

## CORPORATE INITIATIVES IN RURAL DEVELOPMENT THROUGH CORPORATE SOCIAL RESPONSIBILITY

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### Abstract

*Corporate social responsibility had emerged as a significant area for the corporate sector. Corporate organisations are giving back to society e through the CSR practices. Through the present study and impact has been made to explore the developmental and changing Trends of CSR and initiatives taken by the corporate organisations in India for rural development. The study focused on the major constraints and challenges in CSR pertaining to rural development. The study focused on the impact of CSR programs on the overall rural development.*

**Keywords:** *corporate social responsibility, rural development, impact constant, changing trends*



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### 1) Introduction:

The Concept of CSR integrates the corporate sector with social development and environmental concerns into their business activities for the sustainability and development of the organisation. The concept of CSR has been given a prominent significance, as the corporate organisations have a good idea of fulfilling the responsibility towards society through the CSR as an integral part of the concern. CSR is one of the new management strategies where the corporate organisations try to create a positive impact on the society while doing their business. The corporate organisations earn its revenue from the society E and in return it is expected to pay back to the society a reasonable share of it revenue. In this regard CSR has emerged in India as a business initiative to deploy a part of its profit for the social well-being of the society as a whole. The concept of CSR is very much relevant and important in India due to social and economic backwardness in many areas. the implementation of CSR activities by corporate organisations ensures societal development

progress and in turn economic growth. Therefore the concept of CSR is also known for its activities taken by the corporate organisations with the purpose of welfare of the society.

The concept of rural development is quite an example and far reaching for the majority of the population still living in rural areas. through the present study and impact has been made to explore CSR initiatives taken by the corporate organisation for the development of rural areas.

## **2) Review of literature:**

- 1) I.C.Pujari and M.Jotin (2015) : Have explored the CSR initiatives in the reference of rural development. Through the study authors have discussed the current status of CSR in rural parts and focus on the CSR initiatives being undertaken by the corporate organisations in India. Authors have also focused on the challenges faced by the corporate organisations in the implementation of CSR activities in rural parts. authors have observed that CSR shows the affirmative effects of the document of rural parts.
- 2) V.Nameeta (2015): Has focused on the CSR initiatives adopted by some public and private organisations for rural development. Through the study others has reviewed the various approaches to CSR and their mode of action for the implementation of CSR initiatives. The author had discussed the impact of socio economic measures on CSR development of rural India. Through the study others have observed that all the corporate organisations surveyed would appear to have policies and practices of CSR.
- 3) M.K.Bhatia (2020): Had studied the CSR activities implemented by the selected private and public enterprises in India. especially in the area of the effects of CSR actions on the socio-economic development of rural people. The author has concluded that CSR is considered as an important business issue of Indian companies irrespective of size, sector and business goals. The author has said that CSR actions have positive effects on the development of rural populations and also on the corporate organisations

## **3) Methodology of the study:**

The present study is exploratory in nature and based on the secondary information collected through the book, magazine, research papers, articles published in various national and international journals. The information available on the Internet is also referred for the study purpose. The present study is pertaining to the selected corporate organisations. efforts have been made while selecting Corporate organisations from various sectors.

**4) Scope and limitation of the study:**

The scope of the study is confined to study the corporate initiatives in rural development through the CSR. The information collected is very small and related to a number of corporate organisations. Therefore, the results of findings of the study are not generalised.

**5) Development and changing trends of CSR in India:**

Till the year of 1990, the concept of CSR was solely dominated by the idea of philanthropy. CSR as an activity of philanthropy, corporate organisations often restricted themselves to one time financial aid or grant and they didn't commit their resources for the CSR practices. Moreover, the corporate organisations never thought about the stakeholder while planning for starting CSR activities. It has resulted in reducing the efficiency of their initiatives. However over the last few years the concept of CSR has been changing and widening in its scope. There has been drastic transformation from giving as an obligation or charity to giving as a strategy or responsibility. By reviewing the literature and cases pertaining to CSR and work done through CSR by corporate organisations in India, it is observed that, the concept of CSR is transformed from charity and dependance and starting to encourage for empowerment and partnership. The following table indicate during the 2015-20217 to 2019-2020

Spending on CSR by Major corporate organisations (2016 to 2020)

Name of the organisations	2017-17 (Rs in cr)	2017-18 (Rs in cr)	2018-19 (Rs in cr)	2019-20 (Rs in cr)
<b>Reliance Industry ltd</b>	760.58	651.57	674.00	771.00
<b>Oil and Natural Gas corporation</b>	495.23	421.00	517.16	503.44
<b>Tata consultancy services</b>	219.00	294.00	379.77	400.00
<b>HDFC bank</b>	118.55	194.81	305.42	374.54
<b>Infosys Ltd</b>	239.54	202.30	289.44	312.60
<b>NIPC Ltd</b>	205.15	491.80	277.81	241.54
<b>Tata Steel Ltd</b>	171.46	204.46	193.61	232.00
<b>Wipro Ltd</b>	132.70	159.82	186.31	186.60
<b>TIC Ltd</b>	214.06	247.45	275.96	290.98

*Source: The management accountant Vol.53, No.12*

The above table indicates increasing CSR spending trends. It shows that the corporate organisations are giving importance to the CSR activity during the last some years.

#### **6) Objectives of the study:**

- 1) To explore the development and changing trends of CSR in India.
- 2) To know about the various challenges of CSR pertaining to rural development.
- 3) To focus on the CSR initiatives taken up by the Indian corporate and industrial organisations.
- 4) To understand the major constraints in CSR pertaining to rural development.
- 5) To focus on the impact of CSR programs on overall rural development.

#### **7) CSR initiatives taken up by selective Cooperative Organisation in India**

In the world India is the only country which has made CSR obligatory after change in 2014. Several corporate and industrial organisations have taken up various CSR activities for the development of rural parts of the country.

- 1) Reliance industry limited : Organisation has started providing shades for the domestic animal and veterinary hospitals in rural areas. the organisation also initiated in promoting women self help groups, supported training programs, implementation of agriculture, animal husbandry projects in rural areas.
- 2) NTPC Limited : the organisation has supported Income generation programmes and training. Apart from this, the organisation has supported the educational development of rural children and vocational training programmes for rural youth and provides financial assistance to the meritorious students in rural areas, adult education, medical camps etc.
- 3) Oil and Natural Gas Limited; this organisation provides educational facilities to the underprivileged for people including vocational training. This organisation has also provided healthcare services and facilities to the rural people. It started entrepreneurship training for the rural youth and also helps disaster victims in various states.
- 4) Tata Consultancy Limited: the organisation helps in reducing hunger and poverty in rural areas by providing Health Care Centres and making available pure drinking water and education facilities in the rural society. This organisation also provides vocational skills to the rural women to enhance self help groups and setting up homes for the old age people in rural areas.

- 5) Tata Steel Limited: Is organisation started servicing mid-day meal to the primary school children in rural areas. This organisation is also providing assistance to build eco-friendly bio toilets in rural areas and helped in conserving water and recharging groundwater level. An attempt was also made by the organisation to create awareness among the rural children about the importance of sanitation and hygiene.
- 6) HDFC Bank: This organisation provides health equipment and surgery facilities to the rural society and makes efforts to eradicate malnutrition in rural children. It also helps to build and enhance hospitals and other health related projects in rural areas, development of infrastructure and other rural development programmes.
- 7) Infosys: This organisation initiated through CSR for the well-being of rural people. It provides help to construct roads, drainage systems, and electricity and Rehabilitation facilities for victims of natural calamities in rural areas. They have constructed hostel buildings for poor rural students and hostels for girls and provide training to the tribal communities in agriculture, dairy, poultry etc. They also provide training in health and nutrition skills development to the rural people.
- 8) ITC limited: This organisation has initiated an empowering self-help group of rural women. The focus of this organisation is mainly on women empowerment in rural areas. The CSR activity of this organisation includes the challenging task of creating sustainable livelihoods for rural communities.
- 9) Wipro Limited: This organisation has initiated in providing and infrastructural facilities in rural areas. It also provides Computer training to the rural youth and children. It provides sports and educational facilities to the rural youth and helps to build eco-friendly bio toilets in the rural areas.

#### **8) Constraints in CSR pertaining to rural development:**

There are some important constraints in the implementation of CSR activities in rural development; the constraints are explained below.

- 1) Lack of community involvement: Sometimes it may happen that the local people have not any interest in the CSR activities of the corporate organisations. there is a poor participation or involvement of people; this is largely attributable to the fact that there is a lack of knowledge about CSR activities within the local people. There are no efforts made by the organisation in creating awareness about CSR and creating confidence in the local people. The situation is due to lack of communication between corporate organisations and local people.

- 2) Lack of efficient NGO: Through the study it is also observed that there is a lack of well organised and efficient non-governmental Organisation in the remote rural areas which can assess and additively explain the actual requirements of the local community and be able to work with the corporate organisation to ensure your effective implementation of CSR activities.
- 3) Lack of transparency: This is one of the most important constraints of CSR in rural development. Mini corporate organisations officials have expressed that there exists a lack of transparency on the part of the local implementing agency as they do not disclose any information about their programs, ongoing activities, issues, impact assessment and uses of funds. lack of transparency adversely affects the trustful relations between corporate organisations and local communities.
- 4) Poor response by local government authority: There is a poor response by the local government authority for CSR projects. This lack of consensus often results in applications of activity by corporate organisations in the areas of their intervention. This factor limits companies' ability to undertake impact assessment of their initiatives from time to time.

#### **8) Impact of CSR programs on rural development:**

Infrastructural development: Effective initiatives of Corporate Organisation in rural development through CSR there is an availability of infrastructural facilities in rural areas. lying down off roads, revamping, water pumps and check dams building for improving connectivity are some of the important infrastructural developments achieved through CSR practices.

- 1) Educational development: it is observed that the majority of the corporate organisations are involved in providing better educational facilities to the rural. Majority of the villagers there are good school buildings, hostels, Computer training and vocational training facilities are available for the rural youth.
- 2) Health Care: in Healthcare the most common specific activity is organisation of health camps. It provides accurate services and awareness is erased among the rural people about health and hygiene. due to CSR the rural people can get ambulance facilities, medical equipment for health centres and hospitals. The facilities are also available regarding child care, maternal health, sanitation etc.

- 3) **Livelihood Development:** Through the CSR practices majority of the corporate Organisation in India are involved in the programs of livelihood betterment in rural areas. It is observed that skill development is supported by career counselling and vocational training for youth, women etc.
- 4) **Environment development:** CSR initiatives by corporate organisations includes environment betterment programs which includes waste management and waste disposal, water conservation and tree plantation for providing forestation.

#### **9) Challenges in CSR program implementation:**

- 1) **Challenge in building local capacities:** Building of effective local capacities is a major challenge in the implementation of CSR activities in rural areas. There is a challenge in training proper manpower that can properly identify the real needs of the rural people in a particular village. This seriously compromises scaling-up of CSR initiatives and subsequently limits the scope of such activities.
- 2) **Lack of proper CSR guideline:** there are no proper statutory guidelines for policies pertaining to the CSR implementation in roller areas especially. Therefore sometimes corporate organisations do not understand how to implement the spatial CSR practices for rural development.
- 3) **Demands for Greater disclosure:** increasing demand for corporate disclosure from the stakeholders including customers, employees investors etc. is the great challenge in CSR implementation
- 4) **Challenge in CSR spending:** this is also one of the big challenges in the implementation of CSR practices in rural areas. maturity of the corporate organisation are unable to find suitable NGO for the implementation of CSR programs in NGO also cannot find proper funding organisation for their proposed projects.

#### **10) Conclusion:**

During the last few years the concept of CSR is rapidly picking up pace. it has now become an important and fundamental business practice of Corporate organisations. it has gained much attention from the management of Corporate organisations. The CSR practices initiated by corporate organisations are beneficial to the rural population and also to the nation at large. CSR programs implemented by the corporate organisations are mainly based on the needs of the local population so as their involvement in the project is improving. major

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Rati of the corporate organisation make efforts to create jobs and develop economic activities in rural areas through self-help groups, women entrepreneurship development, vocational training, programs for rural youth etc. CSR activities are very helpful in the upliftment of the rural population in terms of economic

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