

The role of corporate social responsibility in poverty alleviation: Case study of Pakistan

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Abstract

The nexus between the poverty alleviation and the Corporate Social Responsibility (CSR) is a rather difficult one due to the voluntarily nature of corporate social responsibility. There exists plenty of debate and paucity of evidence on practices that allow alleviating poverty as an outcome of corporate action. For instance, it is still part of the debate whether and under which legal and normative setting should corporations be compelled to replace the historical functions of political economy and government including the poverty alleviation. The pro-poor policies of the firms are not always a result of intrinsic goodness of the firms whereby it behaves in an altruistic fashion; in fact it can be sometimes guided by well calculated and planned outcomes related to the profit motivation and the performance of the firm. Poverty has led to a series of adverse consequences for social development. It is the condition of not having the means to fulfill the basic needs (food, clothes, shelter, education, health and other amenities) in life. It is a widespread problem in developing countries like Pakistan. In Pakistan poverty is predominantly in the rural areas where about 70 percent of the population and more than three quarters of all poor people reside and mostly depend on agriculture. According to 2018 survey, 21.9% proportion of population is living below the national poverty line. 3.7% of employed individuals are earning as low as \$1.90 per day only (Asian Development Bank, 2022). The research philosophy used in this research is Interpretivism, emphasizing the understanding of subjective experiences and meanings. The researchers holding positivist stance always tend towards figures and generalizability (Saunders *et al.*, 2007). Their view towards a problem is entirely different from that of Interpretivism as they research for facts only. This research is inspired with positivism which is more concerned with humanistic feelings. Therefore, the most suitable research approach for this study will be inductive approach (Easterby-Smith *et al.*, 2008). The approach used for data collection is mixed method approach which comprises of semi structured interviews with the farmers and focus group discussions with the employees of textile companies. The thematic analysis has been done for the codes generated. It will also include the analysis of the management reports of the textile companies. Textile is the major export of the country and cotton is the major crop cultivated therefore it addresses the issue of poverty alleviation which is been faced by the major population of the country. The outcome of the research shows a weak legal

framework pertaining to corporate social responsibility in Pakistan. A lot of work is required in this aspect if there's a corporate social responsibility law in Pakistan then it will help in the poverty alleviation in the country. The research will have a huge impact in the form of policy change and new law which will result into economic and social impact in the country.