
INTERNATIONAL LABOR STANDARDS AND CORPORATE SOCIAL RESPONSIBILITY: A LABOR DIMENSION

Amrita Malik, Assistant Professor, CMR School of Legal Studies, Bangalore &
Dr. Rashmi K S, Associate Professor, Alliance school of law, Bangalore

ABSTRACT

Businesses are the economic engine. They contribute to economic and social growth by creating jobs, advancing skills and technological development, and providing goods and services. Simultaneously, commercial activities can harm individuals, the environment, and society. Irrespective of their location, size, sector, operational context, ownership, or structure, all businesses should act responsibly and identify and manage risks associated with their operations, products, or services, including those associated with their supply chains and other business relationships. It is imperative for businesses today to demonstrate their beliefs and values, both internally and externally, through Corporate Social Responsibility (CSR). While businesses are increasingly incorporating the concepts behind international labor standards into their CSR programs, the ILO believes it is critical to emphasize CSR's voluntary character. These instruments establish that all businesses are accountable for avoiding and mitigating negative impacts associated with their operations, including their supply chains, while also contributing to the countries' economic, environmental, and social progress.

This paper aims to provide an overview of the International Labor Organization's (ILO) International Labor Standards (ILS) principles as they pertain to business operations and due diligence regarding labor rights, as well as how these principles can be most effectively implemented in business operations and supply chains. To do this, the ILO's Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (ILO MNE Declaration) will be unpacked as the primary reference point and cornerstone for effective CSR policies and practices.

Keywords: corporate social responsibility, labor standards, international labor organization, business, labor rights.

Introduction

People are familiar with the concept of Corporate Social Responsibility (CSR),¹ which encourages businesses—no matter how small or large they are—to reduce the negative impacts of their operations while promoting long-term development in the societies in which they operate. CSR encompasses all practices, whether required by law or voluntary, implemented by businesses to adhere to the principles of sustainable development, which include three pillars: environmental, social, and economic. The social responsibility of an individual firm extends not only to direct employees of the company but also to subcontractors' employees. Several legal instruments and international standards are dedicated to implementing this responsibility, particularly the obligations of multinational corporations operating in developing countries.

The principles of CSR² have been enshrined in several international documents,

- The Guiding Principles on Business and Human Rights,
- The 2030 Agenda for Sustainable Development
- The Sustainable Development Goals

The International Labor Organization (ILO),³ the UN agency responsible for establishing international labor standards and promoting fundamental rights, has developed a set of social responsibility and labor law principles that apply to businesses.

First, the 1998 Declaration on Fundamental Principles and Rights at Work⁴ has to do with ending child labor, ending the use of forced labor, and ensuring that no one is discriminated against because of their employment or occupation. These four main principles are laid out in the freedom of association and the right to collective bargaining.

¹Unido, <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr> (last visited Feb. 12, 2022).

²Mia Mahmudur Rahim, *Core Principles of CSR Approaches*, Encyclopedia of Corporate Social Responsibility., Springer, (2013) https://doi.org/10.1007/978-3-642-28036-8_712 .

³ ILO, <https://www.ilo.org/global/lang--en/index.htm> (last visited Feb. 10, 2022).

⁴Oxford reference, <https://www.oxfordreference.com/view/10.1093/oi/authority.20110803095705904> (last visited Feb. 11, 2022).

Second, when it comes to social policy and inclusive, responsible, and sustainable work practices, the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy⁵ has been the primary instrument, the most recent revision of which was made in 2017 has been around for over 40 years.

Third, the Resolution on Decent Work in Global Supply Chains,⁶ which was passed in 2016, says that companies must do their best to identify, prevent, mitigate, and report on their adverse human rights impacts. To achieve this goal, businesses must disclose this information and implement remedial mechanisms at the operational level for workers impacted by their operations. This is as per the UN Guiding Principles.

Furthermore, Chapter V of the Organization for Economic Development and Cooperation's (OECD) Guidelines for Multinational Enterprises⁷ is devoted to employment and industrial relations.

The International Labor Organization (ILO), the Organization for Economic Cooperation and Development (OECD), and the United Nations (UN)⁸ have all created instruments that guide responsible business practices. These instruments establish that all businesses are accountable for avoiding and mitigating adverse impacts associated with their operations, including their supply chains, while also contributing to the economic, environmental, and social development of the countries in which they operate. As a result, these expectations of good behavior go beyond the legal requirements. Simultaneously, ethical business practices improve company performance and can positively impact business operations. Implementation of international corporate responsibility standards has also become critical for businesses wishing to contribute to the SDGs (SDGs)⁹. Businesses can become powerful drivers for achieving the SDGs by positively contributing to economic growth and development impact on people, the environment, and society. For example, ensuring respect for human rights and decent working conditions in supply chains can drive large-scale positive change across SDGs. It is also a

⁵ILO, https://www.ilo.org/empent/areas/mne-declaration/WCMS_570332/lang-en/index.htm#:~:text=The%20Tripartite%20declaration%20of%20principles,responsible%20and%20sustainable%20workplace%20practices. (last visited Feb. 12, 2022).

⁶ILO, https://www.ilo.org/ilc/ILCSessions/previous-sessions/105/texts-adopted/WCMS_497555/lang-en/index.htm (last visited Feb. 11, 2022).

⁷ OECD, <https://www.oecd.org/corporate/mne/> (last visited Feb. 11, 2022).

⁸ United Nations, <https://www.un.org/en/> (last visited Feb. 14, 2022).

⁹ United Nations, <https://sdgs.un.org/goals> (last visited Feb. 14, 2022).

practical and dynamic way to integrate the SDGs into core business and existing management processes from an operational standpoint.

International Instruments

The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (ILO MNE Declaration), the UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines) are the three main instruments that have become the key reference points for responsible business and outline how companies can act responsibly (UN Guiding Principles). They are in sync with one another and complement each other.

In order to meet international standards of corporate social responsibility, businesses of all sizes and in all sectors are expected to avoid and address the harmful effects of their activities and contribute to the long-term growth of the countries in which they operate. Using the ILO's Tripartite Declaration on Multinational Corporations and Social Policy as a guide, businesses can significantly impact the economy and society at large. The principles addressed in the ILO MNE Declaration also provide policy guidance to governments and employers' and workers' organizations, all of which play critical and distinct roles in creating an enabling environment for responsible business. Its recommendations on employment, training, working and living conditions, and industrial relations are based on international labor standards, including the fundamental conventions that underpin the ILO Declaration on Fundamental Principles and Rights at Work (1998), which addresses forced labor, child labor, non-discrimination, and freedom of association and collective bargaining. The ILO MNE Declaration was most recently updated in 2017 to include new labor standards and policy outcomes and explicit references to global developments such as adopting the United Nations Guiding Principles and the 2030 Agenda for Sustainable Development.¹⁰

Businesses' impact on human rights, the environment, and society as a whole, as well as the company's internal operations, are all included in the instruments' definitions of "impact on business." The instruments create a shared understanding that businesses can cause, contribute to, or directly link to negative impacts. They provide a framework for how businesses can avoid

¹⁰UNDP, https://www.undp.org/sustainable-development-goals?utm_source=EN&utm_medium=GSR&utm_content=US_UNDP_PaidSearch_Brand_English&utm_campaign=CENTRAL&c_src=CENTRAL&c_src2=GSR&gclid=Cj0KCCQiAu62QBhC7ARIsALXijXT_k0u_ixy3wO-Sm1TBsro864bZt78D-kclNuK4fIQ38M2XviWI8MaAjt6EALw_wcB (last visited Feb. 14, 2022).

and address them. When it comes to identifying, preventing, and mitigating negative impacts, businesses must exercise due diligence and account for how those impacts are addressed. This process should include meaningful stakeholders. Consultation with workers' organizations is essential when it comes to labor rights. By helping companies understand the impact of their activities and clarifying expectations around due diligence, these instruments help companies demonstrate that they are acting ethically. Governments, businesses, social partners, and other stakeholders play critical roles in putting these international instruments into action and advancing responsible business practices. Governments have a responsibility to safeguard people, the environment, and society. They are expected to achieve this by enacting and enforcing relevant laws, regulations, and policies that promote, enable, and support responsible business conduct. Enterprises must accept responsibility for avoiding and mitigating harm. They should use their clout to set clear expectations for their business partners to meet international standards for responsible business conduct. Most importantly, governments and businesses are expected to communicate externally about how they are addressing their impacts and to collaborate with employers' and workers' organizations, as well as other stakeholders such as civil society, human rights defenders, and community members, to achieve decent work and respect for human rights in practice. Stakeholders and international organizations provide assistance and guidance in a variety of ways.¹¹

The MNE Declaration of the ILO - Tools

The International Labor Organization (ILO) is the United Nations' specialized agency on employment and labor issues. The ILO's mission is to advance workers' rights, promote decent employment opportunities, strengthen social protection, and foster dialogue on work-related issues. For its 187 member countries, it provides policy guidance, capacity-building, and technical assistance to governments, employers, and workers on implementing international labor standards.¹²

The ILO provides information to businesses about the MNE Declaration's principles at the enterprise level. The ILO's company-union dialogue service creates an environment where a company and a union can meet voluntarily to discuss mutual concerns. The ILO assists national partners with technical assistance at the national level, including facilitating dialogue platforms

¹¹ UN Human Rights, https://www.ohchr.org/documents/publications/hr.pub.12.2_en.pdf (last visited Feb. 11, 2022).

¹² ILO, <https://www.ilo.org/global/about-the-ilo/lang--en/index.htm> (last visited Feb. 11, 2022).

that bring together governments, employers' and workers' organizations to identify and address decent work opportunities and challenges. Dialogues between host and home countries that include MNEs foster collaboration to advance decent work in global supply chains. National focal points are appointed on a tripartite basis to promote the application of the ILO MNE Declaration. At the regional level, the ILO publishes reports on regional foreign direct investment trends and government-identified concerns about how the ILO MNE Declaration's principles are being applied. Through its international training opportunities in responsible business conduct's labor dimension.

Corporate Social Responsibility (CSR)

CSR encompasses all of the various approaches, practices, and projects that companies engage in to improve the well-being of society., and projects that are integrated into business activities, supply chains, and dynamic cycles throughout the organization and include accountability for current and past activities as well as future effects. CSR entails adhering to the legal, moral, business, and various other assumptions society has about business and making choices that fairly balance the interests of each key partner. CSR objectives that are compelling include "advancing business in ways that respect moral values and take into account individuals, networks, and the natural environment." In a nutshell, it refers to "what you do, how you do it, when and what you say."¹³

Corporate Social Responsibility (CSR) is a plan of action to uphold their social responsibilities to themselves, their partners, and the general public. By practicing corporate social responsibility, organizations become aware of their impact on themselves and the general public on social, financial, and environmental levels. When an organization embraces CSR, it implies that it will conduct business in ways that contribute not only to its private gain but also to the advancement of the climate while avoiding any sort of negative impact. As a result, it is often succinctly stated that CSR is an organizational strategy that encourages organizations to strike a balance between society, their own business, partners, the economy, and the environment. The larger the organization, the greater the obligation.

Labor standards are incorporated into CSR policy guidelines

India has a large labor force, and with a plethora of multinational industries that exploit workers

¹³ Business Standard, <https://www.business-standard.com/about/what-is-csr#collapse> (last visited Feb. 11, 2022).

without improving labor standards, there is an urgent need to enlist the ILO and International Labor Standards (conventions and recommendations)

The ILO is a United Nations agency dedicated to promoting social justice and labor rights to ensure labor peace. Since 1919, the ILO has developed and maintained a system to assist men and women in achieving a decent and productive lifestyle through their work. The ILO's primary objectives are to advance workers' rights, promote decent work opportunities for the development of workers and their families, strengthen social protection, and focus on work-related issues. The ILO is one of only three United Nations agencies with a governance structure that includes government, labor, and business representatives.

International Labor Organization (ILO) & Corporate Social Responsibilities (CSR)

The International Labor Organization (ILO) defines CSR¹⁴ as how businesses consider the impact of their operations on society and affirm their principles and values both internally and in their interactions with other actors. CSR is a voluntary, enterprise-led initiative that refers to activities deemed to go beyond the requirements of the law.

CSR is voluntary – businesses voluntarily engage in socially responsible behavior above and beyond their legal obligations; systematic rather than sporadic; and linked to sustainable development. It is not a substitute for the role of government, collective bargaining, or industrial relations.

The ILO can play a critical role in CSR because labor standards and social dialogue are critical components of CSR and are the ILO's core business. Most CSR initiatives, including codes of conduct, reference principles derived from the ILO's international labor standards.¹⁵ When ILO Conventions are ratified at the national level, they become legally binding on governments, which must enact legislation to implement them. While the principles derived from ILO Conventions are not legally binding on businesses, they can serve as a guide for business behavior. The ILO contributes by facilitating dialogue between governments, labor unions, and employers' organizations and providing assistance and tools to help organizations better understand the labor dimension of CSR.

¹⁴ILO, http://www.oit.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcms_145592.pdf (last visited Feb. 15, 2022).

¹⁵ILO, https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_624015.pdf (last visited Feb. 15, 2022).

The ILO's two primary sources of information on CSR are

- **The ILO Declaration on Fundamental Principles and Rights at Work and the ILO Guidelines on CSR.** This establishes a requirement for governments to implement the principles of the International Labor Organization's core labor standards and the
- **The Tripartite Declaration of Principles Concerning Multinational Enterprises & Social Policy** ("the MNE Declaration"). This guideline is for government officials, ILO constituents, and businesses regarding enterprise behavior.

ILO to expand participation in CSR

In 2000, ILO accepted the UN Secretary General's invitation to join an initiative promoting good corporate citizenship: the UN Global Compact.

In 2004, the World Commission on the Social Dimensions of Globalization's report highlighted the International Labor Organization's (ILO) work on corporate social responsibility (CSR) issues. The ILO has developed a business agenda for the social dimension of globalization ILO.

In 2006, the ILO launched a CSR In-Focus Initiative to advance the ILO's leadership in this area by promoting the MNE Declaration's principles as the basis for sound CSR policy and practice.

In 2009, the ILO launched a helpdesk to provide constituents and businesses easy access to information, assistance, referral, and advice on CSR and labor standards implementation.

The MNE Declaration is an excellent resource for constituents seeking guidance on CSR. Governments have a role to play in maximizing the social benefits of MNE operations. The ILO contributes to other multi-stakeholder CSR initiatives.

Collaboration with other organizations

OECD: Common standards, particularly in the area of employment and industrial relations, and a reference to the ILO as the "competent body for international labor standards" - Collaboration on instrument revisions and updates - Joint events and activities promoting the MNE Declaration's guidelines and principles.

UN Global Compact: ILO reference for core labor principles; support for the Labour Working Group; consultation with the Human Rights Working Group; point of contact for gender,

HIV/AIDS, and youth

Codes & Standards: Contribute technical expertise on the labor dimension to ISO 26000, the Global Reporting Initiative, and others.

Tripartite Declaration of Principles on Multinational Enterprises and Social Policy Adopted by the ILO GB in 1977. Voluntary guidelines on social policy and the workplace. The only global tripartite instrument on CSR agreed upon by employees, employers, and governments. recognizes the positive contribution MNEs can make to economic and social development.

The 1998 Declaration commits all ILO members (whether or not their respective conventions have been ratified) to advance and implement fundamental labor rights: freedom of association and recognition of the right to collective bargaining Abolition of all forms of forced or compulsory labor; and discrimination in employment and occupation is prohibited.

Since its inception in 1919, International Labour Organisation has been striving for social and economic justice. ILO has worked to advance both social and economic justice. Private multinational enterprises have played a critical role in the economy during the globalization era, and their ultimate goal is to maximize production and profit. Employers should address workplace challenges without fail in the pursuit of profit maximization. The ILO has very carefully observed and framed guidelines for employers, governments, and other authorities to ensure workplace rights and labor standards in its conventions and documents. The ILO places a premium on eradicating child labor, promoting worker health, safety, and welfare, ensuring workers' rights to work, and improving working conditions and industrial relations, among other things. The ILO's key declarations and documents for promoting international labor standards as a form of corporate social responsibility in the private sector are as follows.

- MNE Declaration, 1977;
- Declaration on Social Justice for a Fair Globalization;

The Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration)

The ILO adopted the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy at the 204th session in November 1977. The most recent amendments were made

at its 329th session in March 2017. The benefits and drawbacks of accepting multinational corporations are explained in great detail in this document (MNE). In addition to creating new jobs, MNEs also have the potential for forced or compulsory labor practices, a lack of social security for laborers, child labor practices, unequal employment opportunities and treatment, and a lack of employment and income guarantees, to name a few labor standards addressed by the article. It is desired that multinational corporations be held accountable for social welfare through corporate social responsibility (CSR).¹⁶ As defined by the International Labour Organization, CSR is a voluntary act by private and multinational enterprises to contribute to a socially just society. While businesses come forward to promote labor standards to make a profit, they do so to a limited extent. Globalization and technological advancements have elevated the industry where developing countries must prepare their economies and labor forces for the digital era. It is positive to encourage businesses to promote labor standards through CSR in the digital age. As India's economic policy vis-à-vis foreign direct investment and disinvestment policies is boosted to boost the country's business and economic growth, the ILO wants countries to improve labor standards in the process.

The ILO (International Labor Organization) was founded in 1919 to promote both social and economic justice. During the era of globalization, private multinational corporations were critical to the economy and its ultimate goal of increased production and profit.

International Labor Organization (ILO) Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (MNE Declaration) – 2017

Aim: To encourage businesses to positively contribute to socio-economic development and provide decent work for all. Reduce and eliminate potential negative consequences of business operations. Economic development and decent work/labor rights/social policy¹⁷

Dialogue on multiple levels- Between the state and its social partners (social dialogue) Within businesses, between management and employees (industrial relations), Between the public sector, social partners, and multinational corporations (tripartite plus dialogue) Between multinational corporations' home and host countries (cross-border social dialogue)

¹⁶ ILO, https://www.ilo.org/empent/areas/mne-declaration/WCMS_570332/lang--en/index.htm (last visited Feb. 14, 2022).

¹⁷ ILO, https://www.ilo.org/empent/Publications/WCMS_094386/lang--en/index.htm (last visited Feb. 15, 2022).

For companies to "identify, prevent, mitigate, and account for their actual and potential adverse impacts on internationally recognized human rights," the UN Guiding Principles for Business and Human Rights due diligence process is referenced in new paragraph 10 of this document." "This process should include meaningful consultation with potentially impacted groups and other relevant stakeholders, including workers' organizations, as appropriate for the enterprise's size, nature, and context." "There must be an emphasis on the importance of the role of unions and collective bargaining in this process to achieve the MNE Declaration's goal."

The ILO's member states' actions are guided by the tripartite declaration of multinational enterprises and social policy principles. It adheres to all ILO standards "enhancing the beneficial social and labor effects of multinational corporations' operations." it adheres to all ILO standards "enhancing the beneficial social and labor effects of multinational corporations' operations." Multinational corporations (MNEs), businesses, governments, and labor unions can all use the principles as a guide. The declaration contains 59 rules, covering the following areas: The ILO's member states' actions are guided by the tripartite declaration of principles on multinational enterprises and social policy.

Declaration on Social Justice for fair globalization, 2008¹⁸

The ILO promotes social justice for globalization in its following declaration on labor standards and CSR; the ILO Constitution's preamble categorically states that universal and lasting peace can only be achieved through social justice. After globalization and digitalization became inescapable, the ILO emphasized the importance of countries developing new sets of employment standards while promoting labor standards through social dialogue, the right to decent work, and social protection.

"Globalization has benefited many people, but the benefits of increased international investment and trade have not been distributed evenly within and between countries. No fair globalization or decent work can be achieved without the private sector's help."¹⁹ As a result, imputing responsibility for labor standards promotion to the private sector and multinational corporations helps avoid worker exploitation in digital India. This document, adopted at the ILO's 97th session of the International Labor Conference, succinctly articulated the ILO's values regarding labor standards. The document analyses the transition from rural to urban

¹⁸ILO, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/genericdocument/wcms_371208.pdf (last visited Feb. 15, 2022).

¹⁹ OECD, <https://www.oecd.org/corporate/mne/40889232.pdf> (last visited Feb. 14, 2022).

areas, from men to machines, on the one hand, and the growing inequality, informal economy, and unprotected labor force on the other hand, as a result of industrial transformation. Not only that, as the introduction becomes internationalized and digitalized, the local labor force, particularly in countries such as India with a large labor force, should not be overlooked or ignored. The ILO expresses its unequivocal support for all countries in their efforts to implement the ILO's principles and values.

ILO decent work agenda 2030

For the first time, the ILO included private enterprises in its sustainable development goals, putting responsibility for economic, environmental, and social standards squarely on their shoulders. CSR imposes the following obligations:

- Consistent with society's long-term development goals
- Taking into account factors unrelated to the corporation
- Determine the impact on the environment

The United Nations' Agenda 2030 is a crystal-clear mandate for all profit-making businesses operating in the digital era. They must operate a business free of child labor, forced labor, poverty, and hunger. Voluntary responsibility on the part of profit-seeking businesses is critical for long-term development. The UN Global Compact Action Platform on Decent Work²⁰ identifies the following as CSR: Respect human rights, Promote associational freedom, Eliminate all forms of forced labor, Social protection Equality of genders.

The ILO mandates that all workers have access to decent work to ensure sustainable development.

Social standards established by the ILO

The International Labor Organization (ILO) seeks to establish global minimum social standards. These efforts are aimed at preventing businesses from gaining a competitive edge by violating workers' rights.

²⁰UNGlobalCompact, <https://unglobalcompact.org/take-action/20th-anniversary-campaign/uniting-business-to-tackle-covid-19/decentwork> (last visited Feb. 14, 2022).

Four fundamental principles guide the ILO's mission and activities:

- Right to collective bargaining
- Absence of forced labor
- Child labor abolition
- Elimination of employment and occupational discrimination

Currently, eight conventions elaborate on these fundamental principles.²¹ They are collectively referred to as the "core labor standards." In 1998, the Declaration on Fundamental Principles and Rights at Work was adopted by all member states. It emphasizes the importance of "social justice" in achieving "universal and lasting peace. 142 ILO member states, including Germany, have ratified all of the ILO's core labor standards to date. Guy Ryder²² stated succinctly in one of his articles, "Today's responsible business requires a comprehensive right—one that is founded on a response to national development priorities." He also explicitly mentioned that fair globalization entails providing decent work to men, women, and children and providing access to education, for which the private sector would play a significant role in achieving sustainable goals.

The ILO's key declarations and documents for promoting International Labor Standards²³ as a form of corporate social responsibility in the private sector are as follows:

- Declaration on the social justice for a Genuine Globalization
- Decent workings in UN Agenda 2030
- MNE Declaration in 1977

The implications of CSR clauses for states, businesses, and workers

Since exchange and speculation are state-to-state transactions, the primary ramifications of CSR language are for states. The examination of the substance of CSR arrangements reveals

²¹ILO, <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm> (last visited Feb. 11, 2022).

²²ILO, https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/ilo-director-general/WCMS_205241/lang--en/index.htm (last visited Feb. 15, 2022).

²³ILO, <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/lang--en/index.htm> (last visited Feb. 14, 2022).

that their business implications are generally limited. Given the novel concept of including CSR language in exchange and speculation agreements, it is unknown how this will impact worker rights and working conditions on the ground. In any case, fusing CSR terminology is a way to conceptualize the role of private organizations in advancing and assisting labor rights concerning the role of governments. Thus, the author summarizes the implications of CSR clauses in exchange and venture agreements for states, businesses, and laborers, who are the primary stakeholders in work-related CSR arrangements, aside from the ILO's three-sided constituents:

State implications: States can play a significant role in shaping the conditions for ethical business conduct and rationality globally by utilizing CSR activities in exchange and speculation arrangements. The monitoring components and partner inclusion provided by these arrangements' institutional components (see designation) should be evaluated for their potential to hold states accountable for their CSR responsibilities. The states determine the degree of consistency, and challenges may arise in determining "how much the state elevates or attempts to advance these activities."

Business implications: With the encouragement of governments to adopt specific CSR systems, organizations will be accountable for the approaches used in their tasks and may opt for those CSR instruments promoted explicitly by governments. In a roundabout way, it is a resounding admission that the purpose of personal business is to advance work principles and conditions.

Consequences for workers: As previously stated, the exchange and, more importantly, the execution of these arrangements are in their infancy. As a result, the capability of these arrangements and their actual effects are frequently obscured. Regardless, the enactment of these provisions, which are associated with the various exchange and speculation arrangements (such as work arrangements), has the potential to benefit laborers' and more extensive fundamental liberties. Labor unions have been associated with the institutional instruments specified in the agreements. For instance, in cross-line everyday society gatherings, they have been used to advocate for increased participation in CSR activities or stricter oversight of MNEs' CSR behavior and assist governments and organizations in this regard.

Legislations:

Corporate social responsibility is also enacted in various labor laws in India.

The 1948 Factories Act regulates working conditions. Wages are protected under the 1936 Payment of Wages Act and the 1948 Minimum Wages Act. The Workmen's Compensation Act of 1923, the Employees' State Insurance Act of 1948, the Employees' Provident Fund Act of 1952, the Payment of Gratuity Act of 1962, and the Payment of Bonus Act of 1965 were all enacted to protect labor interests through social security measures. Industrial harmony and improved labor relations are promoted by the Industrial Disputes Act, 1947, and the Trade Unions Act, 1926.

Potential role of the ILO in CSR Policy

Whether the ILO has a role in the interaction between soft and hard labor regulations involving both the private and public sectors is not a new or unique concept. According to the Director-General Report,²⁴ CSR has been required to become more rigorous in its guidelines, highlighting the need for government and international community guidance to explain corporations' expectations. While there are lesser-known facts and details about the ILO's role in CSR guidelines and agreements, the parties to trade agreements can make greater use of the ILO's role in enforcing such clauses. The inclusion of indirect or direct references to ILO instruments in CSR clauses necessitates reflecting the ILO's vital role. There is limited evidence directly related to CSR, based on previous ILO involvement in the labor market and broader trade, and the ILO's critical role about CSR in investment agreements. Traditional ILO instruments, such as technical assistance and cooperation and supervisory mechanisms, are primarily directed at the state level to strengthen national regulatory frameworks in both home and host countries.

However, the ILO has been directly involved at the highest levels of private business, namely through the provisions of regulations and guidelines, such as MNE declarations, by assisting businesses in promoting ILS and monitoring large companies' capacity. ILO has encountered numerous levels of legalization as a result of its development in international trade and investment

The ILO places a premium on promoting health and safety at work and relevant conventions through its guidelines on occupational safety systems and management systems. It encourages

²⁴ILO, <https://www.ilo.org/public/english/standards/relm/ilc/ilc87/rep-i.htm> (last visited Feb. 14, 2022).

developing countries and trades to use the ILO helpdesks. Thus, the ILO references in the CSR clause prompt reflection on the ILO's potential role in this field, whether direct or indirect.

Corporate Social Responsibility and International Labor Standards: Issues and Challenges

The Companies Act, 2013's schedule 7²⁵ illustrated and explained the following issues that must be addressed as part of corporate social responsibility: education, disease prevention, hunger and poverty alleviation, vocational skills development, environmental sustainability, gender equality, and women's empowerment. The abovementioned policy guidelines were incorporated into the 2014 Companies (Corporate Social Responsibility Policy) Rules.²⁶

CONCLUSION AND RECOMMENDATION

From this point forward, it is easily reasoned that Corporate Social Responsibility is a mandatory act, as it assists organizations in meeting their responsibilities not only to the environment but also to society. CSR has been demonstrated to assist organizations in defending individuals' fundamental liberties in several instances. It is entirely due to corporate social responsibility that Indian businesses have recently become so actively involved in contributing to education, rural development, climate change, technological advancement, and medical services, among other things. In India, a few enactments have been introduced to advance the act of corporate social responsibility. India is the only country with a legitimately enacted corporate social responsibility, but there are currently no solid laws or enactments in place in India. Various nations, including Norway, the United Kingdom, South Africa, Ghana, Sweden, and the Ivory Coast, adhere to their codes, a reasonable and socially responsible method of conducting business. All associations and organizations have only recently gotten their wheels in motion. They are now playing critical roles in developing and concretizing corporate social responsibilities, ensuring disparity reduction without jeopardizing business development.

After signing the International Labor Organization's document on achieving sustainable development goals, India incorporated CSR into the Companies Act, 2013 under section

²⁵ The Companies Act, 2013, § 135, Acts of Parliament (India).

²⁶ Ashima Obhan and Shivam Patanjali, India: New Rules Governing Corporate Social Responsibility, *Modaq* (Feb. 12, 2022, 10:15 AM), <https://www.mondaq.com/india/corporate-governance/1033048/new-rules-governing-corporate-social-responsibility>

135(1). It established a mandate and tasked private and multinational companies with specific responsibilities. However, judging by the display of the National CSR Portal, it is clear that private companies are prepared and willing to contribute to the economy, environment, and society.

According to private and multinational companies, India is a massive market with a high-profit margin; therefore, CSR does not need to be mandatory. It is possible to make it professionally. After five years of successfully implementing CSR in India, the time has come to include the ILO's concept of international labor standards as a component of CSR. It can be implemented gradually. The automation of industries and the massive influx of global companies with advanced technological and digital capabilities will not threaten India's abundant unorganized workforce if CSR is used to promote labor standards. Simply put, social responsibility entails meeting one's obligations to society and the constituents of business and enhancing their economic and social conditions in any way possible. In other words, the concept of social responsibility assumes that businesses have economic and legal obligations and specific additional social responsibilities, i.e. In addition to its own interests, a business must consider the interests of community members such as employees, suppliers, and customers. Employees have a direct stake in an organization because they rely on it to meet their basic needs. The traditional economic model of organizational functioning does not account for workers' fair share of the income distribution. However, in today's globalized business environment, businesses must recognize the value of a stable and satisfied workforce. Social security systems are critical pillars of contemporary society's social and economic welfare. Social security systems act as a safety net, shielding workers from the adverse consequences of risks associated with a high probability of being deprived of an income sufficient to cover the costs of basic human needs. Individuals in any random society face dangers that foster community solidarity because no one can predict where one will end up on the welfare ladder—a concept referred to as the veil of ignorance.