



A strategic implementation of CSR initiatives for Sustainable Rural Development in Khed Taluka of Pune district

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Abstract

More than 6,50,000 villages in India (44,198 in Maharashtra), with 68% population are yet to come in the flow of real development not because of lack of resources in villages but because of lack of awareness about every aspect of development right from primary needs to very advanced requirements. This gap can be bridged through the rigorous implementation of Corporate Social Responsibility (CSR) of Institutions where companies and organizations spend a specific amount of its profit on social & philanthropic activities.

The current paper is intended to understand the problems in rural area and establish a practical relationship between all the Government offices, NGOs, Local authority and companies. CSR is a new strategy, provision for inclusive development of backward & unprivileged classes of the society; it can also be used for sustainable development initiatives of villages in India. Companies are willing to spend the money under its CSR, but they are lacking for appropriate dialog and conversation with the villagers or actual beneficiaries or the actual contributors in this connection. It may assure a certain development in villages. According to a survey in Pune based companies including small and large 49% companies are involved in real CSR activities.

For achieving the long-lasting and sustainable impact, CSR initiatives can be carried out through corporate foundations, special department fully dedicated for social causes in an organization or through NGOs which have the capacity, skill and idea to solve problems, long established relationships with people in their communities.

Keywords: G21, G28, M14, resources, CSR, NGOs, philanthropic, unprivileged

Introduction

The purpose of business is creation of wealth through ethical actions and sharing the benefits equitably for integrated development of the individual and society. Traditionally the acts were conducted under the name of charity of business, but with the passage of time and rigid organization of business in every sector a systematic approach of Corporate Social Responsibility (CSR) is rooted and has become a business strategy.

The WBCSD (1992) defines CSR as, "Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." Simply put, the business case for CSR, establishing a positive business reputation and brand in the public eye through good work that yields a competitive edge while at the same time contributing to others side demands of society and environment, than solely focusing on making a profit and wealth creation as adjacent core business strategies.

Indian Companies are playing very crucial role in improvement of the social standards of people by its primary business and by the way of social responsibility activities such as financial inclusion, women and girl child empowerment, promoting education, support to farmers, environmental issues etc. in rural as well as urban segment of the India.

In the late 1990s, CSR began to gain motion as a pressure

from consumers, the media, activists NGOs and various public organizations demanded that companies should contribute to society. Today, it has gained reputation, brand, integrity and trust are increasingly considered important measures of corporate social responsibility and one of the strategies for long term sustainability. The paper shows that, it is possible to bring some change in rural area. The Khed taluka in Pune has a well-developed industrial belt consisting of many big companies like Mahindra and Mahindra, Minda Group, Bajaj and many more service providing companies whose CSR fund can be used strategically for the sustainable development of the remote and undeveloped villages out of total 188 villages in Khed Taluka which has the total 3,20,802 human population.

Objectives of Research Paper

1. To discuss the different areas where the companies can focus for spending of CSR fund.
2. To study the possibilities of different developmental projects through CSR in Khed Taluka.
3. To study the problems associated with population in Khed Taluka with reference to social and economic parameters.
4. To try to establish a strategic association between these problems & CSR concept.
5. To attempt bridge the gap between Villagers, Government and companies.

Review of Literature

Before the emergence of this concept CSR, the social activities in India and abroad were seen as philanthropic and as charity. There are ample evidences from traditional and cultural literatures. In ancient India the kings and traders used to contribute some part of their profit for social well-being. In 'Kautilya's Arthshstra' the empirical book on economics written by Chanakya (350-275 BC) we find such quotes and provisions for philanthropic activities. In the philosophic book 'Dnyaneshwari' written by philosophic saint Dnyaneshwara (1275 – 1296 CE), we find some empirical writing known as Karmayoga. Similarly, the Gatha written by another *Maharastrian saint Tukaram* (17th century), we find the quotes written towards the social issues to be focused by landlords, businessmen and rulers in order to create the betterment opportunities for people.

In modern era, the scientific concept of corporate social responsibility has then existed for a long period of time in the literature (Bowen, 1953; Carroll, 1979; Sethi, 1975) ^[16, 17, 18] and in the practices of working organizations. Since late 1880s the discussion of social responsibility has continued and in the last decade companies have started to take more and more social responsibility.

Originally, businesses were seen strictly as economic entities with the primary responsibility for producing goods and rendering services required by a society. This is the classical view held by Milton Friedman and Hayek, Theodore Levitt and others. However, over time, business came to see their role in broader perspectives. According to Goyder (1951) ^[19], industry in the twentieth century can no longer be regarded as private arrangement for enriching shareholders. It has become a joint enterprise in which workers, management, consumers, the local government and trade union officials all play a part. Goyder sought to equate the suggestion of a responsible company with the trusteeship concept advocated by Gandhiji, the aim of which is to ensure that private property is used for the common good. As the 20th century approached classical ideology was still a mountain of resistance to expanding the idea of business social responsibility, which is being discussed today as CSR.

Prof. C.V. Baxi and Rupmati Ray (2012) ^[8] published a book on CSR which was a result of the study conducted on the status of CSR activities in Indian industry with the financial support of AICTE, India. In this book they comprehensively illustrated with various company examples and primary survey on how CSR implementation varies from organization to organization and industry to industry including family based firms, public sector enterprises and professional enterprises.

According to him, CSR in India took place through following initiatives after 1990s:

1. Agricultural Financing
2. Small industry/assistance programme
3. Rural credit schemes
4. Primary agricultural credit societies
5. Gram Vikas Kendra
6. Anti-poverty schemes
7. Adoption of long range planning etc.

Similarly, the companies like ITC, TATAs, Infosys, Mahindra

& Mahindra Ltd., Larsen & Toubro Ltd., Maruti Suzuki India Ltd., Siemens Ltd., GAIL (India) Ltd., Bharat Petroleum Corporation Ltd., Steel Authority of India Ltd., Jubilant Life Sciences Ltd. etc. are also implementing various projects in different parts of India.

The concept of Corporate Social Responsibility and Current scenario in India

In India, CSR has been gaining greater importance in the entire corporate world. After the amendment in Companies Act in 2013 and making the rules for companies CSR policy all companies coming under this law are spending the given fund on some social and environmental issues. There is a visible trend in the all sectors of businesses of promoting environment friendly attitude and socially responsible business practices.

Recently, the Ministry of Corporate Affairs has also issued voluntary CSR guidelines for Indian corporate. Accordingly, the Ministry of Rural Development (MORD), Govt. of India has come out with Guidelines for Rural Self Employment Institutes (RSETIs) and accordingly instructed the companies and institutions of the country to follow the spirit of the directives.

Ministry of Corporate Affairs has recently notified Section 135 and Schedule VII of the Companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) which has come into effect from 1 April 2014.

CSR initiatives implemented by Indian companies

Following are some emerging areas in CSR which have gained a great momentum and favoritism today in all sectors of business.

1. Delivering Better Education through CSR Partnerships
2. Corporate Engagement with Government and Civil Society
3. Creating Renewable Resources, Recycling and Conservation: Answer to Environmental Challenges through CSR
4. Swachh Bharat Niraman through CSR: Building Toilets to Changing Behavior, Sustainable Sanitation Solutions(S3 model)
5. Creating Livelihood Opportunities for women and unemployed through CSR,
6. Connecting unconnected for Healthcare through CSR
7. Interventions of CSR Solutions to Poverty: Creating Livelihoods Opportunities through Skilling India
8. Healthcare in CSR: Improving Health
9. Infrastructure, Connecting Unconnected
10. Financial and e-literacy campaigns
11. Save girl child campaigns etc.

Research Methodology

The present study is based upon a fundamental study of rural area of Khed Taluka from social and economic perspectives like, population, religion, sex ratio, literacy ratio, employment and unemployment issues, occupation wise distribution of the population, the sources of income, number of earners in a family, sources of their income, the facilities and amenities used in house, literacy ratio, sex ratio, employment status etc. despite of well-developed industrial belt around Khed Taluka.

Data is collected from both primary and secondary sources. For primary data researcher conducted a pilot survey of 10 villages and discussions with villagers, SHGs etc. For secondary data newspapers, books, magazines, periodicals, journals, websites etc. have been referred.

Results and Discussion

There are 185 villages in the Khed Taluka of Pune District which comprises the total population of 3,20,802 individuals which is further divided as male population of 1,70,345 individuals and population of 1,59,824 females. In this area, in all 188 villages the average child sex ratio is 911, which

shows the negative figure of male to female sex ratio. The average literacy ratio in this area is 71%, where the literacy of male is 82% and the literacy of female is 61%. In these villages approximately 70% population depends on agricultural economy, which is engaged directly or indirectly with cultivating and agro-based industries. In agriculture sector, Khed Taluka has very good soil with productive features but the total irrigated land is only 22 % to 23% which can be improved through CSR initiatives in these villages. As per 2011-12 data of Maharashtra Government there are total 7205 self-help groups whose classification is given below:

Table 1

Taluka	Self Help groups Established			Self Help Attached With Main Business			Self Help Groups Linked With Banks For Working Capital		
	Below poverty line	Above poverty line	Total	Below poverty line	Above poverty line	Total	Below poverty line	Above poverty line	Total
1	2	3	4	5	6	7	8	9	10
Khed	975	4376	5351	186	155	341	457	1056	1513

(Source: https://mahasdb.maharashtra.gov.in/SDB_Reports/Pune/PDF/2011-12_Pune_DSA_4_8.pdf)

The above table shows that, in this area there are total 7205 self-help groups out of which only 341 SHGs i.e. only 4.73% SHGs have attached with the main businesses and 1513 SHGs i.e. 20.99% have the linkages with banks for business working capital. It indicates that, most of the SHGs are not in main stream. This is a very big gap between the SHGs and the actual linkage of them with some productive activities. According to Census data out of the total female population only 44.81 % is involved in employment. The data above can be taken as an opportunity to nurture the business and help these women in making them self-employed through CSR activities.

The very similar is the statistics about agricultural opportunities in this area. The total irrigated area is less than 25% despite of a good rainfall in Khed Taluka. After visiting and observing into some of the villages in this area, we found following issues which can be looked after through CSR initiatives by different companies in this area:

1. Helping in development of pre-primary and primary education facilities
2. Helping in development of Secondary and higher secondary schooling facilities
3. Helping to SHGs in building up some small enterprises
4. Helping youth for skill development
5. Helping farmers in making them more market centric and trained
6. Helping in improvement of sex ratio by initiating some awareness programmes about it through NGOs.
7. Helping in health and sanitation awareness etc.

According to a survey Conducted by NAVAM and MCCIA in 2009 on 80 member companies, 49 % companies had started with CSR programmers in following areas:

Health, Environment, Education, work for under privileged, Women Empowerment, Children, Rural Development
Corporate social responsibility has become not an option but a requirement by law and for a social cause too. CSR will definitely facilitate the process of reducing the growing

imbalances in society and the economy and help to achieve the goals. A little bit will do a big difference to the society. Business cannot succeed, if society fails. Thus, responsible business is a determinant of equitable distribution of social goods & services. It contributes significantly to economic prosperity, environmental quality and social capital. If we have to reap rich and quality dividends, then it is imperative for each company to invest in CSR

Conclusion

The problem of rural India is that, the old knowledge has drained out rapidly with the emergence of technology and the new knowledge is not coming by that rapid speed towards it. It has also resulted into large migration from rural to urban area. Efforts must be taken for the population which can't move towards cities either because of fixed property in villages or because they lack the industrial skills. Corporate Social Responsibility through the dialog with such people can bring a big change in the rural India through small initiatives in villages near MIDC areas in Maharashtra. Today companies are ready to spend an amount on some social causes but the past surveys and studies show that, the companies don't get the right issue to be resolved in particular area as most of the companies don't have specializations in these area and it is looked as a non-core activity. But one thing is sure that, the Indian villages are waiting for such professional people with same approach to solve its problems.

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