



Role of Corporate Social Responsibility in the Rural Development in India

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Abstract

In a corporatesetups, there are many stakeholders, one of them are business houses or organisations. These business houses contribute ominously to its pool that affect their internal stakeholders and support the initiatives of the company openhandedly. In India companies like Reliance and Tata are practicing Corporate Social Responsibility (CSR) for decades, long before CSR become a popular base. There are numerous areas where companies have played a key role in addressing issues of education, health, environment and livings through their statements of CSR throughout the country. Business sector identify, promote and practice effective policies and practices to achieve triple bottom line. Majority oforganisations design and implementation of CSR initiatives in rural area which covers the entire community.Thispaperaims at studying the role of CSR in the rural development in India.

Keywords : CSR, rural development, community

Introduction

The majority of the poor in India, people living in villages and towns are in a state of neglect and underdevelopment with the poor people. The problems of starvation, ignorance, poor health, high mortality and illiteracy are graver in rural areas than in urban areas. Not only due to lack of resources but also because of the defects in our planning investment process and model. India has the potential to encounter these challenges in rural areas. However, the government efforts may not be adequate to provide basic services to its citizens. It is increasingly recognized that progress and welfare of society is not only the responsibility of government but many other stakeholders must be involved to attain the development goal. The corporate sector has a vital role to play in safeguarding that the private investment flows in these rural areas that have been left out of the development process till date and work for sustainable development of rural areas in general.

The meaning of CSR is two folded. First, it presents an ethics an organization should exercise for its internal as well as external employees. On the other hand, it means that the obligation of an organization for the environment and the society in which it operates. CSR is considered as a mean or a medium by which companies give somewhat back to society. Its mission is to offer innovative solutions for the social and environmental challenges. But the challenge for business and professional community is to identify urgencies and areas of CSR interventions that are important in the context of rural development sector. Therefore, it is essential to study and understand business, how companies are using their CSR initiatives or what is the impact of social responsibility actions in the socioeconomic development of the rural population.

Corporate Social Responsibility

The study shows that all the corporations presented themselves as they have the CSR policies and also practices CSR. A great number of companies reflect their CSR philosophy or social, environmental and ethical objectives & their mission, vision documents, organizational policy and plans. However, even if surveyed firms have CSR policies and objectives but there was not at all relationship between the agenda of the company and the Millennium Development Goals (MDGs). The companies espousing CSR initiatives for rural development in India. Education is the priority for several companies which were taken, followed by health and improving standards of livelihoods. About 50% of respondents take CSR initiatives in the infrastructure sector & 57% in the environment which comprises events like tree planting, the awareness creations among the masses on the environmental issues, etc. It is also surprising that even if the central govt. & the State govt. have different departments for education and health sector, these two are the priority issues for the firms and are often under the banner of CSR in both public and private companies in India

The whole of CSR can be best understood by three words: ‘corporate,’ ‘social,’ and ‘responsibility.’ In extensive terms, CSR relates to responsibilities corporations have towards society within which they are based and operate, not denying the fact that the purview of CSR goes much beyond this. CSR is comprehended differently by different people. Some observe it to be a commitment of a company to manage its various roles in society, as producer, employer, customer and citizen in a responsible manner while for others it is synonymous to Corporate Responsibility (CR) or Corporate Citizenship or Social Action Programme (SAP). The term has also been started to relative up with Triple Bottom Line Reporting (TBL) which essentially measures an enterprise’s performance against economic, social and environmental indicators.

According to the Philip Kotler and Nancy Lee (2005) define CSR as “a commitment to progress community wellbeing through discretionary business practices and contributions of corporate resources” whereas Mallen Baker refers to CSR as “a way corporations manage the business processes to produce an overall positive impact on society.”

Trends in CSR:

From Charity to Responsibility An insight into the history of CSR reveals that till 1990s it was solely dominated by the idea of philanthropy. Considering CSR as an act of philanthropy, businesses often restricted themselves to one time financial grant and did not commit their resources for such projects. Furthermore, businesses never kept the stakeholder in mind while planning for such initiatives, thereby reducing the effectiveness and efficiency of CSR initiatives. However, over the last few years, the concept of CSR has been changing. There has been anseeming transition from giving as an obligation or charity to giving as a strategy or responsibility. Review of the case studies and work done on CSR by corporations in India suggests that the CSR is slowly moving away from charity and dependence and starting to build on authorisation and partnership.

Conceptualisation:

Currently corporates are treating CSR as a separate entity and devote attention to it. Most of the corporates have a vision and mission statements often at the corporate level or sometimes at the CSR level that drive their CSR initiative. Negotiations are made to choose specific issues and initiatives. It has been experiential that the areas they choose somewhere relate to their core values. Corporations today are increasingly sensitive about their social role. The corporations not only concentrate on how they will situation their product or how they will sell it but also they have a social strategy because they have started feeling that brands are built not only around good quality of the product; but also around emotions and values that people attribute to those products.

Today, CSR has been understood in terms of accountability where corporates are feeling that they are responsible for the impact their actions have on several stakeholders. They feel that the basic motive of CSR today is to increase the company's overall impact on the society and stakeholders.

Implementation:

Moving away from the traditional approach, corporates rather than following top to bottom mechanism are increasingly bearing stakeholders' perspectives in mind, thereby considering CSR as a comprehensive set of policies, practices and programmes that are integrated throughout the business operations. It can thus be inferred that radical transformation is happening with CSR practices across India. The changes happened at conceptual level where charity oriented approach is now being seen as a stakeholder oriented approach and at implementation level where other important resources except finance are being dedicated. Several innovative programmes in thematic areas of public health, education, environment, microfinance and related areas are being developed. These programmes are developed behaviour in mind the local cultural context and the needs of people. Apart from devoting funds, expertise in terms of knowledge and human resource is also allocated for successful implementation of these programmes. In a growing number of companies these processes are encouraged and rewarded by top management. The implementation of programmes through a skilled resource makes a real difference in the community that has been chosen for implementation.

Rural Development

Rural development is significant not only for the majority of the population residing in a rural area but the growth of rural activities is necessary to stimulate the speed of general economic expansion of the nation.

Rural development is pretended to be conspicuous importance in the country today than in the olden days in the process of the evolution of the nation. It is a strategy annoying to obtain improved rural creation and productivity, higher socio-economic equality, and ambition, stability in social and economic development.

The primitive task is to reduction the famine roughly about 70% of the rural population, implement sufficient and healthy food. Later, serve fair equipment of clothing and footwear, a clean environment and house, medical attention, entertaining provision, education, transport, and communication.

Rural development usually narrates to the method of enhancing the quality of life and financial well-being of an individual precisely living in populated and remote areas.

Conventionally rural development is centred on the misuse of land-intensive natural resources such as forestry and agriculture. But today, cumulative urbanisation and change in global production, networks have transformed the nature of rural areas.

Today, rural development still remains the core of the complete development of the country. It has become more than two-thirds of the country's people is reliant on on agriculture for their livelihood and one-third of rural India is still below the poverty line. Consequently, it is important for the government to be productive and provide enough facility to upgrade their standard of living.

Rural development is a complete term that essences on the action taken for the development of rural areas improve the village economy. However, few areas that demand more focused consideration and new initiatives are.

- Education
- Public Health and Sanitation
- Women Empowerment
- Infrastructure Development (e.g. electricity, irrigation, etc.)
- Facilities for agriculture extension and research
- Availability of Credit
- Employment opportunity

Role of CSR in the Rural Development

Corporates are operated in rural area for gaining profit but they are equally responsible towards the society and its betterment. The current opportunity of huge funding in the form of social investment by corporate houses under the new law a change can be made if proper investment policy envisaged under UNO charter of “Millennium development goals” is obeyed to. Social investments in rural areas can be in the form of agricultural system progression and related livelihood; Community development etc. Agriculture which is the back bone of rural development needs a lot of sustenance to increase the farm income. Social investments in terms of generating knowledge parks for updating the knowledge on improved agricultural practices and farming of high value crops will enhance farm income and on-farm employment. The other significant area for social investments is to establish small scale industries and village based industries which can employ major rural population in both in season and no season for improving the income. Social investments in the area of information and skill development will improve the produces and profits with more rural livelihoods. Information technology can be effectively employed to provide the services in rural areas. Health which is seen as guide of development needs an effective delivery system. Social investments can also be done in health sector by founding rural health care units, conducting health camps to prevent major diseases. Information booths can be established by training the rural youth for delivering numerous services at the rural level. Training rural women in value addition to the farm produce and by creating market avenues will help in addressing gender issues in rural areas. Aimproved infrastructure in rural areas can build the rural economy making easy access to all the available services. Social investments in formation of infrastructure help in providing urban amenities in rural area and also, prevent the urban migration in search of livelihood. At last, in rural area there are numerous factors which hinder the development of rural area and its progress. Hence, proper planning and government’s policy necessity to be framed and legal policies should be made in response to Social investment.

The impact of social responsibility programs in the rural poor The impact of CSR programs resulted in a sample of 12 leading companies in India have been classified in five areas: livelihood, health, education, environment and infrastructure. Livelihoods: The Grameen-LABS is a program implemented by Dr.Reddy ' Foundation in collaboration with rural development Department;. GOI is to provide livelihood to around 35,000 youths in the rural India between the age of 18-25 years in 7 states of India. Consequences of livelihood support programs by Bharat Petroleum show that SHG members are in the stable income group with INR 2,000 p.m. and members of the International Journal of Scientific and Research Publications, Volume 5, Issue 10, October 2015 4 ISSN 2250-3153 www.ijsrp.org banana plantations and poultry are working to earn extra income of INR 7000-8000 p.a.

Health: Majority of companies organize a series of health camps to create health awareness and education on health on numerous issues such as vaccination, blood donation, water purification pills, condom distribution etc. Till 2007-08, SAIL conducted 267 health camps

for the benefit of over 4.5 lakh people. In Lanjigarh (Orissa) Vedanta Aluminium Ltd. covers 53 villages with 32,000 inhabitants, providing free medicine, treatment and referral service their mobile units. Tata Family Health Initiatives Foundation (TSFIF) has established "Lifeline Express" Wheeled Hospital has helped more than 50,000 patients in Jharkhand, Orissa and Chhatisgarh. Education: Aditya Birla Group provided education to 62,000 children living near the plants by running 26 formal schools. SAIL preserves approximately 138 schools in outlying areas of SAIL plants/units in the country where more than 80,000 children receive education (Kumar 2008). Asian Paints establishment of "Shree GattuVidyalaya", a school providing education to 25,000 children from class I to X, by this effort formal education have reached to rural areas and helped the children there. Similarly, Satyam Computers have developed 170 modern schools benefiting 40,000 rural children. Schools "Project Smiles" with the support of Coca-Cola India Inc. was started and completed in 20 schools. It left its influence on the lives of approximately 10,000 children. Environment: Towards Sustainable Development and management of natural resource, numerous companies have been working on tree plantation, watershed management, and waste management, wind farms etc; for example, SAIL has planted 13.5 million trees in and around the SAIL plants or mines till date. Watershed Development Programme by Ambuja Cement Ltd has covered 9,000 hectares in the last few years. Sustainable water management endures to lead the priority list of CocaCola India Inc. So far, the company water initiatives have improved the lives of more than 1,40,000 people & raise awareness on the vital importance of water conservation among the millions of people. Infrastructure: Of the 12 companies plotted only six companies offer different infrastructures facilities such as construction and road development, connection of electricity, water, sanitation, schools, health Center, community, etc. Welfare Lupin Human welfare and Research Foundation started the scheme "ApnaGaonApnaKam". This scheme covered 38,000 villages in Rajasthan and almost all areas have the school buildings, potable water, ponds, connecting roads, community centers, and electricity. SAIL has participated in the construction and repair of 33 km of pucca roads per year, providing nearly two lakh people in 435 villages to access to the current infrastructure each year. In Andhra Pradesh in collaboration with Hyderabad Urban Development Agency, local rural communities and NGOs, Coca- Cola India has aided 16 thousand people of "SaroorNayar" to restore existing "check dam" the water catchment areas.

Conclusion

Corporate Social responsibility is considered as a significant activity issue of Indian companies, regardless of size, sector, objective of the company, the location of the company. Corporate Social Responsibility is not a trend or a passing trend, it is a business domineering that many Indian companies are either beginning to contemplate about or are engaging with in one way or another. While some of these initiatives may be considered as corporate citizenship by some organisations, their basic message and purpose is the same. A positively implemented CSR strategy calls for aligning these initiatives with business objectives and corporate values thereby integrating corporate responsibility across the business functions and enhancing business reputation. The challenge for us is to apply central business principles to make CSR sharper, smarter, and focused on what really matters. The rural population is predominantly engaged in agriculture and completely dependent on rainfall based irrigation. Companies identify and address the critical needs of each village selected as part of the CSR initiatives. There are numerous interventions designed in consultation with the village community and other stakeholders. The initiatives are designed on the basis of needs and openness of rural areas. These CSR activities done by majority of the organisations are helpful to the rural area which leads to the rural empowerment. CSR initiatives accepted

by the Indian companies for rural development have a positive consequence and impact on the overall development of society and business.

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