



Corporate social responsibility leads to sustainable development: A case study

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Abstract

The region's socioeconomic development is influenced by a number of elements, including population, poverty, per capita income, literacy and education, health and sanitation, basic infrastructure and facilitation, etc. One must consider alternate resources to share responsibility for socioeconomic growth in addition to the role of local, state, and federal government. This essay aims to define the function of corporate social responsibility, or CSR, in the socioeconomic advancement of the Vidarbha area of Maharashtra, an Indian state.

Keywords: Socio-economic, CSR, sustainable development, suicide, farmers, agriculture

Introduction

It is clear that a region's economic growth is influenced by the industries that have emerged and are functioning there, which raises the per capita income of local households and, therefore, their social life. However, the corporate sector must consider more than just human resources when setting up shop in a certain area. This is especially true when it comes to company ethics, community development, and enhancing people's quality of life. One instrument that companies might use to fulfill this objective is corporate social responsibility, or CSR. In a broader sense, corporate social responsibility is the phrase used to describe the ongoing moral efforts made by the corporate sector to improve society and its welfare through the profits generated by their operations and to partake in the nation's socioeconomic progress. CSR activity is a lovely art of reorganizing society as it must be a fundamental component of their company's goal.

Objective

The study's primary goal is to examine how corporate social responsibility contributes to improving India's socioeconomic conditions. The following are the precise goals of the suggested study:

Minor:

1. To analyze the issues in regard to the sustainable socioeconomic development.
2. To analyze the many initiatives to improve the socioeconomic status of the rural parts of the country taken by Central and State Governments, NGOs and corporate sector.
3. To identify the various socio-economic parameters in the Indian economy.

Major:

1. To analyze the reality where CSR proves to be a real solution to agricultural disasters considering relevant case studies.
2. To monitor how far the measures adopted with regard to implementation of CSR have proven successful to decrease poverty.

3. To analyze how far Women empowerment, education and agriculture have improved in the rural areas with the prevalence of CSR in the Economy.

Methodology

Both primary and secondary data are needed for the investigation. In conjunction with the Research Guide and other subject-matter experts, organized schedules covering a variety of areas of the topic of inquiry were created and implemented to ensure a comprehensive examination. Secondary data comes from a thorough analysis of pertinent literature, which includes books, journals, news stories, and other published and unpublished materials.

Analysis

A multifaceted research on corporate social responsibility necessitates an all-encompassing methodology. In addition to the standard statistical and analytical tools that are suitably suitable to the type of data gathered and comply with the study's declared objectives, analytical tools tailored to those elements were improvised and used in the current investigation.

Limitations

- The study's scope was too broad to be completed in the allotted period.
- Only a small section of the subject was addressed within the study's scope.
- Although the issue merits international attention, the study was restricted to the Indian setting.

CSR in India: CSR has been practiced in India from its inception. Various models of operation, including the Ethical, Static, Liberal, and Stakeholder models, are being used. Businesses are now developing the Stakeholder Model, which is predicated on the company's earnings and its societal responsibilities. CSR is currently largely a voluntary activity, with a 1% to 5% share based on the company's economic performance after taxes for a certain fiscal year. Currently, however, the Indian government has made it essential for all firms to include a 2% share of their economic profit after taxes in a fiscal year. The higher chamber, the Rajyasabha, is still considering approving the bill that was passed by the Lok Sabha. The new bill proposes

to implement CSR initiatives like eradicating hunger and poverty, promoting gender equality and education, empowering women, reducing child mortality and improving maternal health, combating HIV and other diseases, improving maternal health, promoting environmental sustainability, providing vocational training, contributing to the Prime Minister's National Relief Fund or any other fund established by the federal or state governments, and promoting the welfare of SC/STS and OBCs. The government's assistance to corporations in the form of tax breaks, bailout packages, restructured taxes for sick industries under the Sick Industry (Special Provision) Act of 1985, and basic infrastructure like water, electricity, and land in Special Economic Zones could be used to justify making it mandatory. Their motivation to build their business in rural areas of the nation is given specific consideration. According to an analysis of CSR initiatives in India, businesses are only tackling a small number of CSR-related concerns. Education, health, social concerns, and human resources are a few to mention. Sectorial distribution is absent even in their CSR operations, particularly in rural and economically disadvantaged regions. Numerous Indian businesses are monitored for their CSR performance using the CSR 10 India Index, which gives information about their financial success and social responsibilities. Due to their avoidance of social responsibilities, it is surprising that many Indian firms have high Fortune 500 rankings but low CSR 10 India Index rankings.

CSR - Issues to undertake in India: A number of concerns are begging for the government's attention, if not that of some corporations and/or non-governmental organizations. However, poverty and education are key concerns for sustainable socioeconomic growth. In his vision paper India 2020, even the esteemed former president of India, Dr. APJ Abdul Kalam, expressed his deepest concern for ending poverty. Since poverty and education are directly related, education—more specifically, primary education—is also a crucial topic to focus on, especially in rural areas of the nation. Undoubtedly, a small number of Indian firms are active in several of these fields and are performing admirably, but the nation urgently needs to rationalize its CSR initiatives. When compared to other states, Maharashtra's per capita income, literacy rate, human development index, and other metrics are reasonable, making it a developed state in India. It could be the result of the state becoming more urbanized, yet the negative aspects of this can still be seen in its rural areas. The most impoverished parts of the districts of Nagpur Garhchiroli, Chandrapur, Yavatmal, Wardha, and Bhandara comprise Vidarbha. The Scheduled Caste, Scheduled Tribe, and Economically Backward class make up the majority of the population of Gadchiroli, Yavatmal, Amravati, Nagpur, Chandrapur, and Bhandara. The same is true for the nation's other developed and underdeveloped states. Numerous initiatives have been launched by the federal, state, and local governments as well as by non-governmental organizations (NGOs) to enhance the socioeconomic standing of the rural areas of the nation and the quality of life for its residents; nevertheless, more efficient efforts are required to achieve the desired outcomes. These concerns can be handled by the private sector in addition to the involvement of government agencies.

Tragedy-it's not Vidarbha; but for every Indian: While it may be tragic for the Vidarbha, I believe it is a disgrace for all Indians, especially policy makers and politicians, that those who provide for the nation must die of famine or commit suicide. There have been 600 suicides in this area in 2005–2006, and 1600 in the past six years. The government's inability or unwillingness to comprehend the issues facing agriculture is demonstrated by the farmer suicides in Maharashtra's Vidarbha area. For the first four years of the tenth plan period, or up to 2005–2006, the average growth rate stayed at the pitiful 4% growth rate, which is still unrealistic. According to the demographic overview, approximately 67% of Vidarbha's population resides in rural regions, the bulk of which are economically disadvantaged. Additionally, the SC to ST category ratio is large. ST's literacy rate requires attention because it is much behind the state's average. In secondary and higher secondary classes, the SC/ST gross enrollment ratio is declining by significant percentages. When ST pupils reach higher secondary standards, their dropout rate exceeds 70%. Nearly 6% of Maharashtra's ST population lacks land, and over 75% own less than one hectare of land, indicating their low standard of living and contributing to the state's 56% poverty rate. The main source of contention is the suicide rate among farmers, which has approached 34,000 during the past 16 years. The high infant mortality rate in rural areas is caused by a lack of medical facilities and physicians' unwillingness to practice there. The fact that ST (more than 75%) and SC (more than 50%) in Maharashtra lack access to restroom facilities makes the situation even more egregious. Additionally, 50% of people living in Vidarbha do not have access to restrooms on their property. Over 20% of people lack access to clean drinking water. It begs the question: are we asserting the growth? When we are unable to provide the communities with basic amenities like clean drinking water and sanitary facilities, is it really that vital to bring information and communication tools to them? Since we look for great cooperation and dedication in the CSR operations of the firms in the region, the shortfall can undoubtedly be remedied. Considering Maharashtra's industrial sector, almost 10 lakh crores of investments have been planned by different sectors, of which 98,000 are foreign direct investments. Major enterprises are establishing their units in the Vidarbha Special Economic Zone (SEZ), which has authorized investments totaling over 11000 crore. The MIDC industrial sector has received approval for investments totaling around 10000 crore. This demonstrates the tremendous potential of CSR initiatives in both Vidarbha and Maharashtra. The state government is offering a series of incentives to new and expanding businesses situated in underdeveloped areas in an effort to promote the establishment of industry there. The industry has received subsidies of about 4700 crores in the form of interest, octroi, and industrial promotion. This leads us to conclude that the government is assisting the business sector and that they should take up CSR activities in order to meet their social responsibilities. Additionally, it supports the current bill's attempt to make CSR necessary for implementation.

Problems at Vidarbha:

1. Vidarbha had agricultural failure for six years in a row. It caused farmers' debt levels to rise, which in turn caused a significant number of suicides.

2. In the open market of the neighboring states of Gujarat, Andhra Pradesh, and Madhya Pradesh, the farmers were unable to obtain a sufficient price for their cotton.
3. The main product of the Vidarbha area is cotton. The maximum negative subsidy has been imposed by the government.
4. The committee, which was established by the Central Government in March, discovered that the Backlog Commission's estimate of Vidarbha's backlog is an investment of Rs. 14434,65 crores. It simply implies that the Central Government and the rest of Maharashtra did not give Vidarbha its fair share. Recall that the Constitution included a specific clause ensuring that Vidarbha received its fair share of funding in comparison to the other districts and regions when it became a part of Maharashtra [Article 371(2)]. According to the Backlog Commission, no such allocations have been received since 2000.
5. The irrigation backlog in these areas has grown during the past 20 years.
6. A true picture of the disaster was not presented to the prime minister. He went to Waifat, where thankfully there haven't been any suicides yet. The government was able to keep PM away from the actual suffering of the populace.
7. The hesitant adoption of the green revolution appears to be another significant factor. Andhra Pradesh, Karnataka, Kerala, and Maharashtra have significant suicide rates. However, there have been hardly any suicides, at least not as a result of debt murder, in areas like Bihar and Uttar Pradesh that still use antiquated farming methods. This suggests that disasters may potentially result from the application of green revolution technologies. It simply indicates that the credit agencies failed to demonstrate the sufficient level of funding needed to maintain the system.

Missing links:

1. Ignoring government spending in the agricultural sector.
2. India has not provided the appropriate pricing incentives to guarantee agriculture's long-term growth.
3. The government has failed to develop an appropriate fertilizer price strategy. Due to the uneven application of fertilizers, it has seriously harmed the nutrition of the soil. Because of the overuse of urea, the land's fertility suffered greatly.

What should be done?

1. Diversification is key to agriculture's comeback.
2. Certain industries, such as horticulture, fishing, and dairy, all demand a lot of labor but very little water. These industries also yield better earnings.
3. The use of organic manure and ecologically friendly farming methods should be promoted, and the urea fertilizer subsidy should be decreased.
4. Watershed management and water harvesting policies have already been started by the State and the Center. Although the results have been excellent, the speed of implementation has to be accelerated.
5. Since imports damage the foundation for domestic production, they are not the solution. To overpumping the market and endowment failures, Indian farmers actually require procurement connected to buffer stocking.

Emperical findings

1. Indian agriculture suffers from poor yields per hectare, a mismatch between cash and food crops, output instability, and significant differences in productivity among crops and areas. India imports edible oils and pulses to meet domestic demand since its local output of these commodities still falls short of what is needed.
2. In addition, cropping patterns and input utilization have been affected by a clear bias in agricultural price support programs favoring wheat and rice.
3. Ineffective food management and an unsustainable amount of food subsidies place a significant financial strain on the government. The nation is still susceptible to weather stocks because the private sector and rural economies lack the fundamental infrastructure needed to create enough buffer stocks. One of the most problematic sectors is the rural credit. Compared to urban and metropolitan regions, the credit deposit ratio (CDR) for both public and private sector banks in rural areas was much lower.
4. The rural sector has been egregiously ignored by commercial banks. Despite having more than 14,000 branches, RRBS's share of agricultural advancement has remained steady at about 8%. Many RRBs' narrow banking practices have seriously undermined the reason they were established.
5. Industry protection and an overpriced exchange rate amount to an implicit and indirect levy on farmers. Agriculture was negatively protected by keeping domestic prices below global prices, which was also a tax. In this sense, while the industry itself was struggling, agriculture and impoverished farmers were forced to shoulder the majority of the burden of producing resources for industry. Rural India and Indian agriculture have historically been defrauded, but have been saved by sporadic technological advancements, government assistance, and sops.
6. A favorable environment for agricultural growth has been produced by the establishment of the Commission for Agricultural Costs and Prices (CACP), the introduction of seed, fertilizer, and water technology, the creation of various cooperative societies, marketing agencies, etc., but these measures were all temporary and could not completely make up for it.

The study demonstrates how the CSR/sustainability fund, which was distributed among the four main sectors, was used to economically develop the Vidharbha region by profitably using mine water for the adjacent agricultural regions. There is a significant risk of farmer suicide in the Vidarbha region, which also has economically disadvantaged areas (BPL) with rates ranging from 41.1% to 47.5% and 30% to 35% of the population being SC/ST. The CIL companies' CSR/sustainable development fund will be used in the following four main areas to make the area more economically prosperous by strategically utilizing the most recent technological advancements and mine water to benefit the local agriculture sector in the former suicide areas:

- Building infrastructure for artificial ground recharge to raise the ground water level in the area in accordance with CGWB guidelines, allowing farmers to earn more money by increasing crops yield.

- To provide mine water to adjacent irrigation canals and ponds so that the agricultural industry may use it profitably and combat the economically disadvantaged in the Vidarbha area.
- The Vidarbha area will benefit long-term from the development of renewable energy and energy conservation.
- The construction of green homes for PAPS as part of the restoration plan.

Suggestions

Due to liberalization, the farming industry has lost a number of subsidies in recent years, which has caused fertilizer and seed prices to skyrocket along with electricity prices. Eliminating unequal treatment at the national and international levels is the goal of liberalization and globalization. The safeguard needs to be removed. However, a state cannot overlook its fundamental obligation to safeguard the average citizen. Without making the necessary investments and building the necessary infrastructure, the protection cannot be removed. The withdrawal of the subsidies must be commensurate with the investment. "There cannot be one drug for all the diseases". Liberalization could work for some people but not for others. The following actions can simplify the rural credit system:

1. Self-assistance it is necessary to support banking groups in rural regions.
2. The rural banks are forced to switch to Universal Banking and give up Narrow Banking.
3. The Narasimha Committee also recommended that commercial banks' rural branches be consolidated into banking organizations.
4. Rural banks should be subject to different prudential standards.
5. A paradigm wherein commercial banks' resources are made accessible for rural lending through specialized banks that solely operate in rural regions should be conceivable. These rural banks' loan portfolios may be acquired by the major commercial banks.

Measures to Improve Agriculture

1. Pulses and oil seeds should be added to India's "grain-oriented" agricultural strategy.
2. A Seed Act that imposes severe penalties on those who sell counterfeit seeds or fertilizers has to be adopted.
3. A more thorough and farmer-friendly crop insurance plan has to be developed.
4. "Food for Work" initiatives ought to be changed. It should be limited to building long-term structures and halting grain diversion for temporary, false initiatives.
5. Credit-enabled private investment and enhanced governmental investment are two possible avenues for investment. Fiscal tools would be required in order to increase agricultural investment. According to the budget,^[1] no significant progress has been made in addressing the issues of land degradation and climate anomalies. The idea of scientific farming is still absent;^[2] the National Commission on Farmers' recommendations for Agricultural Renewal received less attention;^[3] market reform and infrastructure issues are disregarded;^[4] raw cotton growers have not received any additional protection from imports;^[5] the

- budget cut food subsidies by Rs. 2000 crores rather than expanding the Public Distribution System's reach;^[6] The tenth plan objective of 4% is significantly higher than the current agricultural growth rate of 2.3%. The output of food grains is still growing at a pathetic pace.
6. A redesign of the rural credit system is required. Cooperative banks and RRB operations need to be made more efficient. There should be a thorough rural credit distribution mechanism in place. Adhocism is an issue with the Kisan Credit Card (KCC). It has to be made more simpler.
 7. Long-term solutions to the long-standing flood issues in Bihar and other eastern states have not been implemented. The intense rainfall in Nepal is the primary cause of floods in North Bihar. Through the Gandak, Koshi, and Adhawara river systems, rainfall reaches Bihar. Controlling the rainwaters requires quick action.
 8. The irrigation system is limited to the area used for food grains. In the arid regions, it is hardly nonexistent. This makes crop diversification difficult. The current Accelerated Irrigation Benefit Program (AIBP) has to be reorganized, and the irrigation system ought to expand geographically. Foreign and private investment should be encouraged for this.
 9. Although there has been a significant improvement in horizontal output, vertical productivity has been completely overlooked.
 10. The cropping pattern is mostly unchanged due to the inability of different responsible entities to alter farmers' inflexible socio-psycho viewpoint as well as the blatant disregard of the agricultural policy makers.
 11. The introduction of logical and market mechanisms is essential to Indian farmers' long-term success. This may be achieved by reducing the amount of subsidies and increasing investments with the same financial resources.
 12. The nation's regional inequities were brought about by the Green Revolution. Indian agriculture requires region-specific initiatives to reduce these adverse effects, which might lead to a nationwide green revolution. However, rather than being crafted in air-conditioned chambers, policymaking should be informed by the reality on the ground. The Second Green Revolution (SGR) must take into account the use of biotechnology, information and communication technologies, agri-extension, growing rural infrastructure, and low-cost farm loans. At the same time, to turn agriculture into a successful agribusiness, technology, management abilities, and financial stability are needed. The SGR needs to prioritize solar energy, dry land farming, and marginal farmers.
 13. The primary issue facing Indian agriculture is its continued susceptibility to natural fluctuations. It will keep producing distorted findings until it is freed from the whims of the monsoon season.
 14. The government should be in charge of agricultural capital development.
 15. To ensure that farmers receive fair compensation and that the role of middlemen is reduced, a clear connection between the field and the market should be created. Small operational holdings, low productivity, market distortions brought on by producers' issues and farmers' incapacity to sell their produce, poor credit

flow, inadequate irrigation facilities, a rice-wheat fixation, etc., cannot prevent double-digit growth if farmers and government agencies are willing to overcome them. A fresh strategy is required for this.

Conclusion

The study finds that despite the state's and the nation's remarkable rates of growth, the advantages of economic development have not reached the state's rural areas. Farmers' suicides in Maharashtra's Vidarbha area show that the government has not concerned or been able to comprehend the issues facing agriculture. For the first four years of the tenth plan period, or up to 2005–06, the average growth rate stayed at the pitiful 1.5%. It is clear from these figures that the goal of increasing the agricultural growth rate to 4% is still unrealistic. In many ways, the Scheduled Caste and Scheduled Tribe communities are still lagging behind in terms of access to basic amenities. It is also clear that constructive socioeconomic development of the impoverished area and community sector requires both political and bureaucratic resolve. In addition to government initiatives, if corporate social responsibility is implemented with thorough and cogent work management, it may be a very useful instrument to improve the socioeconomic aspects of the area. Keep in mind that you may only consume cereals and not a cell phone. Cars cannot be digested; gold cannot be consumed. Hunger is a bodily urge that nothing can surpass. A person who is famished simply sees his empty stomach; he never sees relationships, humanity, or culture or tradition. Not past it. and is unable to transcend it. If this is consistently ignored, Kalahandi may turn into Burundi and Rwanda.

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