Corporate Social Responsibility (CSR) – Role in Community Development in India

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Abstract

Corporate Social Responsibility (CSR) is an initiative taken by the companies to sustain the development of the individuals. CSR is a process with the aim to hold responsibility for the company's actions and encourage a positive impact through its activities on environment, communities, stakeholders. The CSR activities in India need to be in alignment with the socio-economic development of the society in some way or the other. This paper focuses on role of CSR in community development. Community development is a process of changing the traditional way of living to progressive way of living, which makes people to develop themselves in accomplishing the desired welfare in the communities. The present paper attempts to highlight the role of CSR in community development by studying various CSR initiatives take up by corporates under community development and understanding the need in designing suitable and sustainable projects for community development.

Keywords: Corporate Social Responsibility (CSR), Community Development, Rural Development, CSR initiatives.

Introduction

Community development is a holistic approach and an organized effort initiated to assist a group of people in a community to lead a better lifestyle. The aim of community development is to enhance peoples living standards in the communities. The concept of community development in India was initiated before Independence. During the struggle for Independence, under the leadership of Mahatma Gandhi, the Father of the Nation, significant attention was given to rural upliftment and reconstruction. Community

development in India was initiated by Government of India through Community Development Programme (CDP) in 1952.

In India over 70 percent of the population reside in rural communities. In India these communities exhibit great deal of diversity. On one end we have extremely affluent villages where many of the families receive handsome amounts of money. On the other end we have extremely poor villages where people struggle for one square meal. Many villages are still under developed due to poverty, hunger, ill health, unemployment, etc.

A neglect in growth of rural communities can lead to degradation and depletion. Therefore, it is important to provide good quality social services and essential basic services needed for economic development and social justice, but it is not only the responsibility of the government. This requires more participants to get involved in community development process. Corporate Social Responsibility (CSR) is one such a concept where business organizations consider their interests by taking responsibility of enhancing the living standards of communities.

Corporate Social Responsibility (CSR)

The concept corporate social responsibility has a close link with social development, sustainable development and community development. CSR has gained vast importance and popularity now a days. The term CSR is now new normal for all the organizations. CSR tends to be dominant agenda of business entities, especially to the corporates and policy makers. This follows a prime mechanism which link state, company and society forming a triangular relationship.

Corporate Social Responsibility (CSR) refers to a self-governing business framework that assists companies to be socially responsible to themselves, the society and the consumers. By being part of CSR, organizations can stay aware of the form of influence they have on all societal aspects, such as social, environmental and economical. Practicing CSR implies that, an organization operates in a manner that enhances society and environment.

CSR refers to strategies companies or firms conduct their business in a way that is ethical, society friendly and beneficial to the community in terms of development. CSR is defined as ethical behaviour of a company or business towards society.

CSR is the responsibility of corporations to contribute to better society, by engaging directly with local communities, identifying their basic needs, and integrating their needs with business goals.

Community Development: Community development is a broad concept applied to improve various aspects of community, which aim to build stronger and more resilient local communities. This seeks to empower individuals and groups of people by providing them with skills they need to improve the social, cultural and economic conditions in the communities.

Objectives

To develop better understanding of corporate social responsibility.

To highlight role of CSR in community development and study various CSR initiatives of corporates under community development

To examine the need of corporates in designing sustainable projects for community development.

Methodology

The nature of the study is descriptive. CSR projects for community development by different corporates are taken for the study. The data is collected from the secondary sources like books, journals, newspapers, websites, articles, etc.

Understanding Corporate Social Responsibility

The Ministry of Corporate Affairs has notified Section135 and Schedule VII of the Companies Act 2013 as well as the provisions of the companies Riles 2014 to come into effect from April 1, 2014.

Every company, Private limited or public limited, which either has net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2percent of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any activities mentioned in Schedule VII of the 2013 Act.

Contributions to any political party is not considered to be a CSR activity and only activities in India would be considered for computing CSR expenditure. The corporate sector has implemented many innovative programmes to promote community life. The CSR activities are contributing towards increased income of beneficiaries and integrated community development.

Role of CSR in Community Development

CSR refers to the strategy in which corporates conduct their business in a way that is ethical, society friendly and beneficial to community development. Community development focuses on providing better environment for community members. CSR plays an important role in attaining the stronger and resilient communities. CSR can be seen as an aid of poverty reduction, promoting health and education, etc. Many corporates are focusing in extending their responsibilities in achieving the overall well-being of the communities, by

Providing housing facilities for homeless people who need help

Initiating libraries and taking steps to improve educational facilities within the locality.

Ensuring cleanliness of open-air spaces to ensure everyone's wellbeing.

Providing healthcare facilities at affordable process or for free so that every individual gets equal access

Training the individuals for the development of local skills., etc.

Need of designing suitable CSR initiatives

Corporate Social Responsibility acts as a game changer by contributing positive upliftment of community or society. The Companies Act, 2013 has made it mandatory to spend 2 % of the companies profits on CSR. The question here is, Are the CSR initiatives accurately planned as per the needs? If planned, are these planned activities implemented where the need really pertains.

Most of the times the interventions are planned and implemented, but the community does not recognise the impact created through this intervention. It is necessary to plan and identify appropriate projects that are relevant to the needs of the beneficiaries.

Designing suitable projects for community development is important as it ensures that the needs of community are met in the long run. Designing projects that are sustainable is also important as they have

an impact long after they have been implemented viz, environmental impact, effective utilization of available resources, etc.

Here, Need Assessment plays an important role in CSR programme planning. This is a process of identifying the differences between the present state of community and where it aspires to be. This systematic procedure helps in identifying the needs, examining the nature of problem and in turn helps the CSR programme planners to identify and select the best area or activity where companies' resources can be utilized in achieving the maximum possible impact on the community. Participatory design is another approach in designing CSR programme planning, as it helps to ensure that needs of the community are met. By involving community members who will be impacted by and / or eventually use the project/ product, we can ensure that they take the ownership of the project and will keep improving and adjusting it to their needs long after the organization is gone.

CSR activities of Corporates under Community Development

India is the only country in the world to mandate CSR by amending the companies Act 2013 in April 2014. The biggest corporates in the country are obligated to spend 2 per cent of their net profits under corporate social responsibility, as per company's act 2013. Listed below are CSR activities of top corporates under community development.

Reliance Industries Limited

Reliance industries Limited, is the India's largest company by market capitalisation. It is a significant global player in the integrated energy value chain and has established a leadership position in the retail and digital services business in India. This has spent crores on its CSR initiatives have been the top spender of CSR funds in the country for past few years. The company has impacted 69.5+ million people in the country.

Reliance conducts most of its community outreach programs through Reliance Foundation. Till now it has touched lives of over 2.7 million individuals. The main area of focus of CSR includes Rural transformation, Education, Disaster Response, health, Sports for Development and Arts, Culture and heritage. These programmes aim to strengthen the physical and social infrastructure, skills and intellectual capabilities of marginalised communities so that they can take definite steps towards living with dignity and self-reliance.

Reliance Foundation's Rural Transformation programme promotes sustainable agriculture, rural livelihoods and improving access to healthcare, education and clean energy in rural India. The foundation has established hospitals, clinics and telemedicine services and runs campaigns to promote disease awareness and preventive healthcare.

Reliance Foundation aims to provide quality education to underprivileged children, enhance digital literacy, promote vocational training and support research and development in the education sector. Protecting the environment is one of the focus areas of the company's CSR programme which fosters sustainable development through initiatives such as afforestation, renewable energy and waste management. Reliance Foundation supports various art, heritage and cultural initiatives to preserve and promote India's rich cultural heritage. The focus areas include visual arts, music, dance and theatre. The Foundation assists in providing immediate assistance during natural disasters like floods and earthquakes and supporting long term rehabilitation efforts of affected communities.

TATA Consultancy Services limited (TCS)

TATA Consultancy Services Limited (TCS), is an IT service, consulting and business solutions company that is a part of TATA Group. With their transformational journeys for more than 50 years.

TCS through various CSR initiatives and programs across the globe continue to address the most demanding needs of the community. The primary focus areas are education, skilling, employment and entrepreneurship with a focus on bridging the opportunity gap for the people and communities.

TCS gives a special attention to STEM (Science, Technology, Engineering and Mathematics) and rural education. The company is working towards closing the literacy gap including a pioneering public-private partnership reaching all 52 districts of Madhya Pradesh with the State Literacy Mission Authority. Ignite my Future is one of initiatives taken by TCS which helped 293,967 students across India, US, Canada learn computational thinking. Youth Employment Program (YEP) empowered 10,869 rural youth. Bridger IT program is helping marginalized youth into digital entrepreneurs and ern well providing essential last mile services for 1,736 villages in rural India.

HDFC Bank limited

HDFC Bank Limited, is India's largest private sector bank by assets and the world's 10th largest bank by market capitalisation as per April 2021.HDFC Bank conducts its community development initiatives under HDFC Parivartan. This aims to bring transformation in the communities. The bank operates its CSR activities through multiple initiatives in areas of Education, Skill training and livelihood enhancement, Health Care, Sports, Environmental Sustainability and Rural Development. The bank has touched the lives of over 9.93 crore beneficiaries across 27 states, through its CSR initiatives.

The interventions range from natural resource management, education, skill development and health care. The areas of focus include improving school infrastructure, constructing individual household sanitation units, providing access to drinking water and irrigation facilities, income generating trainings for youth and women. Promotion of education through teacher trainings, learning camps, providing special scholarships to support education for under privileged children, improving school infrastructure, setting up libraries, science labs and sports materials.

This bank also promotes financial literacy under CSR, empowering communities to make proper financial decisions. The financial literacy is promoted by conducting financial literacy camps, conducting workshops on savings and investments.

ICICI Bank limited

ICICI Bank Limited, is a leading private sector bank in India. It is the 4th largest company in the country as per market capitalization. This bank proactively supports meaningful socio- economic development. The ICICI Foundation initiatives include tackling resource scarcity problems, developing the value chain for agricultural products, providing skill development in smart agricultural practices, Urban livelihood, Disaster management and others. The CSR interventions include skill development through ICICI Academy of Skills, environmental projects like rainwater harvesting, watershed development, forest conservation, promoting use of renewable energy. Social projects like healthcare, sanitation, promoting sports, education, restoring the heritage and other activities. CSR also includes social awareness activities like crating public awareness on health, education, gender equality, etc.

Infosys Limited

In India, Infosys Limited was a pioneer in the CSR movement. The CSR activities are carried out through Infosys Foundation. CSR initiatives delivered through foundation focused on education, improving healthcare, addressing malnutrition and hunger, destitute care and rehabilitation, rural development, environmental sustainability and protection of national and historical heritage and promotion of art and culture. The Infosys Foundation has placed Healthcare as a top priority. The aim is to provide affordable

and equitable high-quality healthcare to the individuals regardless of their urban or rural residence. For these various initiatives were driven like enhancing the infrastructure, medical equipment, promote awareness, strengthen public health initiatives and facilitate timely research across various medical domains. Women empowerment has also been a consistent focus for Infosys foundation. Various initiatives were dedicated to revolutionize the opportunities available to women enabling them to showcase their talents within their communities and nation as a whole. This includes Infosys -G0Sports Foundation -Girls for Gold program, Avanti Fellow Girls STEM Education Program.

Hindustan Unilever Limited (HUL)

Hindustan Unilever Limited, is a consumer goods company established in 1931. HUL focuses on holistic community development, institution-building and sustainability related initiatives such as water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects.

Project Shakti, is the livelihood enhancing opportunity for women micro entrepreneurs in rural Inda, which has empowered around 1,90,000+ shakti ammas. Prabhat is another community development initiative that covers health and nutrition, environment sustainability and economic empowerment. Over last 9 years 9 million people were benefitted.

Project Suvidha-Community Hygiene Centres gives access to clean water, sanitation and laundry facilities for over 3 lakh people. Other namely Sanjeevani, Asha Daan, Ankur, Safai Sathi are few initiatives of HUL.

State Bank of India

Since 1973, long before Indian government mandated CSR, State Bank of India is been observed actively engaged in CSR practices, making a difference in the lives of economically, physically and socially challenged communities. Health care, education, livelihood, skill development, environment protection of national heritage and empowerment of women, youth and senior citizens are the focus of the bank's CSR initiatives.

Housing Development Finance Corporation Limited (HDFC)

HDFC, is a major player for housing finance in India. Its CSR initiatives included primarily core sectors of education and health care, including COVID-19 health measures. Others included environment, supporting persons with disability, community development and livelihoods.

Adani Enterprises limited

Adani Enterprises Limited, is the leading entity of Adani Group. This company primarily focuses on Sustainable Development Goals (SDGs)–sustainable livelihood, health and nutrition and education for all, addressing environmental concerns, and women empowerment. Today this foundation reach covers 3.7 million people in 2409 villages across 16 states in India.

Bharati Airtel

The telecom company Bharati Airtel has contributed Rs 16.43 crores for CSR. Bharati Airtel conducts its CSR initiatives through Bharati Foundation. Bharati foundation in collaboration with multiple other organizations and government has contributed to bring transformation in the field of education for under privileged children in the country. Satya Bharati School program, Satya Bharati Quality Support Program, Higher Education programs and Satya Bharati Abhiyan program are different programs focusing on primary, secondary and higher education as well as sanitation. This also contributes to government missions such as Sarva Shiksha Abhiyan, Beti Bachao Beti Padhao, national Nutrition Mission and Swachh Bharath Abhiyan.

Analysis

Over years Corporate Social Responsibility has transformed from focusing on compliance to reflective societal impact. Corporates are also focusing on presence of women in the CSR committees initiating the gender equality initiatives.

Secondary data collected for websites, articles and journals is used for the analysis. The evolution of CSR trends in increasing every year. If observed the CSR prescribed for the year 2014-15 was 7,040 crores and spent for the year 2014-15 was 5,563 Crores. Similarly, the CSR amount prescribed for the year 2022-23 was 13,426 Crores, while the spent was 12,891 crores. The companies which are spending more on CSR are given below.
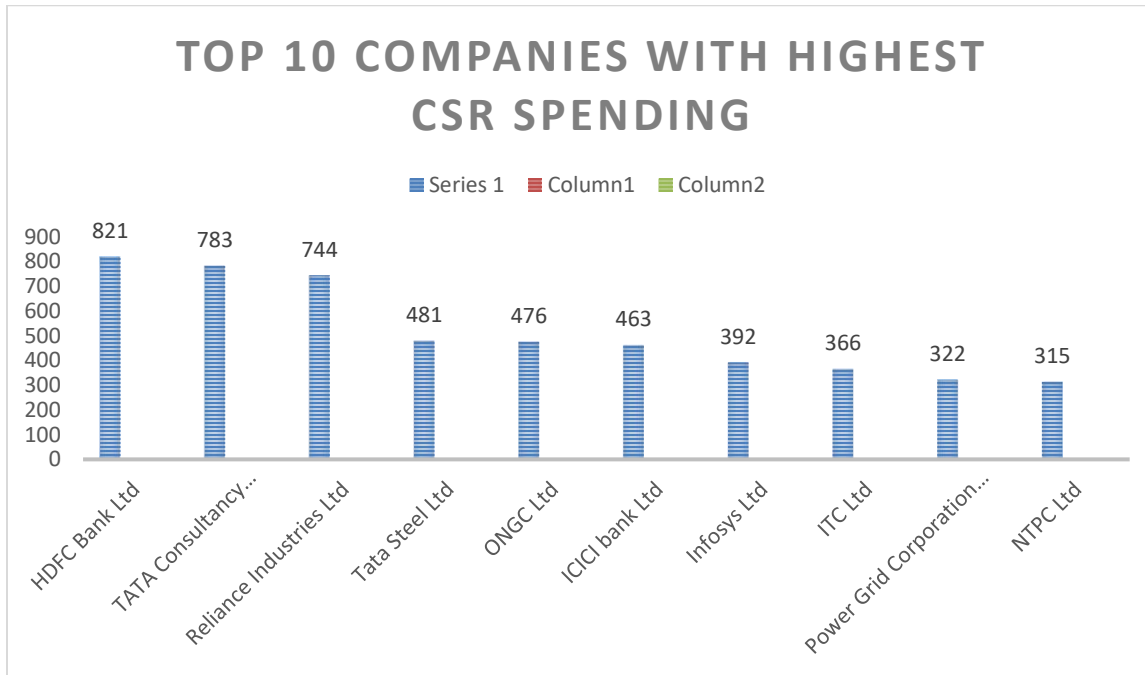

TOP 10 COMPANIES WITH HIGHEST CSR SPENDING

Series 1   Column1   Column2

Company	Value
HDFC Bank Ltd	821
TATA Consultancy...	783
Reliance Industries Ltd	744
Tata Steel Ltd	481
ONGC Ltd	476
ICICI bank Ltd	463
Infosys Ltd	392
ITC Ltd	366
Power Grid Corporation...	322
NTPC Ltd	315

Figure 1
Top 10 Companies with highest CSR Spending.

The above figure-1 shows the actual CSR amount spent FY 2022-23 in Cr. top 10 companies which are spending the highest on CSR activities in India FY 2022-23.
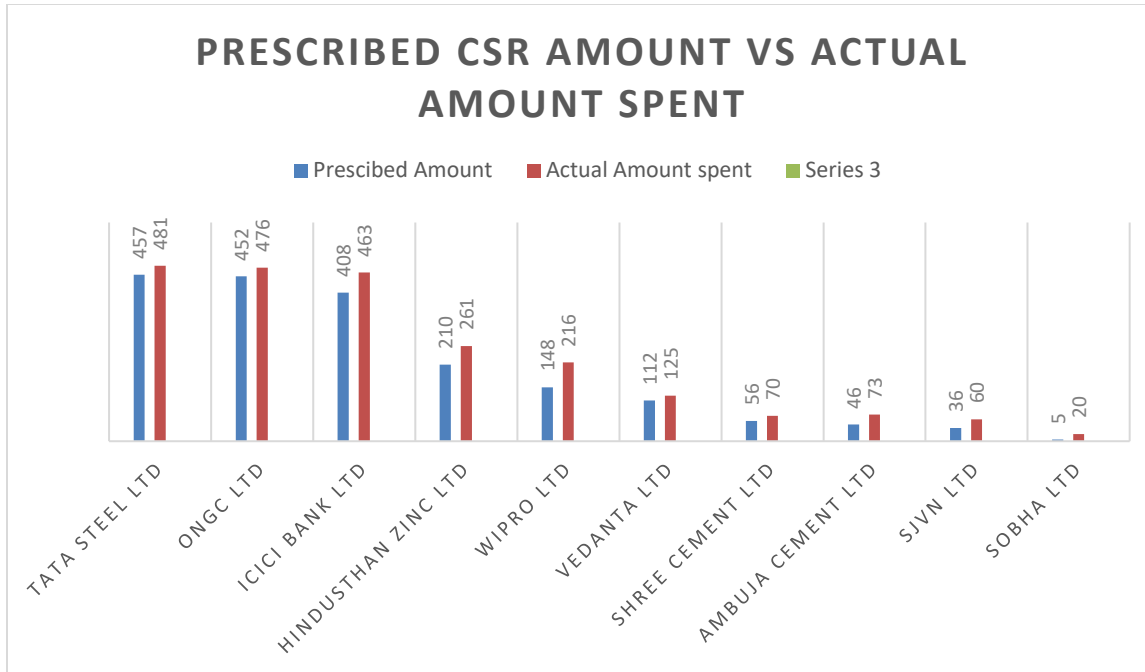
Figure:2 -
Prescribed amount and Actual Amount spent (in Cr)

The above figure explains actual amount spent by corporates on CSR initiatives. The above figure states that companies are spending more amount on CSR initiatives that the prescribed 2% amount. companies are spending more amount on CSR initiatives than prescribed amount.

Conclusion

To conclude with community development plays an important role in improving the rural communities which in turn help in the socio - economic development of the society. CSR is an opportunity to strengthen the community development, because the community has very complex structure as it consists of individuals at various levels. CSR initiatives at all the levels, if implemented properly illustrate the change in the communities from traditional way of living to progressive way of living. For the proper implementation, companies must ensure engagement at all levels of the organization.

Deepen community connections, converse with more people which allows more learning and helps the company to continue to progress.

Instead of a single company undertaking responsibility by itself in accomplishing everything at once, partnering can help them in accomplishing more goals.

Companies should pay attention towards prioritizing the culture, in aligning with the work in CSR, brings more success.

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