



Short Review Paper

Role of corporate social responsibility in building the Atmanirbhar Bharat

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Available online at: www.isca.in, www.isca.me

Received 13th December 2022, revised 8th June 2023, accepted 11th July 2023

Abstract

The present article tries to explore and understand the possible contribution that can be made through the Corporate Social Responsibility (CSR) in building the Atmanirbhar Barath (Self-Reliant India). The study used different secondary data sources to meet the purpose of the study, such as the report of 'High Level Committee' on CSR in the year of 2018 initiated by Ministry of Corporate Affairs, Govt. of India. Apart from this, companies' annual reports, recent research articles and related publications were also used. The analytical findings related to the opportunities to make India self-reliant and improving the community life shows that many of the firms in India shown the potentiality of their contribution in improving the community life as part of their CSR, specially TATA Group, Reddy's Foundation, and Satyam contribution to EMRI 108 ambulance is revolution in bring changes in community life. However still there are bigger challenges that Government needs to tackle and address to streamline the CSR to improve the living condition of people in India. Plagiarism.

Keywords: Corporate Social Responsibility (CSR), Atmanirbhar Barath, Role of CSR in Self in building Self-Reliant India, Role of CSR in Self in Atmanirbhar Barath.

Introduction

India being source of spiritual knowledge to world was once leading contributors to world's economy. It was possible because of organisation of Indian villages to meet their complete needs. The father of our nation Mahatma Gandhi called Indian villages as *Garm Swarajya* (self-restraint and self-rule village) it's again time to rebuild the villages to make India self-reliant. That's the reason Prime Minister of India appeal for *Atmanirbhar Bharat*, which means meeting the needs of citizens of the country by own and not depending on others.

The aim of this *Abhiyan* (Campaign) was to build bigger and larger economy globally. This is done through competent, spirited and flexible policies aimed at being self-sustaining and self-generating. The concept of *Atmanirbhar Bharat* doesn't mean it is self-containment isolated from the world or being protectionist. The Prime Minister of India first mentioned this concept during COVID-19 pandemic in India, while announcing the economic package on 12th May-2020. The Important five pillars of '*Atmanirbhar Bharat*' are: Economy, Infrastructure, Technology-driven systems, vibrant demography and Demand.

During the COVID-19 pandemic, the Government of India introduced measures to encourage companies to directly support the *Atmanirbhar Bharat* initiative through their Corporate Social Responsibility (CSR) programs. The Prime Minister's vision for *Atmanirbhar Bharat*, which aims to make India self-reliant, can only be achieved through the collective efforts of all stakeholders in the country's larger ecosystem, including civil

society members, corporations, academicians, research institutions, and the government. By working together, these stakeholders can make a significant contribution towards achieving a self-reliant India.

Corporate houses can play a vital role in achieving the goal of *Atmanirbhar Bharat*, as they possess the necessary resources, a dedicated workforce, and the ability to establish experimental laboratories in targeted areas. The COVID-19 pandemic and the international challenges have made it imperative for India to reduce its dependence on global supply chains, which calls for a re-evaluation of strategies to create innovation and entrepreneurial ecosystems that would lead to economic and technological self-reliance. This, in turn, would lead to the emergence of home grown success stories that are crucial for achieving self-sufficiency in India.

Brand India organized several brainstorming and think-tank workshops to explore the concept of *Atmanirbhar Bharat* and the potential role of CSR in achieving this goal. The brainstorming activities aimed to emphasize the five pillars of self-reliant India, which include the Economy (through significant leaps), Infrastructure (to build a modern India), System (to promote technology-driven growth), Demography (with a vibrant population in the largest democracy), and Demand (to leverage the power of supply and demand).

The workshops brought together distinguished thought leaders to discuss social development and how to improve the lives of people in India.

There have been several instances where CSR initiatives taken by corporate have made significant contributions towards building a self-reliant India.

The modifications introduced in the 'Company Act-2013' enabled corporate organizations to synchronize their CSR efforts with the United Nations' sustainable development goals, with the aim of making India self-reliant. In response to the COVID-19 pandemic, many corporations have made significant contributions to the Prime Minister's Care Fund and have launched various programs to enhance people's lives by offering skill and livelihood programs. Several companies have even surpassed the required CSR amount by investing more funds. The main objective behind these initiatives was to revitalize the Indian economy and to establish the nation as a global leader in various sectors, thereby supporting the government's innovative movement towards self-reliance.

Review of Literature

Now a day corporate houses are not just limited to building the infrastructure working on environmental issues, advocacy on social and human rights issues. They have been working to change in community life on a broader scale. The corporate houses play a critical part in developing infrastructure society and improving community life, and encouraging citizen participation. The role of corporate houses becomes very crucial to making India Atmanirbhar. Various corporate houses are providing helping hands to build the self-reliance mission as they empower underprivileged sections of society, they have been involved in providing the free education to children, support government schools to enabling students to acquire leadership qualities, improve the communication skills, made collaboration with experts and improve the vital life skills of poor and needy. The CSR initiatives create opportunities that enable countries holistic development.

Different researchers through their studies highlighted the need for contribution to community as a practice of CSR in India¹⁻⁴. As a result of these efforts and proactive Government initiative; the inclusion of the CSR became mandates under 'The Companies Act-2013' to engage corporate world more religiously towards the gross-root communities in achieving the sustainable development goals. According to 135th clause of the Companies Act-2013⁵ any company having net worth of rupees Five hundred crores (65 Million US Dollars) or more, or turnover of rupees Thousand crores (130 Million US Dollars) or more or a net profit of rupees Five crore (0.65 Million US Dollars) or more during any financial year should spend two percent of their profit for Corporate Social Responsibility, the company should constitute a CSR committee of the board consisting of three or more directors, out of them at least one director should be an independent to look after CSR activities.

India being second most populous and biggest democratic country in the world, till today only 30 percent of Indians has access to modern medicine⁶ the Government requires

partnership from private entities to meet the needs of public. Health, Environment, shelter and education are important areas where government requires helping hands. The notion that the progress and well-being of a society is not solely the responsibility of the government has gained widespread acceptance. Achieving sustainable development goals requires engagement from multiple stakeholders. Research suggests that companies can contribute up to twenty thousand crore rupees (2.63 Billion US Dollars) annually through their CSR initiatives⁷.

This highlights that corporate sector has a pivotal role to play in ensuring private investment flows towards community development that has been left out of the development process so far and also to work for sustainable development. Hence, the present article tries to understand the level of involvement of firms in community development, review the opportunities to improve the condition of community life as a part of CSR and examine the challenges faced by firms to work in communities in India with the help of available data/evidence. The researcher also made an effort to suggest the government some of the measures to make best use of concept of CSR.

Date and Methodology

The present study is an effort to discuss the role of Corporate Social Responsibility in Building the Atmanirbhar Bharat with evidence based on available data. The data for the article was obtained from different secondary sources one among the important and authentic source is the data provided by the competent authority; Ministry of Corporate Affairs, Government of India, which has published the Report of High Level Committee on CSR-2018 (Ministry of Corporate Affairs, 2019). The data is a result of disclosure made by the companies in given form and annual reports for 4 consecutive financial years (2014-15 to 2017-18). As per the section 135 of The Companies Act-2013, it is mandatory for companies to disclose details of measure undertaken by companies to implement the CSR, which includes information on allocation of fund as part of CSR, locality of CSR activities and spending of CSR amount in area of development. The discussion is based on reported information by the companies in their filling of MCA 21 registry (MCA 21 registry is standard format prescribed by the Ministry of Corporate Affairs to report CSR activities). Apart from the above sources, other articles, books, companies' annual reports and related publications were critically reviewed to highlight the opportunities and challenges for CSR in India.

Findings and Discussion

It is important to understand the level of involvement of companies in CSR, before we start exploring the benefits of CSR to society. More involvement can be seen as an opportunity for India in different aspects. As more companies involve in CSR, it leads to more flow of fund and talent towards improving the community life.

The data (Figure-1) depict that more than half of the liable companies were involved in CSR activities, among of 20663 (716 Companies on whom Schedule III of Companies Act, 2013 is not applicable are excluded in this analysis) liable companies out to be 10868, which counts to 53 percent of liable companies were reported their CSR activities as prescribed in section 135 of The Companies Act-2013. Similar results were found in survey of CSR reporting in Asia by Chapple and Moon⁹, they concluded that nearly 3 quarters of larger companies in India shown themselves involved in CSR and having proper policies to deal with it. Hopefully ‘The Companies Act-2013’ will boost all eligible organizations not merely taking part in CSR and contributing meaningfully towards improving the lives of the people throughout the nation.

The study of trend is another important analytical instrument to understand development in specific issue. The evidence (Figure-2) indicates that the percent of companies in the category of zero expenditure having zero prescribed amounts to spend on CSR has been constantly decreasing from 28.3 percent to 7.4 percent during FY-2014-15 to FY-2017-18. Similarly the percent of companies in the category of zero expenditure having positive prescribed amount of CSR has reduced from 26.7 percent to 24.8 percent in past four years. Further percent of companies in the category of being positive and spending more than prescribed amount on CSR has been increased from 15.5 percent to 35.4 percent during FY-2014-15 to FY-2017-18 financial years; it shows that the trend in CSR has been positive towards involving in CSR activities. It is important to mention that companies have shown positive attitude towards the involving in CSR activity.

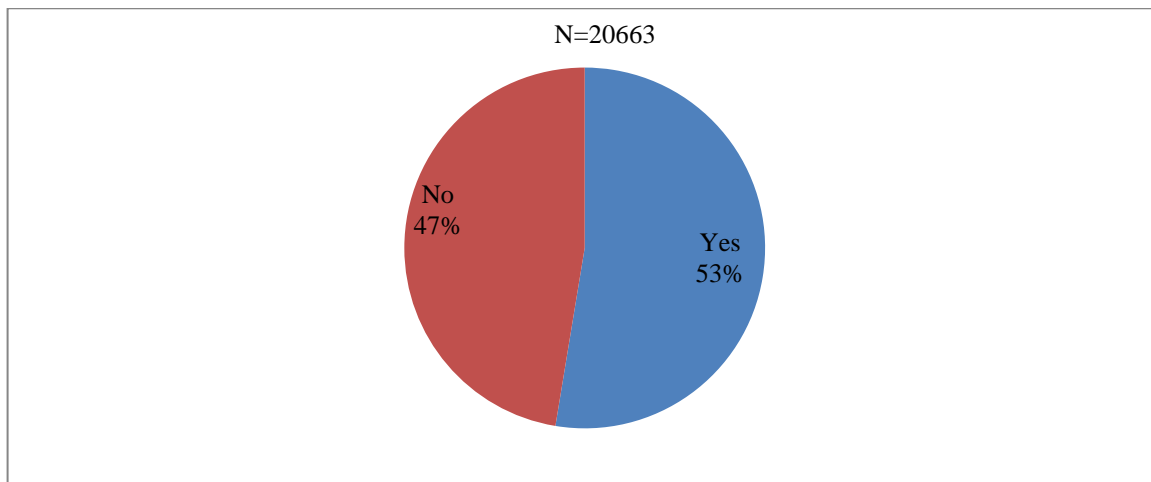


Figure-1: Percentage distribution of companies reporting on CSR activity, 2017-18⁸.

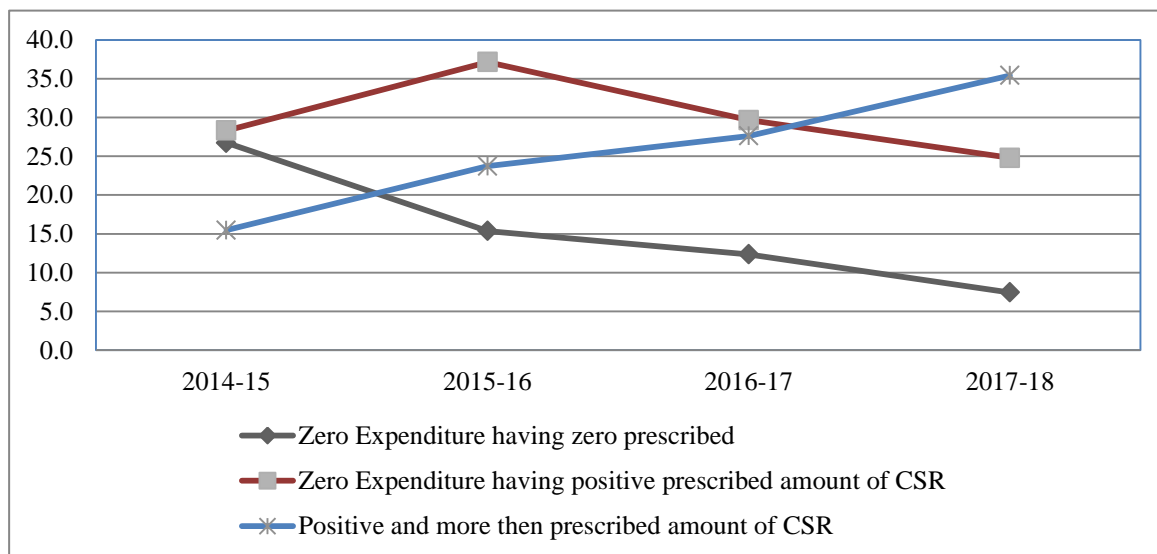


Figure-2: Trend in spending of companies by specified size, 2014-15 to 2017-18⁸.

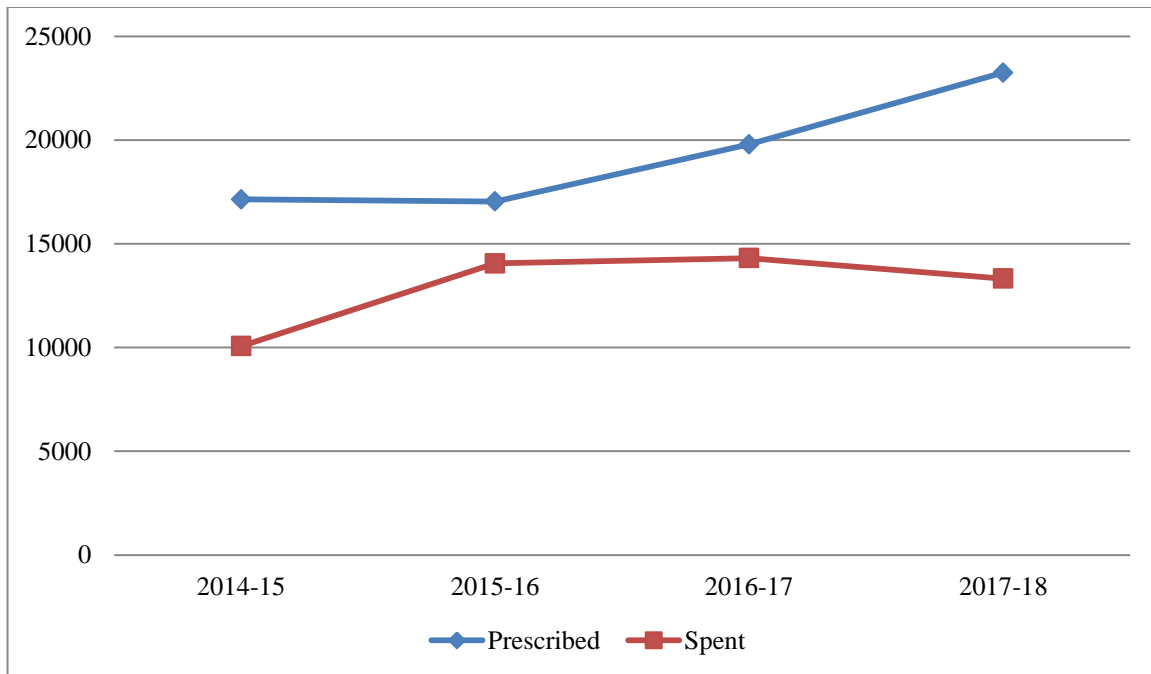


Figure-3: Trend of CSR prescribed amount on CSR and spending on CSR activities, 2014-15 to 2017-18⁸.

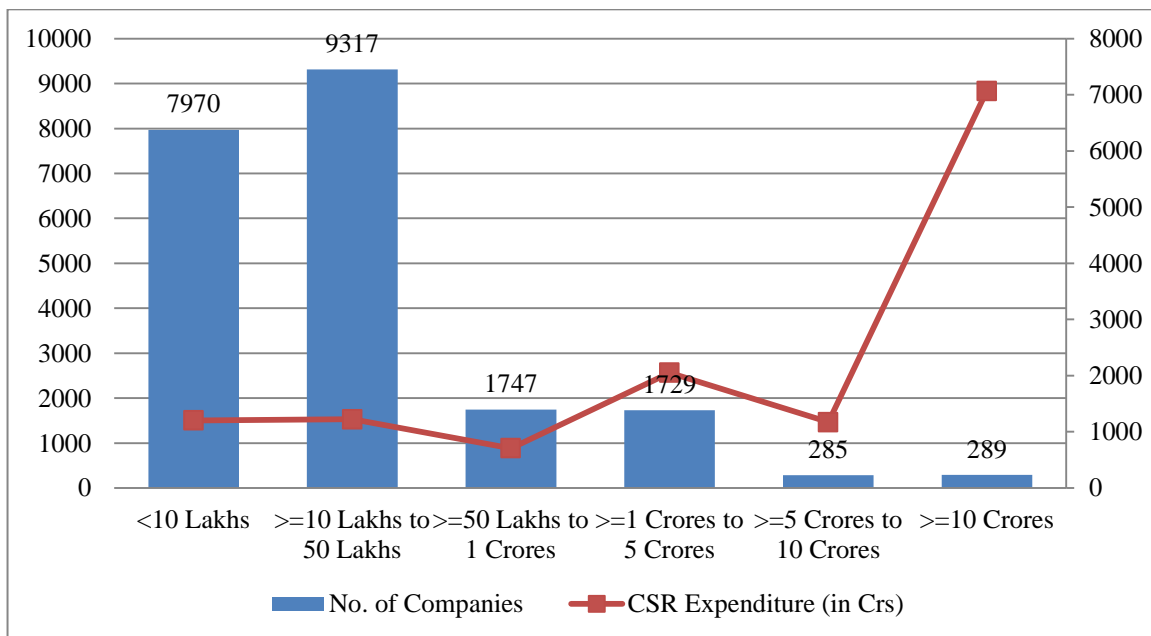


Figure-4: Distribution of Companies based on prescribed spending based on size and amount of money spent on CSR, 2017-18⁸

The trend (Figure-3) in prescribed amount and spending on CSR also showing positive indication over past four years, the expected spending on CSR in the year of 2014-15 was Rupees-17140 crores (2.26 Billion US Dollars) which increased to Rupees-23247 crores (3.06 Billion US Dollars) this accounts to around 35 percent increase within 4 years, the spending on CSR also increased from Rs-10065 crores (1.32 Billion US Dollar) in year 2014-15 to Rs-13326 crores (1.75 Billion US Dollar) in the year of 2017-18, this accounts to 32 percent increase within last

four years. Interestingly it can also be observed that gap between prescribed amounts of CSR and spending on CSR is much larger in the year of 2017-18.

The study conducted by Gupta and Gupta also concluded that the trends in socially responsible initiatives are crucial and positive in its nature in India¹⁰. Gulyas, and Ramya Sathish expressed that CSR is gaining more importance in the Indian corporate houses because organisations are understood the

essence of CSR in growing their businesses, it is also essential to build confidence and sustainable relationships with the community at large^{11,12}. Contrary to above arguments, Arora and Puranik found that current CSR trends in India emphasis that the corporate houses in India benefitted hugely from liberalization and privatisation, it is clearly evident that transition from charity mind set to CSR, however it has been lagging behind it's inspiring financial expansion¹³.

The Figure-4 shows that different size categories of companies based on prescribed amount of money to spend on CSR activity and actual amount of money spending on CSR for the year of 2017-18. It shows that only 289 companies in the category of more than or equal to Rs-10 Crores (1.32 Million US Dollar) have spent amount of Rupees-7067 crores (0.93 Billion US Dollar), which accounts to more than 52 percent of total CSR spending, similarly 285 companies in the category of Rs-5 to 10 crores had spent Rs-1171crores (0.15 Billion US Dollars) that accounts to 8.7 percent, 1729 companies in the category of Rs-1 to 5 crores have spent Rs-2053crores (0.27 Billion US Dollars) which accounts to 15.3 percent, 1747 companies in the category of Rs-50 Lakhs to 1 crore have spent Rs-708 crores (0.09 Billion US Dollar) that accounts to 5.3 percent, further 9317 companies in the category of Rs-10 to 50 Lakhs have spent Rs-1225 crores (0.16 Billion US Dollar) which accounts to 9.1 percent and 7970 companies in the category of Less than 10 lakhs have spent Rs-1203 crores (0.16 Billion US Dollar) which accounts to only 9 percent of total spending on CSR.

The gap between prescribed CSR amount and spending on CSR is important factor in understanding actual involvement of companies in CSR. It (Figure-5) shows that overall Rupees-23248 Crores (3.06 Billion US Dollar) was prescribed as per the criteria of section 135 of The Companies Act-2013 and Rs-13427 crores (1.77 Billion US Dollars) were spent by companies as part of CSR, which leads to 42 percent gap in prescribed and spent amount on CSR, it clearly shows that still there remains a huge gap between prescribed amount and spending by companies. The gap found to be more among companies size of greater than or equal to 10 crores, those are only 289 companies, only exception to this array is; companies of size rupees less than 10 lakhs, those have spent more than the prescribed amount on CSR, the prescribed amount was Rs-299 Crores (0.04 Billion US Dollars) but the companies in this category had spent Rs-1203 Crores (0.16 Billion US Dollar), which is 3 times (302 percent) more than the prescribed amount.

Conclusion

There is no doubt that due to initiative made by the ministry of corporate affairs in making obligatory for every companies to invest 2 percent of their profit (after Tax) in CSR will increase the involvement of organisations in goodwill of community. As a result of this there is hope for improvement in common man's life and their living condition. To make it realise, respective government should adopt necessary measures to take advantage

of CSR and improve community life in India. The Government should start monitoring and evaluation of CSR activities undertaken by the organizations and develop certain standard methods to measure the impact of CSR. The local government should collaborate with organizations to meet urgent needs of a community on priority basis without involving the corruption.

The spending more on health care research, education and development focusing on providing low cost quality services to reach a common man is one of the most important areas to work. Undoubtedly private organisations have calibre and potential to develop great initiatives in meeting basic community needs i.e. Initiation of 108 Emergency Ambulance by Satyam foundation, Tata Groups, Bill and Melinda Gates, Reliance, Infosys, Azim Premji foundations are some of best examples to cite. The felt need for the country is to establishment of institutes to train the health care professionals; those can stay in unreached areas and provide the services and empower the youth and women for sustainable growth.

This study proposes several measures to enhance the effectiveness of CSR initiatives, such as raising public awareness about CSR to promote demand and fostering partnerships among stakeholders including corporations, communities, employees, and the government. With the implementation of The Company Act-2013, CSR has expanded to smaller and medium-sized enterprises and more remote areas. Other important suggestions include resource pooling, adopting best practices, conducting risk analysis and mapping of CSR initiatives.

It is also recommended to accredit CSR initiatives by an independent agency and integrate CSR into the curriculum of management schools, colleges, and universities. To strengthen CSR initiatives in the country and promote a powerful and self-reliant India, the government should take actions such as encouraging media to highlight CSR success stories, fostering top management commitment, streamlining CSR with strict monitoring while avoiding bureaucracy, and enacting CSR-friendly laws.

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