



**ANALYSIS OF CSR ACTIVITIES OF CORPORATE SECTOR
IN RURAL AREA (SPECIAL REFERENCE TO ROHA TALUKA)**

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Introduction

At present India is the world's second- fastest growing major economy, with an average annual Gross Domestic Product (GDP) growth rate of 5.8 percent for the past two decades. Vanaik Achin, 2006 The crossing of India GDP over a trillion dollar mark in 2007 puts India in the elite group of 12 countries with trillion dollar economy. (The Economic Times, 2007) India's largest service industry account for 54 percent of the country's GDP while the industrial and agricultural sector contribute 29 percent and 17 percent respectively. Agricultural is the predominant occupation in India, accounting for about 60 percent of employment. The service sector makes up a further 28 percent and industrial sector around 12 percent of the employment. (The World Fact Book- India, 2007)The Indian economy grew by an average of 8.7 percent during the year 2005 to 2007. The growth of the Indian economy is indicative of the dynamism in the economy, even with the global recession in 2008- 2009. When the economy of several Western countries shrank or remained static, the Indian economy grew by 5.8 percent in 2008 and is expected to grow by nearly 7.2 percent in 2010 with further growth prospects up to 9 percent in 2011. (HanumanthRao, 2008)

Having noted the above, it should be realized that GDP growth per se cannot be an end in itself. It is important for this GDP growth to translate into a better quality of life for the majority of the people, in particular for those below the poverty line. It is more important

to ensure that the growth impulses are felt in all parts of the country, particularly in the rural areas where the majority of the population lives.

1.1 Status of Development of Rural India

Rural India has experienced many changes in the last few decades. The changes in the rural economy and social environment were triggered by a few major revolutions and interventions such as:

- The efforts of Central / State Government through various schemes for rural development and poverty alleviation
- The green revolution in the agriculture sector
- The white revolution in the dairy sector
- The introduction of Non-Government Organization (NGOs) in the development sector
- Rural and Micro finance
- Formation of Women Self Help Group (SHGs)
- Introduction of Information and Communication Technology (ICT)

1.1.1 The Development Exercise Post Independence

The process of rebuilding the economy started with the government working out a planned framework for development through its Five Year Plans after Independence. India's development strategies have evolved from plan to plan in response to the objective conditions of the economy and to face the challenges of achieving poverty alleviation in a coordinated and a sustained manner. The basic objectives of five year plans were "development along socialist lines" to secure rapid economic growth and expansion of employment, reduction of disparities in income and wealth. (pant KC, 2003)

1.1.2 Focused Initiatives of the Central Government for Rural Development in some of the Five Year Plans

The Department of Rural Development under Ministry of Food and Agriculture was created, during the Fifth Five year plan, in order to provide the rural people with better prospect for economic development and for increased participation of the rural development programmers. (N Lalitha, 2004)

The Fifth Five Year Plan (1974-1979) was considered path breaking as it recognized that growth of industrialization would not necessarily improve the living conditions of the poor in urban and rural areas. The concept of minimum needs and direct anti-poverty programmers were innovations of this plan. The 'basic needs' identified for this programmer

were, Elementary Education, Adult Education, Rural Health, Rural Electrification, Rural Housing, Environmental management and improvement of Urban Slums and Nutrition. (N Lalitha, 2004)

1.2 Role of NGOs and Corporation Sector in Rural Development

The review of effectiveness of Rural Development programmes at both the Central and State levels by the Planning Commission also clearly indicated that the Government the Government has limited resource, or effectiveness (at the grass roots level) to achieve the desired objectives, not including factors of corruption, political complication, bureaucratic delays and inefficient of various types.

a) Involvement of NGOs

It was realized that the Government, in partnership with various social service NGOs Have a greater understanding of local issues, and are in a better position to influence the target population. Hence the Government encouraged the formation of various NGOs, SHGS, ETC. NGOs, have made significant contribution for rural development in India. Notable amongst these are M V Foundation (abolition of child labour), Naandi Foundation (education for girl child), Basix India (Micro Finance), Sanghmitra (education and so on. (Bhargav Harsh, 2006) Refer to Appendix 1.2 for a brief note on the role and function of NGOs.

a. Corporate Sector involvement

Another factor that has helped in Rural Development, in the last 10-15 years. Is the effort put by some of the private / public sector corporates in India as part of their Corporate Social Responsibility (CSR) activities, both as a publicity instrument, and also due to the historical Indian philanthropic nature. Corporate giving in India during the year 2000 was estimated to be Rs.2000 million, according to FICCI.

Companies operating in India are increasingly recognizing the fact that they can rural markets and also supplement the rural development efforts of the Government agencies at the same time. For example CSR activities of Tata, Bajaj, Birla Infosys, Associated Cement company, Mahindra and Mahindra in the areas of education, health, drinking water, training programmes for livelihood promotion are noteworthy. (Company Annual Reports) Modern corporate foundations like the AzimPremji Foundation and the Infosys foundation support education initiatives in various states.

1.3 Present study

There are different opinions on the most optimal method of rural development, given that there are so many agencies such as government, NGOs, SHGs and Corporates involved in the process. A wide variety of philosophies and strategies are being practiced depending upon the political parties, communities, economic sector of population, experiences in other states, also considering the research findings of United Nations and World Bank, and other International Institutions on rural development. In addition, rural people themselves have varying views on what constitutes their own development.

1.4 Need and Significance of the study

In the last two decades, in several business forums in India, there have been suggestions for mobilizations of corporate sector involvement in rural sector for bringing prosperity in rural India. A few large Indian and multinational business houses have even experimented and made impressive entry into rural markets both for their business growth and for community development activities. The present study is about the role of corporate sector involvement in rural development in India.

1.5 Statement of the problem

The central problem of the research is, whether and how the private corporate sector can contribute to the achievement of rural development and to more equitable economic growth. The argument of these in that, if corporate sector involvement supplements the efforts of Government, rural development can be achieved at a greater pace.

The major research issue covered in the present are, to study the role of corporate sector in rural development and secondly to study how the efforts of corporate sector in NGAs can improve the quality of life of rural people.

(iii) Objective of the study

To understand how the Corporate Sector can effectively supplement the efforts of Government in achieving faster rural development.

Details of Objective

1. To study the philosophy adopted by a select few Corporate in bringing about development in rural areas.
2. To examine the role played by MADER and the results, as a facilitator for self Help Group (SHG) formation.

3. To make recommendations for improved collaboration between Government, NGOs and corporate sector for accelerated rural development.

1.6 Hypotheses

1. Corporate sector contributed significantly to Rural Development.
2. Corporate sector collaboration with NGOs improves the effectiveness of implementation of rural development activities.
3. There is Good Corporation between Government agencies, NGOs and corporate on community services by the latter in Nagothane & Roha area.

1.7 Scope and limitations of study

The present study has examined three dimensions to assess the impact of socio-economic development of the RIL community development activities.

The study is for the period between 2017-18 to 2018-19. MADER has its activities in thirteen villages and ten hamlets in pen and rohatalukas of Raigad District. The present field study is carried out in ten villages out of these. They are Kuhire, Kadsure, Shihu, Bense, Varwathane, Vani, Ambeghar, Velshet, Tarshet-Mundhani and Zotirpada.

1.8 Area of the study

The research proposes the study the socio economic status of rural people and study the impact of the presence of a corporate sector company and its intervention in their Lives through its community development activities. The area of study is selected based on the following criteria:

- The area should be a rural area
- It should be socially and economically backward
- There should be less impact of urbanization
- There should be corporate sector business operating in the area. The company should be carrying out corporate social responsibility (CSR) activities in the villages surrounding its business for at least five year.where the majority of the population lives.

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1.9 Role of NGOs and Corporation Sector in Rural Development

The review of effectiveness of Rural Development programmes at both the Central and State levels by the Planning Commission also clearly indicated that the Government the Government has limited resource, or effectiveness (at the grass roots level) to achieve the desired objectives, not including factors of corruption, political complication, bureaucratic delays and inefficient of various types.

b) Involvement of NGOs

It was realized that the Government, in partnership with various social service NGOs Have a greater understanding of local issues, and are in a better position to influence the target population. Hence the Government encouraged the formation of various NGOs, SHGS, ETC. NGOs, have made significant contribution for rural development in India. Notable amongst these are M V Foundation (abolition of child labour), Naandi Foundation (education for girl child), Basix India (Micro Finance), Sanghmitra (education and so on. (Bhargav Harsh, 2006) Refer to Appendix 1.2 for a brief note on the role and function of NGOs. .

b. Corporate Sector involvement:

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2.1 Present study

The present study is an exploratory study, to understand, the role that the Corporates can play to make an impact on the socio economic status of the rural people.

Literature review on 'Development' has been carried out to understand various aspects of rural development, and the role played by various facilitators in the process, as stated above. Also a study of corporate sector CSR and marketing initiatives of a few select corporate in rural areas has been done. Thereafter the impact of CSR activities of Reliance India Limited, Nagothane Manufacturing Division (RIL-NMD), carried out in a sustained manner, over eight years, in a few villages in Raigad district of Maharashtra, has been studied. The purpose of this study is to assess the impact of corporate interventions on rural development to supplement the efforts of the Government, to achieve faster rural development.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In India, since ancient days it was considered noble and philanthropic for business men to construct 'Dharmashalas' and bathing ghat in various towns and near temples, to provide drinking water facilities and free food to all visitors. In those times (and even today) these activities of businessmen were carried out to get "punya or savation" rather than as a responsibility towards society.

While there no universal definition of Corporate Social Responsibility, a few definitions framed by the Indian and international bodies are given below.

2.2 WOMEN SELF HELP GROUPS (Mahila Bachat Gat)

As already discussed MDER Trust has been formed as a partnership between RIL and BAIF for development of villages surrounding the petrochemical complex at Nagothane BAIF has developed many Self Help Groups (SHG's) all over India, for development of various villages, and using that experience , the helped formation of many SHG's is and around Nagothane

This section discuss various aspect of functioning of SHG's in the target villages developed by RIL through MADER . It deals with the profile and composition of SHGs , their performance economic aspects such as source of funds and opening of bank account. The potential of SHGsemerging as Social Capital is also discussed. The report is based on FGDs with three SHGs

Four field functionaries who are also Adhyaksha (President) of the SHG in which they have membership .

a) Back ground :-

Village women in the target villages have limited formal education, and many are literate . As regards the financial status of the people, they are poor, and they do not have any

savings to meet any planned or emergency needs. Whenever they need funds, the villagers bank on two sources of loans – banks and money lenders.

b) Formation of First SHG

As a first step in demonstrating the advantages of SHG s a model SHG was created by MADER in August 2002 with a few active women from various villages in the project area, who were also chosen as the field functionaries at that time. The women were chosen as field functionaries based on the following criteria.

- The women should have passed Std. X
- The women should have basic knowledge of simple mathematical calculations.
- The women should be active and show their willingness to work as MADER field functionaries.

The first meeting of the SHG was held in August 2002. The SHG was named Nishigandha by the members.

3.1 Hypothesis testing

Based on this research study the following hypotheses are tested and then accepted or rejected, as detailed below :-

(a) Corporate sector contributes significantly to Rural development

Rural development connotes capacity building of rural people through knowledge up gradation, skill training, and attitude changing, All these not only increase the access to economic opportunities for the people but also make them initiators, decision makers and change agents. The present survey corroborates this hypotheses that corporate sector contributes significantly to rural development. RIL – NMD;s community development activities implemented through MADER are directed towards capacity building of people through a ‘people centered, people controlled’ development plan.

(b) Corporate sector approaches to Rural development are different from those of Government.

Government has schemes of subsidy and other facilities for BPL families, backward classes, schedule castes, schedule tribes for house constructing toilet construction or loans through SHGs, giving low cost supplies of food grains through PDS, wage employment (Unskilled wage labour jobs) under JRY or EAS or SGRY schemes linked to rural economics infrastructure building, Government also creates infrastructure such as water supply schemes, roads, electricity power availability, primary medical centers schools etc.

4.1 CONCLUSIONS

In the foregoing chapters, the finding related to the socioeconomic status of the people residing in the ten sample villages, the success and failure of the SHGs, the community development activities done by the MGCC area Development and Research Foundation (MADER) and the impact of MADER efforts on the socioeconomic status of the people and the empowerment of women, and suggestions for improving the effectiveness of these programs have been presented under various heads. People participation is an essential prerequisite for the continuity and success of these community development activities. The involvement of local people and the utilization of local resources generate a sense of ownership, self-responsibility and pride which is essential for sustainability of any project. Though the Corporate sector companies have limited resources, they have the advantage of being in close proximity to the rural community, apart from having good management skills. Corporate giving is often handled by itself directly, or through a Trust Foundation formed for the purpose.

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