CSR AND SUSTAINABLE DEVELOPMENT GOALS IN INDIAN CORPORATE SECTOR

Dr. C.VETHIRAJAN [1]

Senior Professor and Head, Dept. of Corporate Secretaryship, Faculty of Management, Alagappa University, Karaikudi, Tamil Nadu, India

drvethirajan@gmail.com

ABSTRACT: *This research paper has made an attempt with the goal of building a better future; Corporate Social Responsibility (CSR) is a strategy that attempts to systematically incorporate the economic, environmental, and social impacts of business into the management of business. In addition to creating a wealth gap between the rich and the poor, the rise of major corporations and their desire to maximize individual profits have also thrown development and environmental sustainability out of balance. CSR is a concept that is frequently contested between the morality and profitability dichotomies and is interpreted contextually. India argues that both of these dichotomies should be combined through a mandatory CSR obligation. The localization of both CSR and SDG has been used to address the myriad social development difficulties posed by India's cultural diversity. In order to achieve the sustainable development goals of Agenda 2030, the goals of the Indian CSR programme are further mapped to that document. This strategy has an impact on how much money is directed towards different development programmes through business efforts, government programmes, and corporate initiatives. Even though there has been a lot of work done in the theoretical realm to educate Indian corporations about the importance of social responsibility and environmental ethics as a part of their economic activity, very little has been accomplished so far. The study will also clarify the theoretical and practical contributions made by CSR to the Indian corporate sector's pursuit of sustainable development. To achieve greater harmony between economic developments, environmental sustainability, and public safety, efforts will be made to design a strategy that ensures greater business sector responsibilities and engagement.*

Keywords: CSR, Sustainable Development Goals, Companies Act, Social Development, Corporate Sector.

1. INTRODUCTION

The socio- economic situation all around the world, the idea of CSR has been deeply ingrained into company ethics. In developing nations, where economic inequalities are more prominent and society and ecology are more susceptible to environmental threats brought on by humans, the need for CSR is even more essential. India is a stunningly contradictory nation. The population of the country is severely affected by perplexing economic disparities between urban, semi-urban, and rural areas. The range of inequities in the nation has grown even further as a result of market-based economic practices. Health, education, and social security concerns for the most vulnerable members of society have become more sidelined by the developing business culture of profit and competitiveness. By using both legal and intellectual

measures, the Indian government has worked to instill in the corporate world a sense of business ethics and responsibility. Through their corporate social responsibility interventions across the nation, corporations have frequently taken the lead in tackling issues of education, health, the environment, and livelihoods. Long before CSR became the standard, private companies like TATA, Birla, and Reliance were already engaging in CSR to foster a culture of social welfare and environmental sustainability among the nation's top economic behemoths.

Lack of a defined framework for executing and measuring CSR efforts is one of the greatest problems firms encounter in this area. Unlike to other commercial endeavors like finance or marketing, there is no predetermined CSR structure that companies can adhere to. Workplace policies, human rights, the environment, fighting corruption, corporate governance, gender equality, occupational integration, consumer interests, and taxation are all included in this. Businesses don't put enough effort into disclosing pertinent information. Something comes between the development of community and business trust. Lack of transparency is the largest problem CSR is currently facing because it is essential to the success of any CSR programme.

2. REVIEW OF LITERATURE

Bharti. (2023), according that the author explained by allocating a portion of their earnings to CSR initiatives, businesses can enhance society. The current study investigates how CSR contributes to the realization of Sustainable Development Goals (SDGs). According to the present data, 8,633 businesses spent close to 20,360 crores on CSR initiatives during the fiscal year 2020–21. As 15 of the 17 SDGs are addressed by CSR initiatives, this CSR spending is helpful in accomplishing the SDGs. Healthcare, hunger and poverty eradication, and education all got significant CSR money. They are also covered by the SDGs. SDGs 1, 2, 3, and 4 are all related to the healthcare, education, and hunger sectors, respectively.

Maheshwari, H. and Vijay, Kumar, V. (2019), One of the few countries to introduce a rule on corporate social responsibility, or CSR, is India (KPMG Report, 2017). The Indian CSR and the SDG were both implemented at the same time and have the ability to greatly contribute to the creation of a coherent sustainable growth model. This essay seeks to explore how Indian businesses engage in various CSR initiatives and support the pursuit of sustainable development objectives. The ability of businesses to use their imagination and ingenuity to address sustainability concerns is one of the SDGs' main motivators. It is crucial that the government, commercial sector, and civil society work together in harmony if India is to successfully accomplish the SDGs. It is crucial that we start initiatives that are scalable, replicable, and sustainable, and this kind of collaborative framework will call for committed people and organizations to work together to address shared sustainability concerns.

Cameron, Graciela, & Wiedmann (2018), suggest regular national progress assessments and a systems-based approach to implementing the SDGs. Together with their interdependence and inter linkages; they saw how the 17 SDGs' goals and targets are complementary to one another. But point out that the mechanism

underlying the inter linkages is not entirely clear. They emphasize the importance of using an integrated systems approach to the SDGs in order to fully realize their promise.

3. OBJECTIVES OF THE STUDY

1. To study the different CSR practices in India.

2. To find out the Indian Companies role in achieving sustainable developmental goals through CSR.

3. To identify the Indian corporate sector spending expenditure through CSR.

4. METHODOLOGY

An exploratory research design is used to qualitatively substantiate the SDG's and CSR. To ensure greater accuracy and in depth analysis, the data is confined to secondary sources. The author inferred it by referring different news articles, books and Websites.

4.1. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

The core tenets of corporate social responsibility and business ethics are capacity building, community empowerment, more inclusive socioeconomic growth, environmental sustainability, promotion of environmentally friendly and energy-efficient technologies, development of underdeveloped regions, and upliftment of the disadvantaged and marginalized segments of society. Corporate social responsibility is an old idea that has been around for a while. CSR in India received legal support with Section 135 of the Companies Act of 2013. The Companies Act's Section 135 is effective as of the 2014 fiscal year. In light of section 135 of the Companies Act, this essay will examine how CSR contributes to sustainable development.

Corporate Social Responsibility

The definition of "Corporate Social Responsibility" is extremely broad, nuanced, and nuanced. Corporate social responsibility, in general, refers to actions performed by businesses to benefit society. CSR is generally regarded as the means by which a company achieves a balance of economic, environmental, and social imperatives. According to UNIDO, "CSR is a management concept whereby companies integrate Social and environmental concerns in their business operations and interactions with their stakeholder." It is evident from the aforementioned criteria that CSR must consider the welfare of all stakeholders, not only the company's shareholders.

4.2. CORPORATE SOCIAL RESPONSIBILITY IN INDIA

India was the first nation in the world to mandate CSR, and as a result, the country's philanthropic scene has seen significant transformation. By establishing more discipline, the regulation has helped businesses focus on development issues and set up a CSR fund. The implementation of the Sustainable Development Goals and the Indian CSR legislation coincided, and both have the potential to greatly contribute to the creation of a coherent model for sustainable growth. The corporate sector has many chances to participate in the SDGs, and they offer a strong framework for

companies to practice corporate social responsibility. For instance, when an organization's CSR goal is to improve livelihoods through skill development, it helps to achieve multiple Goals including ending hunger, ensuring that all children receive a high-quality education, and finding ways to end poverty.

CSR initiatives have changed over time as well. Due to marketing campaigns and initiatives focused at conserving environmental resources, annual giving programmes have historically served as the standard for good corporate behavior. Even while their efforts are worthwhile, consumers and businesses alike are now more creative in how they define a responsible business. Nonetheless, the following tendency has been noticed due to the shifting business environment and global challenges including poverty, gender inequality, and climate change:

- ❖ Businesses are beginning to consider CSR as more than just a one-time endeavor to boost their reputation and generosity.
- ❖ Businesses now take responsibility seriously and seek out prospects for long-term growth.
- ❖ Sustainability has emerged as a key idea and is essential to every CSR programme.

Despite its commitment to the 2030 SDGs, India now ranks 116 out of 157 countries in the SDG index, a very low position that necessitates rapid action through cooperation between the private sector, groups, individuals, and the government. Business entities are increasingly regarded as the main proponents of the SDGs because they can use their ingenuity and creativity to address the problems of sustainable development and because they can effectively act as catalysts for the SDGs' implementation.

Companies cannot envision their futures when the future of the globe is at stake and our planet is facing significant economic, social, and environmental issues without making an effort to protect the environment in which they hope to live. Incorporating SDGs into corporate strategy would not only advance the objectives but also assist businesses in achieving the triple bottom line of People, Earth, and Profits. It's time for businesses to review their plans and make sure they're in line with long-term sustainable growth. Since the Sustainable Development Goals must be carried out by 2030, both the government and industry must put up enormous effort.

The SDGs are already being used by the Indian government as a road map for creating national laws and regulations. Corporations are required to support these initiatives.

The process for reporting on the SDGs entails three steps: (i) developing priority SDG targets; (ii) measuring and analyzing; and (iii) reporting, integrating, and implementing change.

Develop priority SDG targets	DevelopMeasure and analyze	Report, integrate and implement change
Understand the SDGs and their targets	Set business objectives	Consider general features of good practice when reporting on the SDGs
Conduct principled prioritization of SDG targets	Select appropriate disclosures	Consider data users' information needs
Define your SDG-related report content	Collect and analyze data	Report and implement change

(Source: Integrating the SDGs into Corporate Reporting: A Practical Guide, GRI and UN Global Compact, 2018)

Report by the Ministry of Corporate Affairs details how the Government of India is tracking CSR spends by sector and reinforces that conclusion, as visualized.
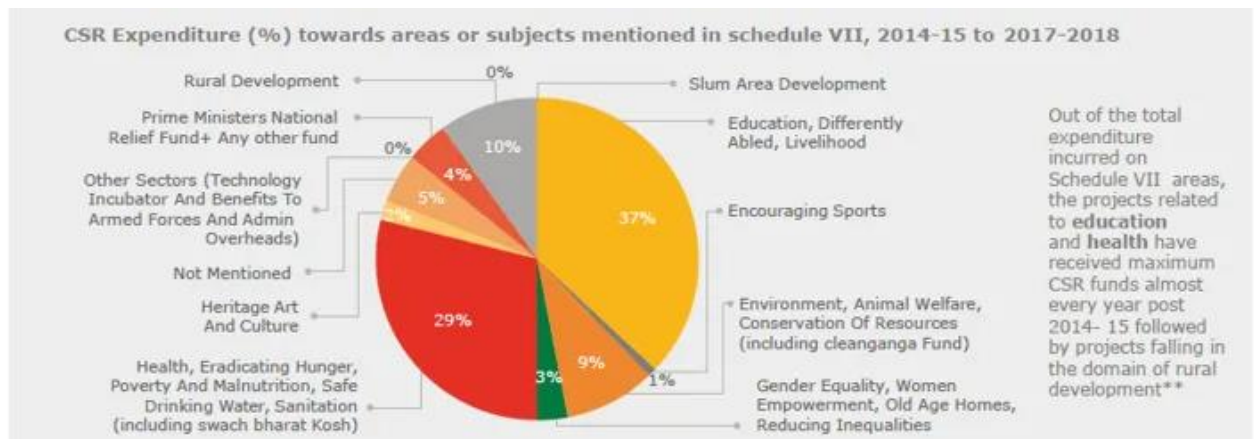
(Source: Ministry of Corporate Affairs)

All of this data brings to light a few important issues: the financing pool for social impact programmes is expanding; yet improved money management is required to produce impact at scale. Also, a more focused method of categorizing and monitoring investments into important beneficiary causes will contribute to more focused CSR investment in currently underfunded causes. Due to the abundance of unreliable nonprofit organizations operating in India, corporations intending to meet this duty also encounter difficulties finding partners to donate CSR cash to as well as finding implementation partners for causes that align with the company's vision and culture. More generally, it's time to reconsider how businesses gauge the effectiveness of a corporate CSR project.

Multi-sectoral collaborations are crucial, and they must be formed. Relationships between the business, not-for-profit, and academic sectors will guarantee that socially significant initiatives launched in India can be thoroughly thought out and researched, skillfully carried out, and liberally sponsored. Additionally, the presence of foreign colleges and nonprofit organizations in India offers exceptional opportunity to fill the aforementioned gaps. Numerous foreign institutions have non-profit or Section 8 company presences in India, allowing them to carry out research and other

operations there. Collaborations with Indian universities and non-profits present excellent chances for doing localized, socially significant research on underserved and underfunded topics because global institutions have a wide range of research capabilities in a variety of subjects.

India, which is home to one-sixth of the world's population, has a major role to play in achieving the SDGs not only for itself, but for the entire planet. India currently accounts for 20% of the global gap in 10 out of the 17 goals; hence India's success is crucial for the success of the global effort to move towards a more sustainable future. To this end, India has made significant progress in achieving the SDGs through its programmes to enhance public sanitation (Swachh Bharat and ranking districts on sanitation performance), educate its populace, increase the use of renewable energy, and work towards providing universal healthcare through Ayushman Bharat. By assessing state and union territory level SDG successes, the government think tank NITI Aayog has revolutionized how India evaluates its performance towards attaining the SDGs. This has sparked substantial inter-state discourse on how to achieve the SDGs at a local level.

Year	India's rank on SDG Index	Total countries ranked
2022	121	163
2021	120	163
2020	117	163
2019	115	162
2018	114	156
2017	143	188

(Source: https://www.sdgindex.org/reports)

The COVID pandemic has significantly negated the last two years' improvement. India has advanced on numerous metrics at the same time. According to the "SDG push scenario," the proportion of persons making less than $1.90 per day has decreased from 14.53% in 2015 to 11.93% in 2021 and is further projected to reach 10.41% by the end of 2022. In a same vein, the gross completion rate for primary school increased from 87.67% in 2015 to 92.06% in 2022.

RESPONSIBLE BUSINESS RANKINGS INDIA'S TOP COMPANIES FOR SUSTAINABILITY AND CSR 2021

01	Godrej Consumer Products Ltd.
02	Infosys Ltd.
03	Wipro Ltd.
04	Tata Chemicals Ltd.
05	ITC Ltd.
06	Jubilant Life Sciences Ltd.
07	Grasim Industries Ltd.
08	Vedanta Ltd.
09	Tata Power Company Ltd.
10	JSW Steel Ltd.

(Source: https://www.futurescape.in/responsible-business-rankings)

For the first time, Godrej Consumer Products is at the top of the list. Tata Power and Tata Chemicals are the two Tata companies that rank in the top 10. Companies that produce goods perform much better than those that provide services. The best-performing sector is information technology, while other financial is lagging. Information technology, FMCG, Chemicals, Life Sciences, Textiles, Power, Steel, and Mining are among the industries represented in the top 10 rankings. The use of integrated reporting is growing. 27 percent of the businesses create integrated reports. The SDGs were used to outline the business objectives of the top 10 corporations.

5. CONCLUSION

A positive step towards holistic development in Section 135 of the Companies Act, which provides legal support for corporate social responsibility. In order to achieve the goal of sustainable development, corporate social responsibility is crucial. India, which is home to one-sixth of the world's population, has a major role to play in achieving the SDGs not only for itself, but for the entire planet. India currently accounts for 20% of the global gap in 10 out of the 17 goals; hence India's success is crucial for the success of the global effort to move towards a more sustainable future. To this end, India has made significant progress in achieving the SDGs through its programmes to enhance public sanitation (Swachh Bharat and ranking districts on sanitation performance), educate its populace, increase the use of renewable energy, and work towards providing universal healthcare through Ayushman Bharat. By assessing state and union territory level SDG successes, the government think tank NITI Aayog has revolutionized how India evaluates its performance towards attaining the SDGs. This has sparked substantial inter-state discourse on how to achieve the SDGs at a local level. To ensure that resources from all sectors public, corporate, and civil society are mobilized and brought together in order to advance the SDGs from the ground up, an even more concentrated effort

must be made. India must priorities philanthropy in order to empower those at the bottom of the pyramid if it is to develop sustainably and fairly. Sannam S4 is hosting an Annual SDG Conclave to provide a forum for such extensive cooperation. The event will bring together top universities, non-profits, and corporations from India and around the world to discuss how India can use international, cross-sectoral partnerships to achieve the SDGs by 2030. In order to accurately track the impact of the private sector and collaborate at the current level of intensity, legislative and bureaucratic barriers must be removed. To successfully advance towards a more sustainable future and achieve the SDGs by 2030, India must do this.

REFERENCES

Bharti. (2023), "Role of CSR in Sustainable Development: A Study of Selected Indian Companies", Journal of Emerging Technologies and Innovative Research (JETIR), 10(1), 283-286.

Bhatt, S. & Kadiyan, L., (2023) "Corporate Social Responsibility and Social Development in India: An Interface", Social Development Issues 44(3): 3. doi: https://doi.org/10.3998/sdi.3709

Herrman, K. K. (2004), "Corporate Social Responsibility and Sustainable Development: the European Union Initiative as a Case Study", Indiana Journal of Global Legal Studies, Vol. II, Issue, 2, Article 6.

Sharma, A. and Kiran, R. (2013), "Corporate Social Responsibility: Driving Forces and Challenges", International Journal of Business Research and Development, 2(1), 18-27.

Maheshwari, H. and Vijay, Kumar, V. (2019), "Sustainable Development Goals and Corporate Social Responsibility: A Perceptive from Indian Companies", International Journal of Research in Advent Technology, 176-181.

https://seamlessglobal.co/can-csr-help-india-achieve-its-development-goals/

https://www.futurescape.in/responsible-business-rankings/indias-top-companies-and-the-sdgs/

https://www.mca.gov.in/Ministry/pdf/CompaniesActNotification3_2014.pdf

https://csr.gov.in

https://sdgs.un.org