

# Corporate Social Responsibility and the Public Health Imperative: Accounting and Reporting on Public Health

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## Abstract

It has never been more urgent for corporate entities to ensure that they are accountable for public health issues arising from their business operations. Corporate social responsibility is constantly being redefined from what it used to be in terms of corporate responsibility to people and the planet. This redefinition is mainly due to issues affecting public health. Hence, it is important for corporate entities to account for how their business operations affect public health. It is also important for corporate entities to account for how public health issues affect their business operations. The nexus between corporate social responsibility and public health could also create a 'new normal' by accounting and corporate reporting on public health.

## Keywords

- accounting
- corporate reporting
- corporate social responsibility
- public health
- sustainable development
- sustainability

## Chapter and author info

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### 1. Introduction

Currently, Corporate Social Responsibility (CSR) has become a debated issue in the corporate world, attracting the attention of business owners and standard setters such as the United Nations Global Compact. Corporate social responsibility can be defined according to Khanifar et al. [1] as the actions that make companies good citizens who donate to society's well-being outside their own self-interests. Ghelli [2] stated that the growing level of industrial development has caused a steeped and also a reduction of natural resources, which weighs on the future stability of the world and by accepting and development social responsible practice, is the best means to stop these negative activities. According to Mwangi and Jerotich [3], corporate social responsibility reiterates that a firm has responsibilities that go beyond profit maximization. This responsibility is to the society. Sharma & Mehta [4] stated that corporate social responsibility refers to the firm's contemplation of and answer to problems that are beyond the narrow scope of the economical, technical, and legal needs of a firm. Tjia and Setiawati [5] opine that social activities are now considered as social principal investments instead of financial burdens. Abbasi et al. [6] states that the social actions carried out by firms are also called ethical investments because they portray corporations in positive light [7, 8].

Public health is the science of protecting and improving the health of people and the community. The aim of public health is to promote healthy lifestyles, research disease and injury prevention, detect, prevent, and respond to infectious diseases. Public health is concerned with protecting the health of entire populations either in a small community or a country. Public health focuses on promoting healthcare equity, quality and accessibility [9]. Public health is also concerned with the control of diseases caused by bacterial, fungal and viral organisms. According to Acheson (1988) as cited in World Health Organization [10], public health is the art and science of preventing disease, prolonging life and promoting health through the organized efforts of society. Based on the definitions of public health, it is not the sole responsibility of government. It is the responsibility of individuals and the society (including corporate entities) to ensure that public health is given priority. Threats to public health could be capable of affecting livelihoods, and most importantly life. In either way, public health issues are crucial for economic wellbeing and life.

Corporate entities usually engage in CSR activities in order to be portrayed in good light. Some of their activities include engagement in educating the host community, monitoring health of people, providing diagnostic services, mobilizing community partnerships, providing care, among others. Corporate entities offer public health services in form of philanthropy. However, there have been arguments that corporate entities engage in CSR for the purpose of improving their financial performance [11, 12, 13, 14]. Other research argues that firms are pressured into improving their CSR performance [15]. Other research argues that corporate entities engage in CSR for social sustainable growth [16]. The varying reasons for corporate engagement in social responsibility are one of the dominant issues in CSR literature. The nexus between CSR and public health is another debatable topic among researchers.

Governments and their representatives are one of the public health service providers. These governments operate at different levels in the polity of a country. However, they are not the sole public health service providers. Corporate entities are also involved in public health initiatives as they carry out their CSR or philanthropic activities. Hence, this creates the need for researchers to explore how businesses can use CSR to positively influence public health. In addition, the nexus between CSR and public health requires that corporate entities account for public health and report on same. It also requires that a distinction is made with respect to the nature of accounting and reporting on public health, that is, accounting for how business operations affect public health and how public health issues affect business operations. These accounting and reporting issues with respect to public health differ from the usual corporate disclosures on public health.

The main objective of this study is to assess the literature on CSR and public health with a view to increase advocacy for corporate entities to account for how their business operations affect public health. The study also advocates that corporate entities report on how public health issues affect their business operations. In the light of threats to public health, accounting and reporting on public health based on these approaches could create a 'new normal' for improved accountability on public health. This 'new normal' goes beyond the disclosures on public health. Standard setters such as the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC) can use the recommendations of the study to develop standards to guide corporate entities on accounting and reporting on public health.

The study contributes to the existing knowledge on corporate social responsibility and public health. It is also aimed at increasing advocacy for accounting and reporting on public health by corporate entities, with a view to improving the health of the host community where businesses operate and the host country, and the world at large.