



Impact of Corporate Social Responsibility in Rural Development in India

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INTRODUCTION

Of the time of independence, a large numbers of population of India (about 75%) were dependent on agriculture sector which contribute 60-70% of total GDP of Indian Economy. But in present time agriculture sector contributes about just 16 % to India's economic output, despite half of the country's population being involved in farm related activities.

At this time one question arise in front of us, will the dream of our rural development vision will be fulfilled when the people living in the villages in this modern era dealt with

- Lack of proper Educational Facilities
- Not Proper guidance of control population
- Lack of modern technology use in agriculture
- To struggle alive of unity in diversity

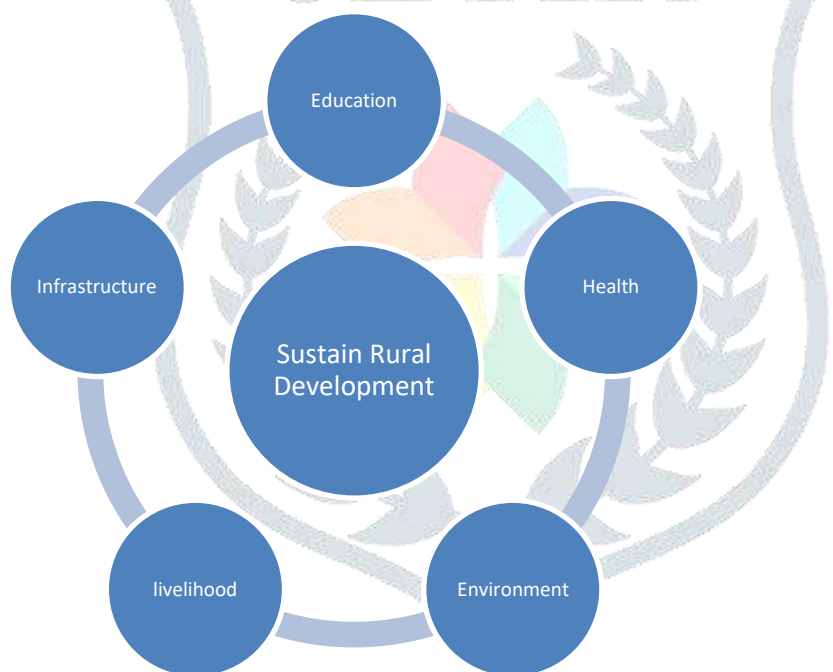
So to deal with the situation government efforts is not enough Corporate Sector as to come forward and work hand in hand, with government for the Socio- Economic development of the villagers. And it is rightly said that the nation can only progress if the villages, district, states of that nation are on the developing path.

HISTORY

The corporate social responsibility is not a new emerging concept because it's old in global business perspective. CSR as a corporate governance philosophy emerged in the lexicon of social sciences in early 1950s when Howard Bowen published his seminal work under the nomenclature "Social Responsibilities of businessmen (1953)" and the phrase "Corporate social Responsibility" was coined by Howard Bowen who is known as the father of CSR. CSR as a modern management concept started to become of significant relevance during last fifty or more years and it become an issue of serious research in the field of corporate governance. In a modern context, the history of social responsibility can be traced to a now infamous article by Milton Friedman published in 1970. In the New York Times, this Nobel-Prize winning economist wrote that social responsibility is a "fundamentally subversive doctrine in a free society".

REVIEW OF LITERATURE

- Verma and Chauhan (2007) found that roads, pollution and power are the major concern of corporate CSR activities as compared to least concern area which is communication and education...
- Moon (2004), paper examined the role of government in driving corporate social responsibility among the corporate. The study explained that the drivers of CSR are related with business and society. Business includes its reputation, corporation itself, employee's relation knowledge, goals etc. further, the study cleared that government is driver of CSR by making this relationship true and fair through making through making policies and regulations. The study also embarked other's country's situation that how their government entered into businesses for driving CSR.
- The economic Times (2012), news highlighted the views of former president Dr. APJ Abdul Kalam in a CSR award function organized by industry body Assocham. Kalam said that companies should devote some part of its goal to corporate services. It should make mandatory for all the companies to spend a percentage of its profit on corporate social responsibility. Kalam also discussed about the proposed bill on corporate spending on CSR. They assumed greater importance of CSR in building the lives of the country's citizens.



CSR AS MANDATORY

CSR activities under the Companies Act, 2013 The concept of CSR is defined in clause 135 of the Act, and it is applicable to companies which have an annual turnover of Rs 1,000 crore or more, or a net worth of Rs 500 crore or more, or a net profit of Rs 5 crore or more.

Under this clause, these companies are supposed to set aside at least 2% of their average profit in the last three years for CSR activities. The law has listed out a wide spectrum of activities under CSR, which cover activities such as promotion of education, gender equity and women's empowerment, eradication of extreme

poverty, contribution to the Prime Minister's National Relief Fund and other central funds, social business projects, reduction in Child mortality, Improving maternal health, Environmental sustainability and Employment enhancing vocational skills among others.

SIGNIFICANCE OF THE STUDY

- Increase in goodwill
- Increase in literacy percentage
- Reduction in migrations
- Increase in the value of shares
- Proper Arrangements of literacy
- Reduction in unemployment
- Proper sanitation facilities
- Create a Eco-friendly Environment
- Proper maintenance of roads
- Health Camp
- Relief Camp
- Contribution in social awareness
- Requirement of raw material taken by the society at a reasonable price
- Facility for drinking water
- Providing education for agriculture

OBJECTIVES OF THE STUDY

To study and understand the CSR activities on Rural Development

To examine the approach of corporate sector on Rural Development their work and activities

To assess the impact of CSR activities on Rural Development in India

METHODOLOGY

To study the above objectives, we have selected the various companies on different sectors India. Thus, the selected companies were from different industrial sectors like (Pharmaceuticals, Metals, Financial Institutions, Chemicals and Fertilizers, Info-Tech, Consumer Durables, Power, automobiles etc.) The methodology of the present study relied on the web-based research, review of print literature to understand CSR practice within the context of rural development in India. For the purpose of analysis CSR initiatives for rural development were classified under five areas: livelihood, health, education, environment and infrastructure.

THE IMPACT OF CSR ACTIVITIES ON RURAL DEVELOPMENT

Today many companies are contributes the fund on corporate social responsibility. We are seeing the great change in society.

JAMMU & KASHMIR BANK (FINANCIAL INSTITUTION)

Disaster relief remained key CSR initiative which was “Reactive” in nature as the flood mayhem in the month of September 2014 left thousands homeless, craving for food, shelter etc.

Under preventive healthcare & improving public health delivery, bank under the project “**RAAHAT**” took many steps to cater to the health needs of the under privileged sections of society.

KOSHISH was another initiative of the bank towards facilitating education and basic needs of under-privileged children in far flung areas. The project is operating in three district of Kashmir catering to more than 9000 children on long term basis.

Under “**MUSKAAN**” project for differently- able, bank adopted more than 100 children for their educational and health needs in association with professional NGO’s

NATIONAL HYDROELECTRIC POWER CORPORATION (POWER)

NHPC is one of the largest players in hydropower in India. Besides the production of hydropower they contribute several development initiatives in the fields of healthcare, education, rural development, woman and senior citizen empowerment, promotion of arts, culture and tradition under the Corporate Social Responsibility in Jammu and Kashmir.

The tag line of this prestige’s company “Roshan Jeevan, Shaktishally Rashtra”

Under the Swachh Vidyalaya Abhiyan, the NHPC has constructed 477 toilets across various government schools in the vicinity of its projects in J&K, spending over Rs 6.84 cr. towards the initiative

TATA STEELS (METALS)

J.R.D TATA, the founder of TATA STEEL, stated, every company has a special continuing responsibility towards the people of the area in which it is located and in which its employees and their families live’. The aspect of social responsibility of a company is mainly concerned with role of the company is mainly concerned with the role of the company in addressing issues of societal benefits and of reduction in social costs.

Tata Steel Rural Development Society (TSRDS), a registered society under Societies Registration Act, 1860. The principal aim and objective of the society is to undertake, promote, sponsor, assist or aid directly any activity/project/programme for the promotion and growth of the rural economy, rural welfare, socio-economic development and upliftment of the people in rural areas.

INFOSYS (INFO-TECH)

The Foundation has donated more than INR 40 crore for rural development and livelihood projects such as awareness campaigns on hygiene, sanitation, vocational training and entrepreneurship.

- Agastya and Infosys Foundation have together created higher standards of education for the country’s underprivileged by providing them with training workshops, mobile labs, and a hands-on educational methodology.
- Completed the construction of 10,000 toilets in the backward districts of Karnataka
- Took up relief work at cyclone-devastated areas of Orissa, and drought-hit areas of Andhra Pradesh

- Donated sewing machines to women in rural areas of Andhra Pradesh and Karnataka
- Took up relief work at cyclone-devastated areas of Orissa, and drought-hit areas of Andhra Pradesh. Constructed 3,000 homes for flood victims of Belgaum, Gulbarga, Dharwad, Gadag, Bagalkot, Bijapur, and Karwar in Karnataka
- Donated water purifier-cum-cooler, solar water heaters, water tank, and steel cupboards to the Gurukula Anathashram, Chunchanakatte, Mysore
- Constructed bore wells at the MM Nagar fire station in Kanchipuram district, Tamil Nadu, through Sneham, the Infosys Chennai CSR wing.

COROMANDAL (CHEMICALS AND FERTILIZERS)

Coromandel played a major role in the construction of a super speciality wing at St. Ann's Jubilee Memorial Hospital, Visakhapatnam by donating Rs.60 lakhs. The wing was named after the erstwhile Chairman, Late Dr. Bharat Ram. The hospital is a charitable institution located in the neighbourhood of the Visakhapatnam Plant, catering to the medical needs of the underprivileged sections of society. Equipment such as dialysis unit, ultramodern ventilator, laparoscope and portable X-ray were also donated. This fully equipped wing caters to around 120 patients a month.

- Coromandel donated Rs.10 million towards the Chief Minister's Relief Fund for the thousands rendered homeless in the devastating floods in Kurnool and Krishna districts of Andhra Pradesh.
- The Rural Girl Child Education scheme was initially introduced in Andhra Pradesh. Enthused by its success, Coromandel extended the scheme to Karnataka, Tamil Nadu, Orissa and Maharashtra.
- Top girl child scorers in class IX are selected from Government and Zilla Parishad schools to receive an award towards their books, uniforms, feeds and other educational needs.
- Thanks to this initiative more than 4300 rural girl students are back in school.

Coromandel conducts mega medical camps for the economically challenged people from the neighbouring villages surrounding its Plants. The Company organises medically reputed specialists from various fields and sets up multi-speciality camps through which more than 1000 people are benefited from each camp.

IN JAMMU

Coromandel International Limited Bari Brahmana part of Murugappa group launched the CSR activities at Jammu by taking up Renovation of School premises and gardening and Toilets renovation and given water coolers at schools, basis path lab testing facility in Bari Brahmana, PHC and Bus shelter near lane 4 for local public, activates have been extended to students in form of scholarship distributed to four school of Bari Brahmana Locality in Last couple of years.

During the current financial year the company provided Lunch room facility & Toilet for Girls & boys under Swachh Bharat Abhiyan in Primary School at Kartholi, Modern Play station & Activity room for Nursery wing student at Govt Primary school Kartholi & Kargal. Also did Renovation of Dental ward at Accidental Hospital, Vijaypur. The company also provided electronic Dental chair with attached X-ray machine. Air Conditioner also provided for dental ward, modern dental surgery equipment provided for better dental treatment of Vijaypur Locality patient. In this connection meeting was organized at Emergency Hospital,

Vijaypur. Renovated Dental ward is dedicated to the Accidental Hospital, Vijaypur by Chander Parkash Ganga Honorable Minister for Industries & Commerce, J & K Govt. Speaking on the occasion; the Honorable Minister appreciated the efforts of the Coromandel International Limited for Supporting, the Hospital by Renovation of Dental ward with modern dental chair & other surgery equipment for the local people of Vijaypur.

LUPIN (PHARMACEUTICAL)

The Lupin Human Welfare & Research Foundation (LHWRF) was founded in 1988.

The Foundation reaches out to 2.8 million people, living in over 3,463 villages located in 59 blocks, spread across 8 states in India. We operate through 18 hubs in Rajasthan (Alwar, Dholpur and Bharatpur), Maharashtra (Nagpur, Tarapur, Aurangabad, Dhule, Nandurbar, Pune and Sindhudurg), Madhya Pradesh (Bhopal and Dhar), Uttarakhand (Rishikesh), Goa (Dhargal), Gujarat (Dabhasa and Ankleshwar), Jammu and Kashmir (Jammu) and Andhra Pradesh (Vizag).

The key focus areas of LHWRF programs are –

- Agriculture development
- Promoting livestock development
- Skill development
- Rural Industries promotion
- Women empowerment
- Providing Quality Health Services in remote areas
- Innovative Education interventions
- Infrastructure development and Natural Resource Management

As Lupin marches into its 50th year, LHWRF's journey has just begun and we are steadfast in our mission to ensure that growth and true progress reaches everyone. Our aim is to set sail on a remarkable journey of discovery and transformation, building a brighter and happier tomorrow.

IN JAMMU

The LHWRF Jammu centre was established in 2014 and has initiated CSR programs in Samba district, Jammu and Kashmir. The centre is mainly working on programs that would ensure livelihood & income generation as well as agriculture development low cost housing for the rural poor. This year the Foundation plans to construct 60 such houses.

SONY (CONSUMER DURABLES)

Our view of CSR is beyond a one-time donation; it is a means to give back to the society in which we exist through sustainable projects. With this philosophy & with the help of the in house Sony CSR committee members and NGO partner (SEED) we decided to partner with "Alawalpur" village as one of the CSR project. The reason for choosing a rural development project for CSR was decided as we wanted to impact a larger part of the society through sustainable long term projects. Alawalpur is a village located in Palwal Block (Haryana) with a total population of over 15,000 people.

- **Better health care programs:** With special focus on maternal and child health wherein both general & specialized (gynaecology & paediatrics) health camps were organized which benefitted more than 1400 villagers including women, children and old people.
- **Youth skill development programs** were organised which witnessed the enrolment of 160 youths and their successful completion of trades like computer literacy, mobile repairing & beautician courses. These training not only imparted skill but paved a path for these youths to be budding entrepreneurs. Some individuals were able to start their own ventures upon completing these programs
- **Extracurricular activities** like sports which saw participation from more than 200 youth and children in athletics, wrestling and “Kabaddi”.
- SONY has partnered with Isha Project Green Hands to support planting of 10,000 trees in farmlands in Tamil Nadu under the model “**Trees for Life**”. The project was initiated with an 8 days’ workshop started on December 2015 at Palladam (Near Coimbatore, Tamil Nadu) and knowledge transfer facilitation by Mr. Subash Palekar of Maharashtra, an agricultural scientist who promotes and actively educates farmers in natural farming techniques.
- **Savings on irrigation:** The second biggest asset for the farmers is water resource. Since these trees are planted on the boundary line, it reduces the velocity and temperatures of the wind coming into the farm land. Because of this, 60 % of evaporation loss is reduced to less than 20% so that there is direct saving on the quantity of water being pumped for irrigation.
- The average green cover expected out of 10,000 trees is 140 acres (canopy)
- 10,000 trees can absorb 217 metric tons of Co2 and can absorb 1179 metric tons of O2
- Each tree can save 75 Million\$ worth of water
- A mature tree can save \$ 31,250 of soil erosion

TATA MOTOR (AUTOMOBILIES)

As a voluntary response to the Jammu & Kashmir (J&K) Floods in 2014, company employees voluntarily contributed their half-day salary which was matched by an equal contribution by the company totalling to INR 2.26 crores which was given to Tata Relief Committee towards undertaking long-term relief and rehabilitation work for the disaster affected communities. Also, a team of 25 technicians from company's Service Dealerships and workshops in J&K offered their skilled services on voluntary basis.

The company through its foundation - Sumant Moolgaokar Development Foundation (SMDF) has conceived and implemented a flagship initiative 'Amrutdhara' aimed at providing access to drinking water to needy and deserving communities. During FY14-15, a total of 34 nos. of new drinking water projects were undertaken adding to a cumulative of 330 drinking water projects being completed benefitting about 96,200 lives since inception of this initiative.

Tata Motors won the Golden Peacock Global Award for CSR for year 2014; Tata Group Jury Award on Affirmative Action for year 2014; and four awards in group-wide Tata Volunteering Week IIInd edition in 2014.

CONCLUSION

Today CSR activities are playing a vital role and revolutionary step for developing rural areas. When the CSR will become mandatory, then the faster growth rate of rural areas can be achieved. According to ministry of Corporate Affairs report, total expenditure under the CSR activities in F.Y 2014-15 was 6337.36 crore. This is a great support and contribution from Corporate Sector. All the above companies are committed towards betterment of society. CSR has provided the commercial benefits in terms of faster technology which would be of great help for the farmer community but the technology would also have a huge negative environmental impact. At last in the investment under the corporate social responsibility activities is not a sunk investment it is an incremental investment.

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