection act that was passed by the parliament in 1996 marked the beginning of the Indian government's serious attempt to make improvements. The companies must abide by the new rules and regulations that are periodically framed by this new statute. Hazardous waste rules from 1989, the Public Liability Insurance Act from 1991, the Biomedical Waste Rules from 1998, the Manufacture, Storage, and Import of Hazardous Chemicals Rules from 1999, the Ozone Depleting Substances (Regulation and Control) Rules from 2000, the Municipal Solid Wastes (Management and Handling) Rules from 2000, the Forest (Conservation) Rules from 2003, and others are some examples of significant new rules and regulations (Sahay, 2004).

Numerous Indian businesses believed that it was prudent to adhere to the ISO14001 standard in light of the expansion of environmental legislation. As a result, they are required to construct an environmental management system and to comply with all legal requirements. Over 1500

businesses in India, across a wide range of industries, have adopted the ISO 14001 standard; their motivations are similar to those of businesses in the West, as both seek to adhere to regulatory obligations and industry standards (peglau, 2010). Social pressure, financial

markets, and customer demand, according to Sahlay (2004), were given less importance in the effort to satisfy these requirements. In spite of this, there are some businesses that strive for environmental excellence, such as Jubilant Life Services Ltd. and ITC Limited.

These two businesses, however, make up just two of the total nine that reported via the GRI in 2010 while taking environmental measures into account. (Organisations using the recommendations, 2010).

Overall, the state of India's environment demonstrates that even the system in place is unable to limit the amount of industrial pollution. Similar to the developed world in the 1950s and 1960s, India's pollution level has already reached intolerable heights. This is due to weak institutions that control the policies and weak policies themselves. Community and civil protests will occur if pollution levels rise at this rate, and eventually the Indian Supreme Court will be forced to take action in response to public complaints about the environment.

Similar to this, many overseas clients have requested additional CSR initiatives, including the advancement of women into management and leadership roles and grassroots efforts to reduce negative effects on the environment, human rights, and children's rights.

community improvement, reducing poverty, assisting individuals through various self-help organizations, and executing numerous education-related projects. Another such is the largest cement producer in India, Ultra-Tech Cement, which engages in extensive social work in 407 villages with an emphasis on infrastructure, the environment, education, sustainable livelihoods, and social welfare.

Countries that have made CSR a legal mandate.

The term "Mandatory CSR" refers to a general legal obligation to act responsibly toward others. This legal obligation may be established either by corporate law or as a component of directors' fiduciary obligations. Despite the fact that CSR is optional and not required by law.

CSR regulations in India

CSR has historically been viewed in India as a philanthropic endeavor, but with the adoption of section 135 of the 2013 corporations Act, India became the first nation to enact statutory CSR requirements for specific corporations. Nine subsections of Section 135 govern India's CSR regime.

Activities that can be undertaken as a part of CSR

Schedule VII of the 2013 Companies Act lists activities that can be done as a part of CSR. These initiatives (as they were before the modification) supported the advancement of education, gender equality, the environment, famine relief, malnutrition, and many other causes. The notification, which was released by the Ministry of Corporate Affairs on March 23, 2020, aims to include money spent on various COVID-19-related activities that are already covered under Schedule VII of the Companies Act of 2013.

Regarding incubators, there was another notification. In accordance with an earlier regulation, funding under CSR was only available to technology business incubators housed within academic institutions, as defined by the Department of Science and Technology. The newly received notification concerned incubators. In accordance with an earlier regulation, funding under CSR was only available to technology business incubators housed within academic institutions, as defined by the Department of Science and Technology. The revised announcement made any incubators backed by any state, federal, or international organization eligible to receive CSR funding.

Some highly successful businesses in India carry out extensive CSR initiatives. For instance, the tata group, a multinational corporation based in India that makes vehicles, airplanes, and other things, strives to make a major.²

²[h#ps://indiacsr.in/post-pandemic-csr-in-india-lessons-opportuni?es/](https://indiacsr.in/post-pandemic-csr-in-india-lessons-opportuni?es/)

[h#ps://www.interna?onalconference.in/XXI_AIC/TS5D/MsPoojanBathla.pdf](https://www.interna?onalconference.in/XXI_AIC/TS5D/MsPoojanBathla.pdf)

What does CSR mean in Japan?

Global citizens have long expressed increasing concern that businesses should take action to alleviate the myriad social inequalities and "wrongs" that exist in the world. Additionally, there is a considerably higher need for compensation or a plan for future risk mitigation to be supplied if a corporation directly contributes to wrongdoing.

Many people believe that if firms are not actively addressing the issue of corporate social responsibility or having a beneficial impact on the world, they may even be doing harm. Businesses are under increasingly more pressure to change their systems and procedures as they expand globally and become more successful.

The term "CSR" now refers to a wide range of issues, from mental health to human rights. Who gains from a company's commercial endeavors? And who stands to lose? Regardless of whether we're talking about giant organizations or independent small firms, these are essential questions that we're all addressing.

Japan faced numerous pollution issues throughout the 1960s. As a result, the urge for economic growth started to lose ground to environmental consciousness, and businesses that produce pollution came under intense social pressure. In 1967, Japan formally acknowledged that pollution was a result of economic expansion, and fundamental regulations governing the degree of pollution were put in place. In 1971, laws and regulations were further reinforced, and an agency was created to handle environmental issues. The Japanese government established strict environmental regulations, encouraged the creation and adoption of new anti-pollution technologies, and provided corporations with fiscal, taxation, and financial support to encourage the adoption of these cutting-edge technologies.

The Air Pollution Control Act, passed in 1971, served as the foundation for emission standards. The allowable levels of SOX and NOX, for instance, in Japan were less than one-third of the norms in the US and Germany, indicating that these standards were generally significantly tighter than those in industrialized nations. Since the late 1960s, the government has provided funding to private businesses that, among other things, have worked hard to develop heavy oil and waste smoke desulfurization technology to reduce pollution and the adoption of unleaded gasoline by the automotive sector. As a result of these promising technological developments, expenditures in

facilities and machinery for pollution control grew quickly. Private sector investments in anti-pollution measures peaked in 1975, when they reached \$1 trillion, or 17.7% of all capital investments.

The Japanese government supported these rising investments by lowering fixed property taxes, providing special tax benefits, and providing financial support through the Japanese Development Bank. All of these actions led to a 16.8% reduction in emissions in 1985 when compared to the level of 1970, and an emission volume per unit of power generated that was around one-eighth of the average production of OECD nations (fukukawa, 1992). Additionally, recycling efforts have been made active; in 2008, 51.3% of newspapers and 53.8% of bottles were successfully recycled, which is a very high average on a global scale.

CSR in Japan is currently very strong generally, but it's also very inconsistent; it's excellent in some regions and terrible in others. Japan has one of the best corporate cultures in the world because it places a high value on giving back to the community. Another key goal is the welfare of the company's stakeholders, which include its workers, the general public, clients, suppliers, and shareholders. Larger companies in particular contribute significantly to the arts, education, and sports sectors of Japanese society. Additionally, corruption is comparatively low in the operations of Japanese businesses both domestically and internationally.

Japan engaged in a number of environmental organizations, including the global environment facilities, the intergovernmental panel on climate change, the United Nations environmental panel on climate change, the United Nations environmental programs, and the population fund. Overall, Japan today leads among high-density inhabited countries in terms of environmental sustainability since the environment has garnered so much attention since the late 1960s. The large number of Japanese businesses with an ISO14001 certification reflects this.

Some CSR-related areas, though, are less established in Japan. One of its key flaws, for instance, is that Japanese businesses frequently try to hide serious issues when they arise, including nuclear accidents or incidents of food poisoning. This appears to be connected to efforts to shield the company from societal repercussions. The publication of sustainability reports, collaboration with non-governmental organizations, transparent corporate governance, boosting the employability of staff and chances for women, and CSR norms for suppliers are among additional areas of

weakness.³

The traditional view of CSR in Japanese society

Giving to charities or total strangers has not historically been a prevalent habit in Japan. Instead, in the past, funds or aid have been delivered through existing networks and connections between people, such as family- or employer-based connections.

In a society where, in theory, people were cared for and supported by the circles they existed in (such as their firms, families, and local communities), the idea of businesses contributing significant sums of their profit to causes and people that aren't linked with it was formerly strange. Some proponents of Japan's traditional CSR philosophy may still contend that businesses have always sought to benefit both parties. And rather than attempting to assist someone you don't know, this may be more enduring and real.

Many people have believed that the government alone should be in charge of concerns relating to the environment, social welfare, and human rights. Many people were happy to accept the government's handling of social advancement due to historically higher levels of faith in it. The general consensus is that governments can't (and probably shouldn't) be given the responsibility of fixing certain difficulties on their own as time has gone on and perhaps as a result of significant changes to traditional corporate and familial structures.

A modern Japanese perspective on CSR

Things are a lot more complicated today. All people's lives are believed to be impacted by factors like poverty, social injustice, physical and mental health, and the environment, and it is thought that these issues can be resolved through individual business and individual person actions rather than just through the efforts of public administration.

This more closely resembles the way CSR is seen in Europe, where commercial payments to a variety of philanthropic initiatives (not always related) are accepted as the standard.

³ <https://www.tokyofounda.on.org/research/detail.php?id=912>

There is currently pressure on Japanese firms to adopt "good" behaviour and take responsibility for their acts outside of their current value chains and networks.

Meeting Global Standards for Social Responsibility

Many have contended that when it comes to social, economic, and environmental issues, strong global businesses can have more influence than any single government ever could (in both positive and bad ways).

For instance, one of the biggest automakers in the world, Toyota of Japan, employs over 360,000 people and cranks out roughly 10 million automobiles annually, enhancing the welfare of a large number of people while having a considerable negative impact on the environment through the production and usage of its goods.

The country (and businesses like Toyota) now face more worldwide scrutiny as expansion continues, in addition to a shifting perspective of what CSR is and how it should be carried out locally.

These organizations must be meticulous in documenting their actions and in how they report on CSR-related issues if they want to avoid public criticism. The Toyota Sustainability Data Book is available here and contains chapters on topics ranging from social contribution activities to respect for human rights.

Sony's main page on CSR and sustainability is a wonderful place to visit if you need inspiration for your company's CSR monitoring and reporting.

It also houses their annual Sustainability Report, documents pertaining to their global justice fund, important charitable endeavors, and their Green Management roadmap aimed at achieving Net Zero by 2050, in addition to an annual Corporate Report that summarizes the advancement of various initiatives for value creation.

Japan now complies with OECD guidelines for multinational enterprises, and the majority of the country's largest corporations have adopted more globally recognized CSR practices that are evaluated externally and promote openness and the release of regular reports that detail a

company's efforts to address a variety of social issues.⁴

International Positioning of Japan's CSR activities

One of the most well-known worldwide comparative studies that takes Japan into account is the Welford survey (Welford 2005). In 2002 and 2004, the author conducted questionnaire surveys of businesses in 15 North American, European, and Asian nations. CSR activities were divided into 20 categories in these studies. While Asian businesses were found to have much lower implementation rates across the most of the categories, Japan had a somewhat higher percentage, particularly when it came to the release of CSR reports. The study comes to the conclusion that Asian countries are closely imitating Western CSR programs, with Japan leading the pack.

Using data from a World Economic Forum questionnaire survey, Baughn, Bodie, and McIntosh (2007) compared CSR in North America, Western Europe, the Middle East, Africa, Latin America, and Asia. They claim that while Japan trails behind levels in North America, Australia, and New Zealand in the area of societal issues, it outperforms Western Europe. And it outperforms all other nations in terms of environmental actions.

These two studies point out that, compared to other Asian countries, Japan's CSR is remarkably advanced. Japan is frequently compared alongside Western industrial democracies rather than Asia because it is thought that its political and economic systems are more similar to those of the West. For instance, Gjølberg (2009) uses an index that includes socially responsible investment, participation in international CSR frameworks, publication of sustainability reports, and ISO14001 certification to compare CSR practices in 15 EU countries, the United States, Canada, Switzerland, Norway, Australia, and Japan. Out of the 21 nations, Japan came in at number 12, with North European nations and Canada taking the top two spots.

Although Spain, France, and Japan aren't seen as being particularly excited about CSR, according to Gjølberg, they rank surprisingly in the middle of the list. While France and Spain perform better in more open frameworks that place an emphasis on processes rather than results, Japan is ranked higher for international frameworks that demand measurable accomplishments.

⁴ <https://www.humblebunny.com/csr-japan-how-japanese-companies-approach-corporate-social-responsibility/>
https://graphics.eiu.com/files/ad_pdfs/CSR_JP_English.pdf

Japan stands out among CSR projects for its proactive information disclosure practices, such as the publication of sustainability reports (Williams and Aguilera 2008). Tanimoto and Suzuki(2005) examined the characteristics of the major Japanese corporations taking part in the Global Reporting Initiative, a widely accepted set of standards for information disclosure. They discovered that the likelihood of a company taking part in GRI increased with the proportion of foreign shareholders and overseas sales. Additionally, a comparison of CSR reports from Japanese and Western businesses reveals that the former gives more attention to environmental issues while the latter and corporate governance receive less attention.

Such results are in line with assertions that Japan tends to emphasize the environment and encourages CSR in response to pressure from the West.

In their analysis of the correlation between CSR-related information disclosure and stock prices in Japan and the UK, Bowerman and Sharma (2016) discovered that the UK exhibits a stronger correlation between information disclosure and higher stock prices than did Japan. The authors suggest that information disclosure in Japan might be carried out with a wider variety of stakeholders in mind, beyond only shareholders, to explain this. The relationship between the proportion of outside directors and the disclosure of ESG factors for Japan and the US is examined by Tran (2018). The number of outside directors, according to the author, is favourably correlated with information disclosure in Japan, but this relationship does not exist in the United States.

The study suggests that information disclosure in Japan may be influenced by stakeholder social norms other than shareholder rules, supporting Bowerman and Sharma's findings.

According to the studies mentioned here, Japanese CSR is characterized by the use of Western pressure to spur development, an emphasis on the environment, active information disclosure, an emphasis on a wide range of stakeholders beyond shareholders, and corporate governance that supports such an approach. The majority of studies, however, focus only on CSR performance and activities; they do not examine the motivations and history of these practices. I'll move on to look at the many aspects of CSR in Japan.⁵

⁵

<https://blog.ipleaders.in/comparing-corporate-social-responsibility-in-india-and-other-countries/>
<https://thecsrjournal.in/what-can-india-learn-from-japans-green-policies/> <https://www.gatewayhouse.in/csr-in-a-compara?ve-perspec?ve/>

Comparison of CSR regulations in India with that of other countries:

CSR can be characterized as a process for evaluating an organization's impact on society and, consequently, its duties. It is not merely a legal obligation. The process starts with an evaluation of each company's respective attributes, including:

1. Customers
2. Environment
3. Suppliers
4. Employees
5. Communities

The extent of how CSR monies are spent on employees will significantly change under the Companies (CSR Policy) Amendment Rules 2021. The 2014 regulations forbade businesses from investing their CSR funds on projects that primarily benefit the firm's staff members and their families. Any benefit that firm workers might obtain through CSR expenditures appears to be prohibited by the amendment requirements.

It is evident from an analysis of India's CSR regulations that the nation combines traditional philanthropy with strategic projects under this system. CSR in India works in areas with a shortage of resources, such as restrooms and schools. Under the CSR framework, community needs play a significant role and are often given top priority in India. Contrarily, wealthy or important nations like Canada and Australia use CSR funds mostly for cultural institutions, and they favor adopting green corporate practices. In these nations, CSR is tackled using the inherent business abilities.⁶

Conclusion

CSR is nothing more than the idea of looking beyond profits. Even though India is the only nation in the world to have a statutory compliance requirement that is necessary for CSR spending, there are still many obstacles to overcome that can only be overcome by cooperation between the government, businesses, and civil society. The same is true for other nations, where a suitable CSR framework is required and implementation must be done properly.

⁶ <https://www.mbaknol.com/business-ethics/a-compara?ve-study-of-value-system-of-japan-china-america->

Consumers would undoubtedly be more inclined to use a company's product or service if it demonstrated a commitment to tackling economic, environmental, and social challenges. Therefore, in addition to producing engaging and thought-provoking commercials, businesses must engage the cooperation and support of the media in raising awareness concerning CSR and its impact.

In conclusion, while comparing Japan and India, it cannot be said that one nation is significantly superior to the other two. After gaining independence, the Indian economy only began to expand, and in the early years, the country's centrally planned economy was founded on ideals of social compassion, which resulted in a high level of CSR. The Bhopal Gas tragedy in 1984, however, marked a paradigm shift in environmental and safety issues as the situation gradually deteriorated. The Indian government started making significant reforms in 1986, commencing with the adoption of the environmental protection act. Companies felt under pressure to initially adhere to international quality standards as a result of this new statute periodically enacting new rules and regulations.

The state of India's environment today is a reflection of this, as the existing controls on industrial pollution, which has reached intolerable levels, are insufficient. Fortunately, Indian officials have understood that foreign investors must enhance their CSR standards before making investments in India, and as a result, economic progress and the advancement of human and children's rights are now more closely correlated.

In conclusion, the government of India mandates CSR spending, whereas the governments of the majority of other nations do not. - This is one of the largest contrasts between India's approach and other countries' approaches to CSR. Social well-being and corporate success are defined and seen as mutually exclusive in India since CSR is viewed there as a way for firms to lessen the harm their operations have brought to the local people. While the two are viewed as mutually advantageous in other nations like Brazil, Japan, the US, or the European Union.

Japan was one of the first nations to formally acknowledge that pollution is a result of economic progress, and the environmental agency was founded in 1971 to handle these environmental issues. As soon as possible, measures to minimize emissions were put in place, including emission limits, recycling initiatives, special tax incentives, a reduction in fixed property taxes, and financial assistance from the Japanese Development Bank. As a result, CSR in Japan is normally highly high due to the country's substantial commitment to environmental preservation since the 1960s.