CSR, Sustainability, Ethics & Governance
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Nayan Mitra
René Schmidpeter *Editors*

Corporate Social Responsibility in India

Cases and Developments After the Legal Mandate

Springer

CSR, Sustainability, Ethics & Governance

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Dr. Bhaskar Chatterjee
Director General & CEO

सत्यमेव जयते

Indian Institute of Corporate Affairs
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Ministry of Corporate Affairs

Foreword

This book on “Corporate Social Responsibility In India—Cases And Developments After The Legal Mandate” comes at an excellent time in the socio-economic journey of India. The country is at a moment of transition in many ways as it comes to terms with its place in the world as a vibrant young nation with the potential to chart its own path. Corporate Social Responsibility (CSR) is the bridge between economic and social progress, and the recent developments in the sector mark the coming of age of India. The sector has grown in terms of both impact and range as part of corporate engagement in social development and that is a part of the journey described in this book. The recent legislation on CSR in India brings a sense of order and organisation to corporate investments in social good while enabling a lever that could direct these efforts towards national imperatives, or, towards scale, and certainly towards greater efficiency and impact. This transition to a systemic approach to corporate social responsibility is documented in this excellent book. It uses the new legal mandate as a peg to mark the transition and showcases a multi-stakeholder approach to bring out the effects of the mandate on the holistic environment.

I congratulate the editors, Mrs. Nayan Mitra and Dr. René Schmidpeter, for doing a fabulous job on this book. They have succeeded in bringing together policymakers, consultants, corporates, and academicians who not only come from different perspectives and experiences but also have distinct roles in shaping the future of CSR going forward. The book seamlessly integrates their views and insights into understanding the legal mandate, its requirements, challenges and the way forward in an eclectic mix of analytical chapters and case studies. The authors collectively build a picture that reflects the complex spaces to be negotiated in CSR that will determine both the scope and impact of the corporate world in social progress. This is by no means certain and certainly not predicated by the legislation alone. The chapters in the book reflect the stakeholders and forces at play in this arena.

This is indeed a first of its kind book and marks a watershed in the journey of CSR. It is an extremely important contribution to the body of knowledge in the area of CSR and Corporate Governance in emerging economics that is driven by a completely different set of Challenges, opportunities and requirements from that of developed economies. CSR in India has evolved from a long tradition of philanthropy from business and has reflected the changes in the economic orientation of the nation. Thus, a tracking of CSR ebbs and flows also gives deeper insights into the socio-economic situation. For decades, CSR had receded to personal spaces, re-emerging as corporates began to find firmer foothold in a growing economy. The CSR journey is one of self-discovery and growth, and this very important book marks a critical milestone in this where the legislation acknowledges the deep and meaningful influence and seeks to nudge stakeholders to recalibrate for deeper impact. This book brings to the fore all of these issues and sets the stage for the interplay of forces that will determine the future of CSR in India.

I wish them all the best. Happy reading.

Indian Institute of Corporate Affairs (IICA)
Gurgaon, Haryana
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Bhaskar Chatterjee

Preface and Acknowledgement

India's recent initiative in framing the Corporate Social Responsibility (CSR) mandate in the Companies Act, 2013, for certain Corporations is an effort to formally acknowledge and respect the symbiotic relationship between business and society.

The principle of CSR has been embedded in the Indian society for centuries in the guise of philanthropy. Every region of India has anecdotes of legendary businessmen or traders, who have contributed to the welfare of the society significantly. In the post-liberalisation (1991) period, the Industries have grown in scale and matured in terms of Corporate Management on multiple dimensions. Globalisation has further added fuel to the situation. Indiscriminate exploitation on all fronts—social, economical and environmental for profit maximisation—became the trend. And so, over the years, CSR received less and less attention, which led to a situation where it became necessary for the Government to provide a formal mandate for the businesses to follow. This is for the good of both business and society since they are also inseparably intertwined with each other, even more so, in a country like India, where the pressure on resources such as water is extremely high and therefore no stakeholder should feel short-changed regarding the allocation of such resources.

Fairness has been a deeply ingrained principle of Indian social order for the millennium. The CSR mandate is a beckoner of this fairness in the modern context.

This compendium attempts to present the various dimensions and viewpoints from policymakers, consultants, advisors, academicians and practitioners regarding India's CSR mandate in the Companies Act, 2013. It is a current and credible treatise on the subject. We hope that the Book will trigger thoughts and discussion and add new ideas. All of that is welcome both for the contribution to knowledge on CSR and for harnessing inclusiveness in new India.

We heartily thank Springer International Publishing for providing us this platform to share and contribute on this dynamic issue; Series Editor for Springer's CSR, Sustainability, Ethics and Governance books, Dr. Samuel O. Idowu for his encouragement and support; Senior editor of Springer, Mr. Christian Rauscher, who was always there to guide and advise us; our valuable authors, who have taken time out from their very busy schedule to voice/pen their ideas, analysis, research, concerns, recommendations and forecasts to disseminate to the world on the movement called CSR in India; and, to say the least, our immediate and extended family members and friends who have always stood by us when we chased our passion of CSR!

Happy reading.

We would love to hear from you. Please feel free to write to us at the contacts given below.

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Asif Akhtar is an Assistant Professor in the Department of Business Administration of Aligarh Muslim University (AMU). He has done his BTech (Mechanical), MBA and PhD (Management) from AMU as well. His research areas include Sustainability, Corporate Social Responsibility (CSR) and Quantitative Modelling. He has published several research papers in reputed national as well as international journals. He is an Editorial member of an international journal published by the Canadian Scientific Society. He has been invited as a resource person to several workshops on Research Methodology in India and abroad.

Ashesh Ambasta completed his PhD in Development Economics from the Institute of Social Studies, The Hague, on rural labour. Thereafter, he has been involved in the development sector for several decades, working with grass-roots organisations in many of the underdeveloped districts of India where he set up and managed integrated rural development projects. He has also worked with ActionAid, an International charity in identifying potential areas and NGO partners for their development funding programme. Currently, he is the Executive Vice President & Head—Social Investments at ITC Limited, with a special focus on natural resources management and sustainable livelihoods creation. He works very closely with identified partner NGOs to plan, design, implement and monitor ITC's investments in the social sector.

Bhaskar Chatterjee A career bureaucrat, Dr. Bhaskar Chatterjee is also a widely acclaimed management practitioner, theorist, teacher and policymaker. He is known as the Father of CSR in India, where he has been instrumental in framing and issuing the CSR guidelines for Public Sector Enterprises (April 2010), and has played a major role in the inclusion of Section 135 in the Companies Act of 2013 as well as framing of the rules thereafter. Many of his path-breaking books like "Japanese Management—Maruti and the Indian Experience" (1990), "Human Resource Management—A Contemporary Text" (2009), "Leadership India—Leading Change, Changing Lives" (2011) and "Sustainable Futures – Imperatives For

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Ananda Das Gupta has been engaged in teaching and research for more than 20 years, where his core areas include Organisational Development, Strategic Human Resources Management, Corporate Social Responsibility and Business Ethics. He is a professor at the Indian Institute of Plantation Management, Bangalore—a national level sectoral management school set up at the initiative of Ministry of Commerce, Government of India, and also holds important administrative and academic responsibilities. He is a Doctoral Supervisor for many Indian Universities including the prestigious BITS-Pilani and AIMA-AMU. He has edited Special Issues of the following Journals: India of International Journal of Social Economics—an Emerald Journal and has many reputed authored/edited academic publications from Sage, Springer and Palgrave-Macmillan under his name. Currently, he is the Guest Editor of a special Issue of Asian Journal of Business Ethics by Springer.

Sridhar Iyer is a finance professional and has been associated with the Ernst & Young (EY) Foundation for more than 9 years. Prior to joining the foundation, he was the National Director—Finance in EY. The shift from a finance role to the social sector was prompted both with his desire to give back to society (especially considering the larger platform provided by EY) and with a desire to try and infuse a process-driven culture in the project areas. He has been working towards promoting low-cost, mass impact and sustainable models and attempting to place the beneficiary as the key participant instead of merely being a recipient.

Ahmad Faraz Khan was awarded Doctorate in Business Administration from Aligarh Muslim University (AMU), India, in 2014, whereby he contributed as a Guest Faculty there. His main research interests involve strategic human resource management (HRM), Corporate Social Responsibility (CSR), social entrepreneurship and stress management. He has presented his work in national and international conferences and has his publications in national and international journals like the Global Journal of Management and Business Research and International Journal of Green Computing. He is presently serving as a Regional Coordinator, Manappat Foundation, Kerala (India).

Nayan Mitra comes with a rich mix of diverse professional experience of over 16 years. She straddles seamlessly between academics, social and corporate sectors. As a Developmental Consultant, she has worked closely with some of the eminent Corporations and not for profits of India as well as being in their Advisory and Board level. She has conducted several social researches for multi-lateral agencies, the findings of which have become important bases for sustainable action. She has been a resource person in eminent institutions of higher learning in the areas of CSR and Corporate Governance and has important peer-reviewed research publications to her credit in national and international academic journals and books as well as delivered at key conferences. She was a finalist of the prestigious Chevening Gurukul Scholarship for Leadership and Excellence—2013, as conferred by the Foreign and Commonwealth Office (FCO) of the British Deputy High Commission.

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René Schmidpeter holds the Dr. Juergen Meyer Endowed Chair for International Business Ethics and Corporate Social Responsibility at Cologne Business School (CBS), Germany. He is also a professor at the Nanjing University of Finance and

Economics and Adjunct Professor at Murdoch University in Perth, Australia. He is a series editor for Springer's *CSR, Sustainability, Ethics and Governance* books, a section editor of the *Encyclopedia of Corporate Social Responsibility* (ECSR) and an editor of the *Dictionary of Corporate Social Responsibility* (DCSR) as well as Editor-in-Chief of the International Journal of CSR (Springer). His research and teaching activities focus on the management of Corporate Social Responsibility, international perspectives on CSR, Social Innovation and Sustainable Entrepreneurship as well as the relationship between business and society.

Meeta Sengupta is a writer and advisor on education and skills. She designs strategic interventions to meet national and organisational learning goals. She has led global, national and grassroots conversations on redesigning education both online and offline and continues to do so through her consulting, advisory and writing. She straddles the worlds of policy and practice with ease based on her deep and wide experience on the ground. Her focus areas continue to be education funding, innovation in education and lifelong learning.

Vikrant Shirodkar is a Lecturer (Assistant Professor) in International Business at the School of Business, Management and Economics, University of Sussex, UK. He completed his PhD in Management (International Business) from the University of Kent (Kent Business School, UK) in 2012. Vikrant's key research interests include corporate political activities and non-market strategies of multinational enterprises, particularly in the context of emerging markets. His research has been published in leading journals such as the British Journal of Management, International Business Review, Management International Review and Journal of Business Ethics.

Rajiv Williams Recipient of military awards of YSM and M in D for gallantry, Brigadier Williams sought premature retirement from the Indian Army and joined Jindal Stainless Limited, New Delhi, as their Corporate Head (CSR). A member of the CII CSR Council, he has held several other senior positions. As Convener UN GCNI Human Rights Committee, he championed the initiative "The India CEO Forum on Business and Human Rights" and in February 2016 was awarded a citation "Top 100 Most Impactful CSR Leaders" (Global listing) by the World CSR Congress. A prolific writer and speaker at various forums and conferences, Rajiv has been invited to speak at the United Nations offices in New York and Geneva with a focus on issues relating to "Women Empowerment", "Entrepreneurship Development" and "Business and Human Rights". He has written several papers on varied topics from conflict prevention and security to matters relating to Responsible Business and Corporate Citizenship.

About the Editors

Nayan Mitra has over 16 years of diverse professional experience in the areas of education, social and corporate sectors, which has trained her to build holistic perspectives of issues.

As a Developmental/CSR Consultant and a Researcher, she works closely with some of the eminent Corporations and civil societies of India. She is also a pro bono member of the Advisory Council and is in the Board of some of the eminent NGOs, whose work has received exemplary status in international and national circuits. She has conducted several social researches, the findings of which have become important bases for future action, and performed need-based interventions in the areas of education, skills, health, nutrition, water and sanitation for the holistic development of vulnerable communities in rural and urban pockets and cross sections to bring about long-term behaviour change with aid from multilateral agencies like the European Commission, US-AID and GTZ to name a few as well as from individual donors and foundations/trusts. She was a finalist of the prestigious Chevening Gurukul Scholarship for Leadership and Excellence (2013) for her contribution.

Nayan has long years of experience in teaching and coaching undergraduate, postgraduate students as well as corporate members; has been a resource person in eminent Institutions of higher learning in the areas of CSR and Corporate Governance and Academic Council member in International Conferences like the International Conference on CSR, Sustainability, ethics and Governance, organised by the Global Corporate Governance Institute; and has important peer-reviewed research publications to her credit in international and national academic journals and books, such as Asian Journal of Business Ethics (Springer), International Journal of Business Ethics in Developing Economies and (All India Management

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Nayan Mitra has diverse cultural experience in over four continents and is well networked in various industry associations, NGO forums, government departments and Centres of Excellence and higher learning like eminent Universities, Management Institutions and High Schools, at international and national level. E-mail: mitra.nayan@gmail.com

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- Corporate Social Responsibility in Sub-Saharan Africa (2016), together with S. Vertigans and S. Idowu
- Corporate Social Responsibility in Europe (2015), together with S. Idowu and M. Fifka
- Sustainable Entrepreneurship (2014), Springer, together with C. Weidinger and F. Fischler
- Social Innovation (2013), Springer, together with T. Osburg
- Corporate Social Responsibility (2012), Springer, together with A. Schneider

Schmidpeter serves as an expert jury for the Sustainable Entrepreneurship Award (SEA) in Vienna, Austria, and has been a member of many academic, economic and political steering committees as well as advisory boards. He has conducted research for the Federal Ministry of Education and Research, the

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Abbreviations

ABCs	Agri-business centres
AFARM	Action for Agricultural renewal in Maharashtra
AIACA	All India Artisans and Craft Workers Welfare Association
AISES	All India School Education Survey
ASER	Annual Status of Education Report
ASSOCHAM	Associated Chambers of Commerce of India
B.C	Dr. Bhaskar Chatterjee
BAIF	BAIF Development Research Foundation
BALCO	Bharat Aluminium Company Limited
BDT	Bangladesh Taka
BHEL	Bharat Heavy Electricals Limited
BiTC	Business in the community
BLF	Block Level Federation
BPL	Below poverty line
Brig.	Brigadier
BSE	Bombay Stock Exchange
CARs	Company annual reports
CBSE	Central Board of Secondary Education
CDCs	Cattle development centres
CEO	Chief Executive Officer
CERs	Certified emission reductions
CESD	Centre of Excellence for Sustainable Development
CFP	Corporate financial performance
CFTRI	Central Food Technological Research Institute
CHC	Community health centre
CIE	Cambridge International Examinations
CII	Confederation of Indian Industries
CISCE	Council of Indian School Certificate Examinations
CMW	Currently married women
CO_2	Carbon dioxide
COBSE	Council of Boards of School Education in India

CoE	Centres of excellence
CoP	Communications on progress
CPKs	Choupal Pradarshan Khets
CPSE	Central public sector enterprises
CRD	Cold rolling division
CSO	Civil society organisation
CSR	Corporate social responsibility
CWP	Charity welfare philanthropy
DB Tech	Don Bosco Tech Society
DIET	District Institute of Education and Training
DISE	District Information System for Education
DNA	Deoxyribonucleic acid
DPE	Department of Public Enterprises
Dr.	Doctor
DRDCT	Deepam Rural Development Charitable Trust
DSC	Development support centre
e.g.	Example
EGP	Exnora Green Pammal
ET	Economic Times
EWS	Economically weaker sections
EY(F)	Ernst & Young Foundation
FDI	Foreign direct investment
FES	Foundation for Ecological Security
FICCI	Federation of Indian Chambers of Commerce and Industry
FMCG	Fast-moving consumer goods
FSC	Forest Stewardship Council
FY	Financial year
GAIL	Gas Authority of India Limited
GDP	Gross domestic product
GIS	GAIL Institute of Skills
GPs	Gram panchayats
GRI	Global Reporting Initiative
HAU	Haryana Agriculture University
HC	Human capital
HCC	Hindustan Construction Company Limited
HDFC	Housing Development Finance Corporation
HDI	Human development index
HIV & AIDS	Human immunodeficiency virus and acquired immunodeficiency syndrome
HiWEL	Hole in the wall
HLL	Hindustan Lever Limited
HR	Human resources
HRD	Hot Rolling Division
i.e.	That is

IA	Implementation agency
IBO	International Baccalaureate Organisation
ICDS	Integrated Child Development Services
ICT	Information and communication technologies
IICA	Indian Institute of Corporate Affairs
IIT	Indian Institutes of Technology
ILO	International Labour Organization
IMEC	Institute for Management Education and Culture
IMF	International Monetary Fund
INR	Indian rupees
IPNM	Integrated pest and nutrient management
ISO	International Standards Organisation
IT	Information technology
ITIs	Industrial Training Institutes
IWDP	Integrated watershed development programme
J&K	Jammu and Kashmir
JIL	Jindal Industries Limited
J-PAL	Abdul Latif Jameel Poverty Action Lab
JSL	Jindal Stainless Limited
KF	Kalanjiam Foundation
km	Kilometre
KPIs	Key performing indicators
LS	Learning stations
M&M	Mahindra & Mahindra
MCA	Ministry of Corporate Affairs
MCX	Multi Commodity Exchange
MLEx™	Multiple learning experiences
MNC	Multinational companies
MOOCs	Massive online open courses
MoRD	Ministry of Rural Development
MoU	Memorandum of understanding
MS	Microsoft
MSI	Multi-stakeholder initiatives
MSME	Micro, small and medium enterprises
MWCD	Ministry of Women and Child Development
MYKAPS	Myrada Kaveri Pradeshika Samsthe
MYRADA	Mysore Resettlement and Development Agency
N.M	Ms. Nayan Mitra
NABARD	National Bank of Agriculture and Rural Development
NAS	National Assessment Survey
NASSCOM	National Association of Software and Services Company
NCERT	National Council of Educational Research and Training
NCJH	N C Jindal Hospital
NCTE	National Council of Teacher Education

NDS	NOIDA Deaf Society
NFCSR	National Foundation of CSR
NFP	Not-for-profit
NGO	Non-governmental organisation
NIOS	National Institute of Open Schooling
NITs	National Institutes of Technology
NJU	Nan Jeon University of Science and Technology
NOC	No objection certificate
NRLM	National Rural Livelihood Mission
NSE	National Stock Exchange of India Limited
NTPC	National Thermal Power Corporation
NUEPA	National University of Educational Planning and Administration
NVG	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
O.P. Jindal	Om Prakash Jindal
OECD	Organisation for Economic Cooperation and Development
ONGC	Oil and Natural Gas Corporation
OPJMS	O. P. Jindal Modern School
p.a.	Per annum
p.m.	Per month
PAISA	Planning, Allocations and Expenditures, Institutions Studies in Accountability
PAT	Profit after tax
PMO	Prime Minister's office
POP	Percentage of profit
PPP	Public–private partnerships
PRA	Participatory rural appraisal
PSU	Public sector undertaking
R&D	Research and development
REC	Rural Electrification Corporation
RTE	Right of Children to Free and Compulsory Education Act
RTI	Respiratory tract infection
S.No.	Serial number
SA	SustainAbility
SAIL	Steel Authority of India Limited
SC	Scheduled caste
SEBI	Securities and Exchange Board of India
SEE	Skills empowerment and employability
SHG	Self-help group
SIPA	Samarth in Participatory Action Society
SJVN	Satluj Jal Vidyut Nigam Limited
SLCs	Supplementary learning centres
SME	Small and medium size enterprise
SMS	Short message service

SMT	Senior management team
SRLM	State Rural Livelihood Mission
SSA	Sarva Shiksha Abhiyaan
ST	Scheduled tribe
STD	Sexually transmitted diseases
STEM	Science, technology, engineering and mathematics
SWM	Solid waste management
TBEM	Tata Business Excellence Model
TBL	Triple bottom line
TCS	Tata Consulting Services
TMT	Top management team
TRIPTI	Targeted Rural Initiatives for Poverty Termination and Infrastructure
TV	Television
UDHR	Universal Declaration of Human Rights
UEE	Universalisation of elementary education
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC-CDM	United Nations Framework Convention on Climate Change-Clean Development Mechanism
UNGC	United Nations Global Compact
UNGP	United Nations Guiding Principles on the Business and Human Rights
UN-WEP	United Nations Women's Empowerment Principles
USD	United States dollar
UTs	Union territories
VAN	Virtual academic network
VDF	Village Development Fund
VDJS	Vidya Devi Jindal School
VLC	Village Level Committee
WASH	Water, sanitation and hygiene
WATIS	Wipro Applying Thought in Schools
WFPIT	Water for People India Trust
WUGs	Water user groups

The Why, What and How of the CSR Mandate: The India Story

Nayan Mitra and René Schmidpeter

Abstract Corporate Social Responsibility (CSR) in India has come a long way from Mahatma Gandhi's 'Trusteeship model' of CSR to being mandated for certain companies through a statute in the Companies Act, 2013. However, this leap from voluntary to mandatory is witnessing a period of transition. This chapter outlines a brief history of CSR in India from the mid-1850s to the present day and especially lays focus on the CSR mandate. Furthermore, this chapter introduces the readers to the structure of the Book, titled 'Corporate Social Responsibility in India—Cases and Developments after the Legal Mandate' and provides a brief peek into its various chapters.

Keywords Trusteeship model • India • Bharat • Human Development Index (HDI) • Billionaire wealth • National Voluntary Guidelines (NVG) • Section 135 of Companies Act, 2013

1 Introduction

The evolution of Corporate Social Responsibility (CSR) development in the corporate culture of India can be traced back to pure philanthropy and charity during industrialisation (1850–1914), then to social development during independence (1914–1960), and, yet, again to the 'mixed economy' paradigm, bound under legal and regulatory framework of businesses, activities and the emancipation of public-sector undertakings (PSUs) (1960–1980). Finally, a globalized world in a 'confused state', characterized partly by traditional philanthropic engagements and partly by steps taken to integrate CSR into a sustainable business strategy (1980 until the present) (CSR Compendium 2013) came to stay.

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One of the earliest and the most prominent theories of CSR was put forward by Mohandas Karamchand Gandhi (Mahatma Gandhi, 1931) as the 'Trusteeship' model, that he described as 'India's gift to the World,' that provided a means of transforming the capitalist order of the society into an egalitarian one. It did not recognise any right of private ownership of property except so far as it may be permitted (deemed harmless) by society (social organization) (Mitra 2007). He exhorted businessmen to regard themselves as trustees and servants of the poor and therefore, to regulate their commerce for toiling millions and be 'satisfied with earning an honest penny' (Sundar 2013).

The state of confusion continued, until a conscious effort was undertaken by the Ministry of Corporate Affairs (MCA), Government of India to provide a shape and structure to CSR dynamics, through a carefully crafted CSR mandate (known henceforth in the book as 'the CSR Mandate' or 'the mandate') for certain companies under the Section 135 of the Company's Act, 2013 (Appendix A) that is scheduled to drive positive social change as well as contribute to national development at various levels. But, what compelled the Mandate?

2 Backdrop of the Mandate

India has the world's second largest human population next only to China and is predicted to have one of the world's youngest and thereby the largest working population by 2026. Yet, it still ranks 135 among 186 countries in the Human Development Index (HDI) (Human Development Report, 2013). Out of its estimated 269.3 million poor residents (2013), 216.5 million reside in rural India (Rao 2013). According to a United Nations Educational, Scientific and Cultural Organisation (UNESCO) report (2014), the country has 287 million illiterate adults, accounting for the largest population globally and 37 % of the world total (Bhowmick 2014) with just under 10 % having any type of skilling (2 % formal and 8 % informal) (FICCI and Ernst&Young 2012; Mitra 2015).

Moreover, multinational corporations (MNC) often moved manufacturing operations to Asian countries where the economies were in dire straits, the governments offered lucrative subsidies to attract foreign direct investments (FDIs), and the regulatory framework was weaker (Osland et al. 2002; Khan 2007). Infact, Sawhney (1994) pointed out that the environmental regulations in India lagged behind similar regulations in Organisation for Economic Cooperation and Development (OECD) countries by almost a decade and empirical evidence showed that MNCs in India and other emerging markets did not necessarily have stricter environmental standards than their local counterparts (Zarsky 1999; Khan 2007).

To add to this, there was a prevalent assumption that achieving economic development should be the major goal for companies operating in emerging markets, and they should divert their attention to social and environmental growth only after reaching a critical level of economic development (Thorpe and Prakash-Mani 2004; Khan 2007). On the other hand, India was home to the sixth largest super-rich population (billionaires) in the world. The total billionaire wealth was estimated to be $180 billion (wealth-X and UBS billionaire census report 2013), bringing India's billionaire population to 103 (Mitra 2014, 2015). Therefore, the population was divided between the haves and the have-nots. The country had India on one side and Bharat on the other. It was thus imperative that the "focus be given on the disadvantaged and marginalised, the poor and the deprived section of the society" to achieve significant and sustainable human development.

3 The Mandate

Thus, to promote CSR activities in India, the Ministry of Corporate Affairs (MCA), Government of India, launched the CSR Voluntary Guidelines in 2009, which was later refined and came to be known as the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG—Appendix B). In December 2012, the voluntary guidelines evolved into an Amendment in the Companies Bill, 2011, passed by the Lok Sabha (House of the People or the Lower House of the Indian Parliament), which was then passed under the Companies Act, 2013 as the Section 135, CSR Rules and Schedule VII, by the Indian Parliament and notified in the Gazette (public journal and an authorised legal document of the Government of India) of India on August 30, 2013.

This Section 135 (Appendix A) of the Companies Act, 2013 is the formalised document that brought CSR from the 'backroom to the boardroom' by making it imperative that CSR must be authorized by the Board of the Company and nobody lower than the Board. Infact, to take it a step further, the statute also clarifies that in the case that the mandated company (having a net worth of INR 5 billion - approximately 65 million Euro @ 1 INR = 0.013 Euro; as on February 12, 2016 or more; or a turnover of INR 10 billion - approximately 130 million Euro @ 1 INR = 0.013 Euro; as on February 12, 2016 or more; or a net profit of INR 50 million - approximately 650 thousand Euro @ 1 INR = 0.013 Euro; as on February 12, 2016 or more, during any financial year) fails to spend the stipulated amount (at least two percent of their average net profits made during the three immediately preceding financial years) under Schedule VII (Appendix C) that prioritises the areas of CSR intervention in India for national development, the Board has to specify the reasons in its report.

This statute is binding for both Indian and foreign companies that fall within the mandate. Foreign Companies here, imply any company or body corporate incorporated outside of India, which has a place of business in India whether by itself or through an agent, physically or through electronic mode; and/or conducts any business activity in India in any other manner, the expenditure for CSR activities in India will qualify as CSR spending of the Indian subsidiary if, the CSR expenditures are routed through Indian subsidiaries and if the Indian subsidiary is required to do so as per Section 135 of the Act (CSR India 2014).

Thus, the Act is slated to affect over 16,237 companies with an estimated flow of approximately Indian Rupees (INR) 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) annually into the economy every year; thus shaking the foundation of business and society at the same time, affecting the country at a multi-stakeholder level. India is scheduled to be the birthplace of social, economical, environmental transformation through financial investments in CSR!

4 Structure of This Book

This is a period of transition, and like all transitions, it is going through turmoil. The mandatory nature of CSR spending was faced with mixed reactions. While there are some companies, who have acted proactively towards the CSR mandate, realigning their already existing CSR framework to the Mandate, there are other companies, who have been defensive in their approach, testing the water and trying to find out the 'what ifs' of CSR spending, usually coupled by tokenism and a high emphasis on marketing communication. In fact, according to the Corporate Affairs Minister of India, Mr. Arun Jaitley (March 2016), based on the CSR reports of 460 companies, a total of INR 63.37 billion (approximately 824 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) was spent on CSR in 2014–2015, implying that just about 3 % of the firms expected to spend on CSR had done so (Manku 2016).

In order to bring about and portray this transition, this book has been divided into three parts, viz.:

Part 1: CSR Mandate and its Implications: This part has four chapters.
Part II: CSR Mandate and its Implementation: This part has five chapters.
Part III: The Way Forward: This section has three chapters.

4.1 CSR Mandate and Its Implications

A book like this needs to first develop an understanding of the thoughts of the policy-maker while formulating this mandate. Moreover, a newly formulated law always comes with a baggage filled with debates and forecasts. The CSR mandate in the Companies Act, 2013 is no different.

The first chapter in this section therefore is an interview with Dr. Bhaskar Chatterjee, the policy-maker, the man who was instrumental in incorporating this mandate in the Companies Act, 2013. It provides an outline of his logic behind each of the mandate's various aspects. It probes deeper into the 'Chatterjee model,' its uniqueness, its 'fit' to the socio-economic, environmental needs of India, as well as how he overcame various challenges at various times and turned the ‘accident of history’ into the ‘turn of history’! To add to this, the next chapter by Dr. Rene Ruth argues that despite impressive financial growth and enhanced privatisation and liberalisation initiatives, the corporate sector in India is still lagging behind in terms of CSR implementations, and companies have to move faster in this regards in order to ensure the continuing economic progress of the country. He outlines challenges and gives specific recommendations to further mainstream CSR in India.

Whatever the law may be, with its ways and means of stretching and bending, the third chapter in this section by Ms. Meeta Sengupta seeks to recognise the need for CSR contribution to education in India, its role and impact, as well as identifies the three large trends that support professionalizing of CSR in Education backed by mini-Case studies. Dr. Vikrant Shirodkar, in the final chapter in this section analyses the Indian participants of the United Nations Global Compact (UNGC) in the pre and post CSR mandate period, thereby exploring how the CSR mandate could potentially have implications on Political CSR.

4.2 CSR Mandate and Its Implementation

The first chapter (“CSR Implementation: How It Is Done in India”) speaks about how CSR implementation is expected to be done in India under the present CSR mandate, written as an exclusive interview with Dr. Bhaskar Chatterjee. This is followed by a chapter by Mr. Sridhar Iyer, who points out the unique opportunities that lie before organizations in India to innovate on models that can have large scale impacts, yet be frugal in terms of cost and bring about speed and rigour in implementation. He gives specific examples of the working of the Ernst & Young Foundation [EY (F)], through scalable, replicable models, that produce a win-win for the society and the corporation alike. In the chapter that follows, ITC Limited’s two-decade old interventions under the umbrella of its ‘Mission Sunehra Kal’, seeks to contribute to the on-going debate on CSR. Dr. Ashesh Ambasta, in this chapter critically examines the Mission’s alignment to the broad aims of the CSR mandate as legislated in the Act and introduces a few constructive suggestions to initiate a dialogue on the mandate’s future direction. The next case study by Brigadier Rajiv Williams documents the CSR implementation of Jindal Stainless Limited (JSL), India’s largest and only fully integrated stainless steel manufacturing company. He believes that in an emerging economy, as that of India, one needs to be endemic in facilitation and understand and support the reality of economic growth and bring about a direct relationship of ‘inclusive growth’ with social development. In the subsequent chapter, Dr. Sumona Ghosh studies the CSR reporting styles of select companies through information derived from official websites as well as sustainability and annual reports over a period of 5 financial years (FY) (2009–2010 to 2013–2014), i.e., during the pre and mandate onset period. Through the conducting of an empirical and analytical study, the author concludes the discourse on the CSR implementation scenario in India.

4.3 Way Forward

The first chapter in this section is by Dr. Faraz Ahmed Khan and Dr. Asif Akhtar, who jointly present their research on a conceptual model of the new found ways of CSR engagement for organizations. The model connects the phenomenon of CSR to a wider developmental agenda as well as explores links of CSR with sustainable development and social entrepreneurship/intrapreneurship. It further tries to expand the policy discourse on CSR by presenting some fresh propositions. The next chapter by Dr. Ananda Das Gupta, traces the political and bureaucratic influences on CSR in India beginning in the 1990s to the reality of the CSR mandate outlined in the Companies Act, 2013 to a forecast where, CSR is perceived to be integrated within the purview of ethical businesses of the future and through responsible business practices. In addition to insightfully documenting this journey, this paper outlines three key perspectives, as brought about by the mandate that can be taken as the foundation of the future of CSR in India. Ms. Sukanya Patwardhan in the consequent chapter points out through a case study of Tata ClassEdge that Social enterprises are a natural progression of CSR for long term, holistic social impact and social change, as opposed to CSR, which are resource dependent.

This book thus, with its various authors stemming from different walks of life, provides a 'touch feel' effect with real life case studies and examples that help the reader feel the dynamic pulse of the country immediately after the passing of the CSR mandate. It helps to unveil the various layers of CSR in an emerging economy like India and is expected to nurture debate, discussion and research among policy-makers, consultants, academicians, practitioners and other stakeholder levels world over, that will further the contribution to CSR knowledge and open up new vistas in CSR research.

5 Conclusion

True CSR fosters innovative entrepreneurial ideas that support sustainable development opportunities. Although, the mandate and the associated financial expenditure may seem like an unwanted hindrance to a percentage of companies affected, it aims at providing long-term solutions to pressing challenges. As described above, India's massive population is not being adequately supported by the current economic system. The income gap is widening and social situations dire for a large percentage of the population. An investment in sustainability can no longer be viewed as a privilege, only capable of being implemented following economic stability; rather, as a means of achieving stability and maintaining it long-term. With the environmental resources upon which all life depends declining at alarming rates, there is no time to wait. By integrating CSR concepts directly into the DNA (Deoxyribonucleic Acid) of Indian companies, economic opportunities will continue to arise that can add value to ecological, cultural and financial resources instead of degrading them.

Perhaps, this evaluation of India's mandate can help to develop a framework for how CSR can lead to social well-being in emerging economies around the world. Environmental processes follow no national borders. We live in a global ecosystem in which the actions of Indian companies (just as with all other countries) have a domino effect on social, economic and environmental systems around the world. Considering the magnitude of India's population and relatively untapped social potential, it is of utmost importance that local companies focus on providing the youth with opportunities for the development of skill sets that positively impact not only their own quality of life but that of all lives on the planet. This is however, easier said than done.

The CSR mandate completed 2 years of its existence on April 1, 2016 in India, yet, the transition continues. According to Mr. K.K. Upadhyay, head of CSR at Federation of Indian Chambers of Commerce and Industry (FICCI), "Everyone wants a share of the CSR pie without understanding the scope or spirit of the law" (Manku 2016). Although, the CSR funds are only a miniscule portion when compared to the government's social sector spending, yet, it has been often called as an instrument for "outsourcing of governance!" The law had its own reason to be introduced and implemented at a specific time and space under certain circumstances. It may evolve over time, when situations change. But, for now it is giving back time for the Indian Corporations affected by the mandate to participate in a new 'inclusive' India.

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Part I
CSR Mandate and Its Implications

The Genesis of the CSR Mandate in India: Demystifying the 'Chatterjee Model'

Bhaskar Chatterjee and Nayan Mitra

If you do not ask the right questions, you do not get the right answers.

—Edward Hodnett

Abstract India, in recent times (2013) has come out with the Companies Act, 2013, replacing the previous 57 year old Act of 1956. In this new Act, it has a Section dedicated to the CSR mandate for certain companies. This has created a storm in India's socio-economic environment. But, who formulated this mandate? What was the genesis of this mandate? How is this CSR model different from other CSR models? What are its unique/novel points? The questions are many.

This is an exclusive interview conducted by Ms. Nayan Mitra (N.M) of Dr. Bhaskar Chatterjee (B.C), the man who was instrumental in incorporating this mandate to outline his logic behind each of its aspects. This paper also probes deeper to know more about this '*Chatterjee model*,' its uniqueness, its 'fit' to the socio-economic, environmental needs of India and how Dr. Chatterjee overcame various challenges at various times to turn the 'accident of history' into the 'turn of history'!

Keywords CSR mandate • Legislated CSR • Inclusive development • 'Chatterjee' model • Section 135 • Schedule VII

1 N.M: *Why Was the CSR Mandate Created?*

B.C The story of Corporate Social Responsibility (CSR) in India begins with the Guidelines for Public Sector Enterprises (Appendix D), as you would know, which

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were issued by the Department of Public Enterprises (DPE)[1] on the 1st of April, 2010. That is the kernel of CSR in India. Those guidelines, I wrote, between November of 2009 and April of 2010. I was then the Secretary[2] for Central Public Sector Enterprises (CPSE).[3] We were trying to find a CSR framework for India, particularly for the Indian Public Sector Enterprises. So, while we were in the process of doing this, it occurred to me to study what typically CSR is represented over many decades not only in India, but across the world and then, the first realization that came to me is: CSR IS A FAILURE!

Literally, every nation, every geography or every individual human being has different perception of CSR. So, if you try to do something for a certain set of companies in a certain country, you need to contextualize as to what and how to go about it. When I saw the CSR landscape and closely studied it for 3 or 4 months, there was some quite obvious conclusions that one would come to and those are the items, I wanted to put as making India's CSR distinctly different from anywhere across the globe. So, that model, subsequently came to be known as the '***Chatterjee model***', that puts few things out in front, which are different from the Porter model,[4] Elkington model,[5] Prahalad model[6] or any of the known models of CSR. So, the concept of shared value, triple bottom line, the bottom of the pyramid – all of those being where they are, *what should we do for India?*

[1]The Department of Public Enterprises is the nodal department for all the Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to CPSEs. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. It furthermore collects and maintains information in the form of a Public Enterprises Survey on several areas in respect of CPSEs. In fulfilling its role, the Department Coordinates with other Ministries, CPSEs and concerned organizations.

[2]The Cabinet Secretariat is responsible for the administration of the Government of India (Transaction of Business) Rules, 1961 and the Government of India (Allocation of Business) Rules 1961, facilitating smooth transaction of business in Ministries/Departments of the Government by ensuring adherence to these rules. The Secretariat assists in decision-making in Government by ensuring Inter-Ministerial coordination, ironing out differences amongst Ministries/Departments and evolving consensus through the instrumentality of the standing/adhoc Committees of Secretaries. Through this mechanism new policy initiatives are also promoted.

[3]Central Public Sector Enterprises (CPSEs) are those companies in which the direct holding of the Central Government or other CPSEs is 51 % or more. As on 31.3.2014 there were 290 Central Public Sector Enterprises wherein, 169 are Holding CPSEs and 121 are the Subsidiary.

[4]Michael E. Porter and Mark R. Kramer (2011) propounded the concept of 'creating shared value,' that states: "Companies could bring business and society back together if they redefined their purpose as 'creating shared value'—generating economic value in a way that also produces value for society by addressing its challenges. A shared value approach reconnects company success with social progress."

[5]John Elkington (1994) first coined the term, triple bottom line (TBL), that strove to measure sustainability by focusing on comprehensive investment results—that is, with respect to performance along the interrelated dimensions of profits, people and the planet.

[6]C.K. Prahalad (2010) propounded the 'bottom of the pyramid' model, where he argued that one must 'stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up.'

That was the real reason for the genesis of the CSR mandate in Section 135 of the Companies Act, 2013 (Appendix A). Let me explain, how I went about this.

A. Quantify CSR Spent This is surprisingly, the first time that anyone asked the question: *How much did you spend? Can you quantify in rupee terms, Euro terms, dollar terms? How much did your company spend on CSR in the last financial year, or the year before that or in any given time period? Can you do that?*

It seemed to me: When you put the search light on any entity, or if you take any story out of the anecdotes, self back slapping out, much of what is left at the end of it, will depend on "*how much you really spend?*" *Why was that question never asked?* It still upsets me to this day, in all of human history, *why nobody asked the first basic question to a Corporation? If you say, you have done a lot of CSR or whatever, how much did you spend?*

If you cannot measure in real rupee term, as you do everything else, like your marketing results, your Human Resource results, your financial results, every 3 months, projecting them across the public space; then, *why are you not projecting your CSR financial results?* Therefore, the first most important thing that I did there was: '*You must declare your CSR in rupee term in India. How much did you spend?*' The difficulty comes from the fact that the moment you put a rupee figure to what you did, it opens up a whole plethora of questions. Really, after all of these stories, *this is all you spend?* Okay, *if you spend this much, what results did you get? Or, you actually earned (Indian Rupees) INR 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) of profit last year, but spent INR 500 (approximately 6.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016) on CSR? That is it?*

The moment you put a rupee figure, it is differently perceived and contextualized. That is precisely why Corporate India never really came clean and of course, it will now unfold, that it has never been really quantified in rupee term what it has spent.

One of the reasons for the opposition of the *'Chatterjee model'* was precisely this: There was a concept that CSR is about the heart, the mind, the DNA (deoxyribonucleic acid), so what is money – all clad in a shroud of mystery! That is what I really wanted to penetrate. CSR, to me, must answer to the scientific rigor of research. It must be for the company, something that they are willing to share in the public domain and which once having shared, they can be proud of, rather than conceal!

So, that was the plank on which I began. And, then, of course, the outcry, "*How can we measure it? It is not rupee measurable.*" This is hilarious! A company is spending a quantum of money from its budget on some activity and you say that it cannot be measured! That was point one.

B. Projectivize Your CSR The point two, I used to worry about is: when people used to say, that they have done a lot of CSR and invariably the outcry was: "We have been doing CSR from ages, it has been around with us since we can remember, our grandfather/grandmother did a lot of it"—all that is fine. But, the fact is, intermittent/off and on, occasional CSR is not CSR at all. So, how to make sure that when you do CSR, a Company looks at it as a serious endeavour; to really be able to strategize as to what it is doing, why it is doing, what are the results that will flow from that, can only happen if you projectivize your CSR.

So, for me, the second really big thing, the novel changes I introduced was that, every Company when it does CSR, should be able to tell me: *What was your project?* The moment you use the word 'PROJECT,' it has several connotations: *When did it start? When did it end? How much money was allocated to it? What was your baseline survey? What was your documentation? How did you monitor it? What was the MIS (Management Information System) that you used? How did you evaluate? How did you assess it?*

Once these elements of the projects come into view, then, the stories stop; the anecdotes dry up; the inquisitiveness, the questioning, the rigor that should come from a CSR project, then comes into public domain. So, having done and having looked at this perspective, the second important point was 'PROJECTIVIZATION.'

C. Assign CSR Accountability to People The third point, which I was very keen to emphasize and you will see, in the hindsight in the legislation, how all of these things ultimately added up, was ACCOUNTABILITY. *Who, in the Company is accountable for a CSR project? Invariably the eyes would shift. Can you give me a name in your company? WHO does your CSR? What level is he/she in the Company?* Again, everything stops.

Then the cards are on the table. You see, with me, it is very important that in the CSR system, the cards must be on the table. They cannot be up your sleeves. Once they are on the table, they are subjected to scrutiny by anyone. So, *who is accountable and where in the company should accountability lie?* Therefore, I use this term very importantly. My endeavour was to bring CSR from the backroom to the boardroom. I made it imperative that all decisions, every single rupee spent must be authorized by the Board of the Company and nobody lower than the Board. Therefore, it translated itself later on, in the legislation, as a three member CSR committee, which was not there in my original guidelines. But, then we evolved it.

D. Assign CSR Budget Then, when these three things will be actually achieved, I came to be popularly known as POP man or, the '*Percentage of profit'* man. The moment, Chatterjee said, "*Ok, tell me, how much you spent? The question came to me was* "*Alright if that is so, how much should we spend? Should it be one percent, half percent, what will satisfy the public at large?*"

In my original guidelines, I had differentiated the Public Sector Organizations into four groups of level of PAT (Profit after tax). I had put percentages to be spent ranging from point 5 to 3.5, depending on the size of the company. So, my initial grading/initial thoughts were like that. The percentage of profit started coming in from there. That was the fourth major element of the new CSR in India.

E. Align CSR According to Schedule VII (Appendix C) The fifth important point was: *what should be done in CSR?* The Companies asked me, "At the end of the day, Dr. Chatterjee, you are telling me to do CSR, okay. *But, what in CSR should I do?*" Therefore, although, it was not quantified in the original guidelines, then we brought into Schedule VII. This created an Indian CSR context ‘FOR INDIA, BY INDIA, IN INDIA.’ This was necessary.

India is a massively emerging economy; the world recognizes us. Yet, as we were emerging as one of the world’s biggest and fastest growing economy, we had a problem. *What was our problem?* The problem was that, our social indicators were at an appalling scale. So then, *how can I use CSR to improve those social indicators and give to the country an accelerated inclusive development?*

This fifth most important point that has never been conceived by any thinker, was my conviction that: ‘CSR, IN ANY FORM, MUST BE LINKED TO THE INCLUSIVE DEVELOPMENT AGENDA OF THE NATION.’

This was the plank on which I carried the legislation through the two houses of the parliament. Once you link CSR to the social development of the nation, then, for people to say, ‘NO’ becomes very difficult.

F. CSR Must Be Outcome-Oriented Finally, the spirit of legislation is this: CSR is for the poor, the marginalized, the deprived, the downtrodden. This is not for the people in the Malabar hill of Mumbai.[7] When you are doing CSR, you have to see who the beneficiary is. So, the Stephen Covey (2012) principle: ‘BEGIN WITH THE END IN MIND’ is the essence of the Indian CSR. You do not begin your CSR activity as a business activity, in which the poor are an afterthought, which is so, in the Porter model of shared value!

So, the *Chatterjee model* stands the Porter model on its head; it reverses the idea and it says, ‘MAKE YOUR PROFITS FIRST.’ If you are not a successful Company, you will never be successful in CSR either. Not only should you come to the level of profit, they should be stabilized over a period of 3–4 years. So, your average net profit must be *INR 50 million (approximately 650 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) or above*. Then you are a company that is stabilized, profitable, working well, and would have probably fulfilled most of the criteria of a ‘good company.’ Now, turn your attention to CSR!—You see, a struggling company may want to do CSR, and that is wonderful if it does; but it cannot be as a strategic corporate responsibility, as one wanted to envision it.

So, make the profit first, then do not think about profits. Think about the social good. *See the difference in the perspectives?* So, the *Chatterjee model* is a very clear model of *how and what the company should do—and how they should do it*. All these questions are answered very categorically in black and white terms.

G. Go Beyond the Legislative Duties of the Company It must go beyond the legislative duties of the company. For example, your chimney is emitting black smoke, and you get a notice from the *Pollution Control Board* and you convert it into white smoke. The money you spent is not CSR because you are complying to an already existing law. So, CSR has to be done beyond compliance.

[7] An upmarket area of the megacity, Mumbai in India.

H. CSR Cannot Be the Core Business of the Company The Public Sector often argued that "*We are doing public good in every living minute of the day and night. Why should we do CSR?—That we do in any case*." The answer to that question came very amazingly from the Cabinet Secretary,[8] Mr. Ajit Kumar Seth himself, in a historic meeting in 2012. He said to the Company, "*that is what you are paid to do*."

For example, the *Rural Electrification Corporation (REC)* lights up the last house, in the last village, of the last district of the country—that is what it does. *Is that not CSR?* Essentially it is. But, the **REC** is set up to do that any case—so, that is their job, it cannot be their CSR. That is why we said and it is there, that came out in the CSR rules subsequently, that, it CANNOT BE THE CORE BUSINESS OF YOUR COMPANY.

See, how clearly the vision unfolds. Every possible question is anticipated and answered almost before it is asked. The person who writes policy, who then converts the policy into legal set up, and brings in legislation must realize that the LAW IS FOR ALL. I cannot say, that, this much is for steel sector, this much is for the cement sector. It is not sectorised.

I. Harness the Strengths of the Corporate Sector The question often asked by the Corporate Sector is: "*Why not just a two percent of the tax? Why are you asking us to do all of these things?*" We said: "*Look, it is not your money that we want*." All of these 16,000 odd companies, who come under the ambit of the Act, together, *they will put how much on the table?—About INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)* is our estimation, which is 20 % of the budget of one Ministry in the *Government of India*. *Rural Ministry* has a budget of *INR 1000 billion (approximately 13 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)* annually, whereas all of Corporate India, (approximately 16,000 companies) will put only *INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)*, which is one fifth of one Ministry! So, here, money is not the issue!

We want YOU to do something yourselves for the developmental agenda of the nation. *Why so?* and that is the seventh most important part of my *'Chatterjee model*.' *How do we harness the strengths of the private sector?* The private sector has many strengths, efficiency, lean and mean, bang for the buck, innovation, quickness to respond, which are some of the things that the Government is sometimes limited with, by the very nature in which they are structured.

So, how can we use the strengths of Corporate India? How can we harness this into the social developmental agenda of the nation? Porter did not think about this, nor did Elkington, nor did any of the thinkers before me. But, I had this as my central theme because Prahalad, in many ways, was my Guru, when he talked about the 'bottom of the pyramid'. The fact is, he looked at the 'bottom of the pyramid' as a business opportunity, so I took all of these and transformed it into a whole new

[8]The Cabinet Secretary is the administrative head of the Cabinet Secretariat, which is under the direct charge of the Prime Minister of India.

domain of thinking. You can see, my intellectual roots lie in all the three thinkers, but I used all of that in different projection altogether.

So, the rise of the legislation flows from this fact, that we have a different model in which the strengths of the private sector are used to complement or supplement what the Government is doing, not to duplicate it. This is a whole way of taking CSR forward. So, there lies really the strength.

J. CSR Implementation This is perhaps the most important of my thinking—*Who will do CSR at the ground level? Who will work with the communities, dirty their hands with "24×7; 365 days, live and work with the community?"*

Corporate entity is not created to do that. The nature of a Corporate is to work in a different system altogether. If I say, "Corporate India, do CSR", they have the right to say "HOW?" The answer lies in the outsourcing concept, that, you outsource your CSR to implementing agencies who are non-governmental organisations (NGOs), civil society organizations, not for profit company. This is another unique model. *Why so?* Because in India, we have tremendous NGO strength—*3.3 million* **NGOs**, of whom, if you presume, 30 % are really working, still we have more than enough!

So, we linked the whole strategy into one unique blend using our Indian strength. If you tried to do this in another country, which does not have the main strength of NGOs, then it is a lost model. That is why, the *Chatterjee model* is completely linked to the Indian context of doing this, that is the essence, more or less, of what we did.

K. CSR Reporting We thought of things very differently. Sustainability as a concept (most of the western world's vision of CSR is sustainability, which is a much broader concept; very difficult to define, people do things differently, somewhere it is treated as environmental sustainability, some treat it as Corporate Sustainability and so on and so forth) is very difficult to measure: *How can I say, sustainability in an organization* '*X*' *is better than organization* '*Y*'*? Where is the comparability?*

Now, think as a researcher. Let us say: Company 'X' comes to you and says—"This is my CSR" and Company 'P' comes to you and says, "This is my CSR". You are asked to say: "*Which is better? How will you do that?*" They need to report on a common template to be able to be measured!

So, in actuality, I had to design the template. *What is your reporting template?* That is how the eight column format (Appendix E) which I designed, is the simplistic format. If you have done your CSR, you can fill it up; if you have not, you can never fill it up. If you ask some of the large Companies, this is your great, flagship project; now, fill up the format and give it to me, you will see how they will struggle with it, because, they will not be able to fill up that format. If you cannot fill up that format, you do not conform to the Indian law. So, now you have a format, you have the ability and the whole process of CSR thinking comes to a different level.

L. Audit Your CSR One very informed financial expert from Oxford, asked me: "*Ok, looking at it from the financial point of view, how does a company maintain its CSR accounts?*" At the end of the day, when I ask you to tell me that you spend so much, you need to show to the auditor, that you did it, right? *So, how do you maintain an account? Where is it in the balance sheet?* It does not come up, does not show up—in any balance sheet. If it would have been an expenditure, it would have shown up.

So, the Accountant said to me, "*Look, is it an expense or is it an expenditure?*" Think, how much an accountant can play on words. The expense is something that you have booked. You have booked this evening with Dr. Chatterjee; this interview does not take place, *is your booking enough?* For me, the expense is not enough. Expenditure happens when this interview has taken place.

So, we have now what is called the bottom of the line entry. It is yet another thing, the Corporates tried to play with. You book the expense and "I have done my CSR." Sorry. You have to show me the expenditure. So, now in the Indian Institute of Corporate Affairs (IICA),[9] we are working on a whole new system of CSR Accounting that will facilitate what?—CSR AUDIT.

Why so? Because at the end of the day, the nation will want to know, *how much did the country spend on CSR in the last 5 years?* It will be *INR 1000 billion (approximately 13 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)* by then, at the rate of *INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per year; and then, you will ask yourself: *Where did the money go?* If there is no audit, particularly performance audit, then you do not have an answer.

M. Measure Your CSR Another very important point—now that we are talking on it, is: If I ask you; if I ask the Corporate world or if I ask America or England, or anywhere: "*What has your country done in CSR in the last five years? Tell me. What will we do?*"

Is that Even a Question? Because it is rhetoric. I cannot answer anything because I have no way to measure it. I do not know. But India will be the only nation to be able to say, in these last 3 years, *16,237 companies* by name, spent 'X' amount of money and did 'Y' number of projects in 'Z' number of districts and used 'A' number of implementing agencies! *Can you imagine what CSR becomes for a nation?* That vision which I had in 2010 is being translated into action in 2014–2015, 2016–2017. Four or five years in a nation's history is nothing—to be

[9]The Indian Institute of Corporate Affairs (IICA) is the institution at the forefront of the CSR initiative of the Government of India—being the think-tank as well as the arm of dissemination of its Ministry of Corporate Affairs and has a role of considerable significance to play. It is uniquely placed to facilitate the coming together of the three components of successful CSR—the right people with the right partnerships implementing the right programs—and has been conducting its role of disseminator to not only the corporate sector but also to the implementers and partners and discussing projects and programs that may best be undertaken towards the goal of responsible business in the midst of overall holistic development.

able to do that in half a decade is an extraordinary phenomenon in a country as diverse, as difficult as India! That is the miracle of the Indian CSR!

2 N.M: *Just Very Inquisitive to Know, How Did You Get into Formulating the CSR Mandate?*

B.C I retired from the Department of Public Enterprises in September, 2011. I had written all of these guidelines and implemented them in the public sector. However, I did not make CSR mandatory, contrary to what people know even in the Public Sector. It was not a fiat, a dictate, it was not a firman.

All I did was, INCENTIVIZED CSR, because at the end of the year, in the assessment of the Public Sector executive, there are 100 marks. All I did was, out of 100 marks, I put 5 marks for CSR. *Why was it such a big game changer?* Because, those 5 marks differentiated good from very good; very good from excellent.

So, if the executive at the end of the year, is rated good, he takes his normal salary; if he is rated very good, he takes twice the salary; if he is rated excellent, he takes two and the half times the salary. Therefore, the struggle there, is how to get a ‘very good’ or ‘excellent’ rating. The final marks there mattered very much. That was, I would say, a very practical way of making sure that we embed CSR in the results that the company show at the end of the year. *How many marks has it got given by an assessment committee?* That is how, in the Public Sector, it has become incentivized, not made mandatory.

At that time, I had no idea that I was ever going to be associated with the Corporate sector. But, it was the ‘accident of history’ that this particular position in the IICA felt vacant about 4 or 5 months before I retired and when I applied for it, interviewed, got selected and came into this position, I moved from Public Sector to Corporate Affairs in November 2011, the year I officially retired from the Public Sector. Had I not come into the Corporate Affairs at that time, much of this would perhaps remained an incomplete agenda. But the Ministry of Corporate Affairs collaborated very strongly with the Department of Public Sector Enterprises in the processing of the legislation. Therefore, I was able to contribute to the way in which the Companies Bill finally got passed. These are the *‘accidents of history!’*

Then, once the Companies Bill got passed, there was a whole agenda of sensitizing the nation, answering the questions, clearing the gaps and IICA came into the forefront. The Ministry started seeing IICA as a very, very useful asset because Ministries have their own limitations in penetration in a country like India. So, then, the National Foundation for CSR got created by the Ministry in the IICA; thereby, literally, handing over the agenda or the torch of CSR to that very institution, which I now head and also have been heading for more than 4 years now. These are not things that are preplanned, this was the flow of events that transformed an ‘accident of history’ into the ‘turn of history.’

(*This exclusive interview was conducted on January 12, 2016.*)

CSR in India—Between Tradition, Cultural Influence, Social Structure, and Economic Growth: A Status Quo Analysis on CSR Engagement in India and a Critical Evaluation of the New CSR Law

René Rueth

Abstract Corporate Social Responsibility (CSR) has emerged as a topic of concern in government, corporation, and international business forums due to its multidimensional benefits. Today, as people are getting increasingly conscious about global warming and ethical business practices, it is expected from business organisations that they become seriously concerned about their responsibilities for the people and the society as a whole. Hence, CSR has emerged as an inescapable priority in the corporate world in present times. In India, companies have also started to realise the immense importance of CSR as a vital part for attaining sustainability in a highly competitive business organisation. This paper highlights the present situation in India regarding the issues of CSR implementation, and also the challenges that companies are regularly facing while implementing CSR projects. It also discusses possible impacts of the recent CSR law in this country. It is argued in this paper that despite impressive financial growth and enhanced privatisation and liberalisation initiatives, the corporate sector in India is still lagging behind in terms of CSR implementations, and companies have to move faster in this regards in order to ensure the continuing economic progress of the country.

Keywords CSR • India • CSR law • Economic growth

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1 Introduction

India is a prominent South Asian country with a population of more than 1.2 billion inhabitants. As predicted by International Monetary Fund (IMF), India will be the fastest growing major economy by 2016 (Sharma 2015). Through its huge manpower potential and natural resources, the country has secured a prominent position in the world economy. However, the socio-economic conditions of the majority of the people are still very serious. According to the 2011 study by the World Bank, nearly 31.4 % of the entire Indian population live in poverty (World Bank 2011). This widespread poverty is also closely related to gender inequality, illiteracy, and poor health conditions of the majority of Indian people. Furthermore, India is being crippled by environmental issues like deforestation, loss of biodiversity, air and water pollution, illegal wildlife trading, and the vulnerability of the common people to natural disasters. Hence, there are ample opportunities for Indian companies to come forward and to contribute unselfishly to the welfare of the society.

However, so far, Indian companies have not performed as expected. Still many profitable companies are not conscious about the societal and environmental needs, and so their contributions to the Corporate Social Responsibility (CSR) causes have come under severe scrutiny (Rakesh 2014). As the gap between the rich and the poor is increasing, companies in India can in no way sustain any longer period of time without taking care of their stakeholders and being actively engaged in CSR activities. They must be convinced of the fact that CSR is absolutely indispensable for protecting their reputation and goodwill, and also for tackling criticisms, reducing risks, improving relationships with the authorities, and ensuring long-term profitability in the age of hyper-competition. The relationship between business and society is really important, and only through CSR activities, companies can come closer to the society, which is also very much necessary from the business perspectives.

2 CSR in India: Historical Perspectives

The concept of CSR is not new to India. As depicted by Tripathi and Bains (2013, pp. 93–94):

> Long-established industrial dynasties, such as the Birlas and the Tatas, concepts of nation-building and trusteeship have been alive in their operations decades long before CSR became a popular cause. Alongside there are the leading Indian companies with strong international shareholdings, such as Hero Motors, HLL (Hindustan Lever Limited), ITC, and Maruti Udyog, where local dynamics fuse with the business standards of the parent or partner. Another tradition emerges from the public sector enterprises, such as BHEL (Bharat Heavy Electricals Limited), HDFC (Housing Development Finance Corporation),

NTPC (National Thermal Power Corporation), and ONGC (Oil and Natural Gas Corporation), where social obligations remain an integral part of their business despite the march of privatization. There is the new generation of enterprises that has surged on the back of knowledge based globalization, such as Dr Reddy's, Infosys, Ranbaxy, and Wipro, where less emphasis is on minimizing negative impacts and more on maximizing the positive spill-over effects of corporate development.

Before the 1960s, CSR was seen as a part of corporate philanthropy in which companies just worked for supporting the social development initiatives of the government. After that, CSR turned from philanthropic thinking to being socially responsible for multiple stakeholders (Urmila 2011).

The historical development of CSR processes in India is shown in Table 1.

3 Understanding CSR in India

In India, corporate philanthropy has by now become an integral component of normal business operations. It is also embedded in corporate policies and practices (Lattemann et al. 2009). Very few prominent companies in India do not have any sort of initiatives regarding the affairs of their stakeholders.

Table 1 Phases of CSR practices in India

Phases	Key thrust	Key strategies
Phase I (Till 1914)	CSR motivated by charity and philanthropy	The oldest form of CSR was motivated by charity and philanthropy with direct influence from culture, religion, family tradition, and industrialization process
Phase II (1914–1960)	CSR for India's social development	Dominated by the country's struggle for independence and influenced fundamentally by Gandhi's theory of trusteeship for consolidation and amplification of social development. Gandhi's reform programs which included activities that sought in particular the abolition of untouchability, women's empowerment and rural development
Phase III (1960–1980)	CSR under the paradigm of the mixed economy	The paradigm of mixed economy with the emergence of legislation on labor and Environmental standards, affected the third phase of Indian CSR. This phase is also characterized by a shift from corporate self regulation to and public regulation of business activities
Phase IV (1980 onwards)	CSR at the interface between philanthropic and business approaches	Indian companies and stakeholders began abandoning traditional philanthropic engagement and, to some extent, integrated CSR into a coherent and sustainable business strategy, partly adopting the multi stakeholder approach

Source: Chaudhury et al. (2012, p. 77)

In the age of globalisation, companies in India have also started to understand the immense benefits of being involved with CSR activities. It is clear to the top management that strong CSR programs are indispensable ingredients for being good corporate citizens and enhancing the overall image of their company. According to a recent study conducted by Miluwi (2013, pp. 110–111), 97 % representatives of 63 companies of the city of Madhya Pradesh in India agreed with the concept that “CSR enhances organization’s corporate image”, while 91 % were of the opinion that “CSR increases visibility as a community leader and ensures sustainable development of both the organization and the community in the long-run”. Furthermore, nearly 77 % of the respondents agreed that “CSR contributes to welfare of employees” and 63 % of the respondents agreed that “CSR is a business obligation” (Miluwi 2013, p. 111).

As argued by Tripathi and Bains (2013, p. 94):

> India’s recent economic progress has not only increased pressure on the environment, but also generated social tension by increasing the gap between India’s middle class and the poor. Consequently, it has become even more important for corporations to consider their broader impact on society. The traditional ethos of maximizing shareholder value without regard towards the stakeholders is an outdated notion in today’s global environment. Corporate Social Responsibility (CSR) has a powerful potential to make positive contributions to addressing the needs of disadvantaged communities.

In previous times, Indian companies were involved with CSR activities by the sole intention of getting tax exemptions and other incentives from the government. However, they are today far more motivated by the desire for social services. Due to the increasing awareness of the people regarding the societal responsibilities of companies, they have started to voluntarily undertake CSR activities (Narayan 2014).

4 Recent Corporate Initiatives

In recent times, companies in India have started to realize the huge importance of CSR, and also the expectations of shareholders and stakeholders towards its implementation. They have understood their roles and responsibilities in bringing positive changes on the society in which they operate. Hence, they are taking different measures to engage effectively in CSR activities.

For instance, *Reliance Group in India* started a project called “Drishti” for bringing back the eyesight of visually-impaired indigent Indians. So far, the project has supported 13,000 free cornea transplants in India. In addition, the project has also contributed significantly to motivate people for eye donation (Premlata and Agarwal 2013).

Mahindra & Mahindra, one of the most prominent multinational automobile manufacturing companies in India, has taken a number of initiatives to achieve its CSR goals. In addition to creating fuel-efficient automobiles, the company has also arranged the plantation of more than one million trees across India. Considering the responsibilities towards its stakeholders, the company has also contributed to supporting educational programmes for students and building schools (Mahindra Rise 2015).

Oil and Natural Gas Corporation (*ONGC*), a multinational oil and gas company in India, has been working to improve India's educational system. The company is now running a good number of projects focusing on granting scholarships and other aids to pupils that have come from the underdeveloped realms of the society. The company has also spent a good amount of money for constructing school buildings in different parts of the country so that poor and helpless students can have access to better educational facilities (Premlata and Agarwal 2013).

Tata Group is a famous Indian multinational conglomerate that spent more than 2 % of its profits on CSR in the fiscal year 2013–2014, which summed up to around 10 billion Indian Rupees (INR) (*approximately 130 million euros @ 1 INR = 0.013 euros; as on February 12, 2016*) (Zachariah and Singh 2014). Most of this money have been spent in the sectors like skill development, education, and health. As said by Jamsetji Nusserwanji, the founder of Tata Group: "In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence" (Srivastava et al. 2012, p. 20). Furthermore, it is mentioned in the 'Clause: 10' of the 'Tata Code of Conduct' that (Srivastava et al. 2012, p. 21):

> A Tata Company shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self-reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The company would also not treat these activities as optional ones but would strive to incorporate them as integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities. Tata companies are encouraged to develop social accounting systems and to carry out social audit of their operations.

Another prominent automobile company in India, *Maruti Suzuki*, has mainly focused on environmental issues. As part of its CSR initiatives and for minimizing carbon footprint, the company has started to generate solar power and in 2013–2014, it commissioned a 1 MW solar power plant in an effort to generate clean power in order to fulfil the needs of the present and of future generations. Very recently, the company has broadened the horizon of its CSR efforts in the areas of road safety, community development, and skill development (Maruti Suzuki Sustainability Report 2013–2014).

5 New CSR Law in India: A Critical Evaluation

According to the new CSR law in India, under the Companies Act, 2013, certain Indian companies having a net worth of *INR 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a turnover of*

INR 10 billion (approximately 130 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a net profit of INR 50 million (approximately 650 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more during any financial year have to pay at least 2 % of their average net profits made during the three immediately preceding financial years, in pursuance of its CSR policy. This law requires companies to be actively involved in the following categories of CSR, as outlined in Schedule VII (Appendix C) of the Act (came into effect from April 1, 2014).

The law also requires the companies to establish CSR committees for devising, monitoring, and recommending CSR activities. The CSR committees will be comprising of board members, at least one of which must be an independent director. Some of the other striking features of this new act are mentioned below (PwC 2013):

- Surplus arising out of CSR activities will have to be reinvested into CSR initiatives, and this will be over and above the 2 % figure.
- The company can implement its CSR activities through the following methods:
  - Directly on its own
  - Through its own non-profit foundation set- up so as to facilitate this initiative
  - Through independently registered non-profit organisations that have a record of at least 3 years in similar such related activities
  - Collaborating or pooling their resources with other companies.
- Only CSR activities undertaken in India will be taken into consideration.
- Activities meant exclusively for employees and their families will not qualify.
- A format for the board report on CSR has been provided which includes amongst others, activity-wise, reasons for spends under 2 % of the average net profits of the previous 3 years and a responsibility statement that the CSR policy, implementation and monitoring process is in compliance with the CSR objectives, in letter and in spirit. This has to be signed by either the CEO, or the MD or a director of the company.

As argued by Ghulliani (2013):

> In a country such as India, where one-third of the population is illiterate, two-thirds lack access to proper sanitation, and 400 million people still live on less than United States dollar (USD) 2 a day, the passage of the Companies Act should be hailed as a positive step forward in ensuring that business contributes to equitable and sustainable economic development.

It is expected that the new CSR law would bring about significant changes in the attitudes of large business organisations in India. Companies which were previously reluctant to spend money for societal causes would come forward and make significant contributions. According to an estimation by the Indian Institute of Corporate Affairs (IICA) approximately 16,237 companies will generate approximately *INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) annually* on CSR initiatives. Furthermore, as companies would face penalty for not submitting CSR reports on a timely basis, it would drive companies to spend more on CSR causes. Regarding the advantage of making CSR mandatory to Indian companies, Van Zile (2012, pp. 299–300) argued that:

> The major advantage of mandating CSR spending, as opposed to levying additional taxes, would be the preservation of the company's autonomy in selecting how its funds are used. To some extent, the corporation would be "free" to invest its funds in the community directly or in a local non-profit or national NGO. Companies could use the money to further minimize externalities, beyond the requirements of environmental law, or they could choose to create positive externalities by building schools or providing workers with more comprehensive benefits. Knowing that each corporation might bring two percent of its profits to the community for re-investment, community members might be far more enthusiastic about the potential of industry coming to their neighbourhood.

As India is a country that is desperately in need of funding for development, the new CSR mandate can be hugely beneficial for the country. Companies are required to contribute to the public good by spending a good portion of their profit for CSR initiatives. As opined by Van Zile (2012, p. 300):

> Two percent CSR spending would simply bring India in line with CSR expenditures in the United States, and the money for development is certainly more desperately needed in India, where at least one-fifth of citizens live in poverty and where the public health and education systems are famously dysfunctional.

However, it will be difficult for authorities to monitor the implementation of CSR initiatives by Indian companies, as no indicator is set for measuring the impact of CSR in the new CSR mandate of the Companies Act, 2013. It may be the case that a company spends a required amount on CSR indiscriminately, rendering the target of bringing happiness and success to the common people impossible to achieve. CSR activities should be tailored to the needs of local communities and the Indian culture; otherwise the result could be disastrous for the company in terms of its reputation.

Another limitation of the new CSR law is that no incentives will be provided to companies which spend more than 2 % of their net annual profit (Premlata and Agarwal 2013). This may limit them to spend only this fixed amount, and they will not be encouraged to go further. Apart from that, companies may consider mandatory CSR as a "check the box" exercise rather than finding ways for innovation and generating returns from CSR. Furthermore, as there are more than 3.3 million non-governmental organisations (NGOs) working in India, companies may not work diligently to find credible, high-impact organisations capable of managing large projects effectively that can have a large-scale impact on the common good (Ghulliani 2013).

Sometimes, the CSR law may also drive companies to engage in philanthropic activities that do not have any direct or indirect business implications. However, CSR should also be considered a social investment, by which CSR activities are included in a company's core business strategies. As said by AkhilaVijayaraghavan of CSRWire (Banerjee 2013):

> CSR need not be altruistic to be effective. Companies like PepsiCo and Coca-Cola invest in projects like water treatment facilities and a zero waste footprint for their products because

> it helps them reduce their resource use, which in turn helps them become sustainable and achieve higher profits…

In addition to this, companies may start hiding their annual profit amount if they are compelled to spending a fixed part of it on CSR. This may open up ways of unfair practices. Hence, a CSR law should not be the only driving force for companies to go for CSR activities. A law has particular implications, but companies need to come forward and engage themselves for CSR activities voluntarily so that their actions can have more positive impacts on the poor people in India. As commented by Rahul Bajaj, Chairman of the National Council of Corporate Governance and Regulatory Affairs: "If you are mandating conscience and generosity, it is not generosity anymore" (Bose 2011).

6 CSR Challenges in India

A major obstacle that Indian companies are facing quite regularly while implementing CSR initiatives is their lack of expertise. Absence of enthusiasm, knowledge and skills to deal with CSR issues and practices often prevent companies from making positive impacts on society and environment. Companies could make a positive difference to society and environment if they create the enthusiasm, the knowledge and the skills to deal with CSR issues. Also the government could drive development by providing statutory guidelines for leading companies into a definite direction for their CSR efforts in all the areas, where improvement is necessary.

A lack of sufficient funding often hinders Indian companies to devote to CSR activities. It has been identified that many Small and medium sized enterprises (SMEs) in India do not have any sort of budget allocated to CSR, and so their contribution to society often remains negligible (Urmila 2011). Common people in India often remain uninterested to get involved in CSR initiatives. Hence, they do not feel the urge to put pressure on companies in order to get them actively engaged in CSR initiatives. This factor often creates serious challenges for CSR efforts by Indian companies.

Singla (2014) identified the following eight major challenges for a successful implementation of CSR in India:

1. Lack of Community Participation in CSR Activities;
2. Need to Build Local Capacities;
3. Issues of Transparency;
4. Non-Availability of Well Organized NGOs;
5. Visibility Factor;
6. Narrow Perception towards CSR Initiatives;
7. Non-Availability of Clear CSR Guidelines; and
8. Lack of Consensus on Implementing CSR Issues.

7 Recommendations

Indian companies need to engage proactively in CSR activities, as through CSR initiatives they will be able to earn their customer's trust. The immense value of CSR is universally recognised, and so these companies should come forward to find out the best possible ways to spend money on CSR. The CSR monitoring team must ensure that CSR initiatives do not only bring immense reputation and success for the company, but are equally helpful for society and environment as a whole. If this money is used illegally or for corrupt practices, it would ultimately be disastrous for the company.

Another important initiative that the Government of India and business organisations need to take into account is to create a pool of skilled manpower with people who will have in-depth knowledge about CSR and will be able to guide companies so that they can achieve the goals of their CSR efforts. For this purpose, companies need to arrange appropriate training programmes to those who will look after CSR projects. Also, the Government's role is important in this regard because the Government can make necessary arrangements to send people abroad for proper training, who can positively contribute to the success of CSR initiatives when they return.

Companies should also come forward and put more efforts in organising seminars, symposiums, conferences etc. in order to make more people skilled and knowledgeable about CSR issues. A strong budgetary support should be accompanied by these proactive efforts. In addition to this, companies need to make necessary amendments to their corporate policies so that a strong partnership to their stakeholders can be developed. This would ultimately improve their brand images and render them into socially responsible companies.

Indian companies are still not very serious about CSR reporting on an annual basis. Therefore, the Indian government should make it mandatory for them to publish CSR reports regularly. This would ensure accountability and sincerity of those companies in terms of their CSR commitments.

The following further recommendations to Indian companies have been provided by Ahmed (2013):

- Companies should extend their CSR activities in less privileged states rather than concentrate in resource rich states.
- It is essential that companies develop an effective value chain system of their products through their CSR activities, which is essential for competing in the global market.
- It will give better results if activities are based on a more participatory approach and touch the grassroots level.
- Voluntarism among employees should be encouraged and institutionalized through recognition and incentives.
- There is also need for public-private partnership with well-defined controls and process for the best use of resources for social change.

- Special training need to be given to business managers in working with social issues.
- Participation of small and medium business should be encouraged.
- Experience has shown that working with NGOs is more worthwhile and result-oriented. Joining hands with related NGOs is therefore advisable.

8 Conclusion

Considering the economic outcome of CSR initiatives, companies in India must come forward to look after their communities and the environment in order to gain the societal acceptance of their business operations. Neglecting the need of common people will cause detrimental effects on the overall reputation of those companies. It is highly expected that the new CSR law will make Indian companies more socially responsible, and also bring them closer to the needs of common people. In the Indian poverty-stricken society, CSR initiatives can be considered as immensely beneficial. Only the joint collaboration of authorities, civil society, and business organisations will lead CSR initiatives to result in happiness and success for the poor people in India.

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Impact of CSR on Education Sector

Meeta Sengupta

Abstract The CSR mandate has faced much debate among India Inc. as an extra tax on corporates, incurring additional administrative burden and a rather indirect way to direct corporate behaviour. However, there was little debate on the inclusion of education within the purview of the mandate as the gap between need and national spend in education (3.9 % of India's Gross Domestic Product—GDP, though the ask was for at least 6 %) was evident even to the most cursory observer.

This chapter seeks to recognise the need for CSR contribution to education in India, understand the history of education and philanthropy existing in India, the CSR spend on education, the impact of the CSR legislation on it, the three large trends that supported **PROFESSIONALISING of CSR IN EDUCATION** and role of CSR in education.

Keywords CSR funding • Professional monitoring • Education infrastructure • Educational capacity building • Funding learner skills • Education funding • Innovation funding

1 Introduction

Education has received universal acceptance as a worthy candidate of Corporate Social Responsibility (CSR) activities both from the regulators and industry. Although, *there was much debate on the need to regulate CSR spend of certain companies in India; however, there was little debate on the inclusion of education within the purview of the mandate*. For many years, India's national spend on education had hovered around 3.9 % of India's Gross Domestic Product (GDP) (World Bank Statistics, 2016), though the ask was for at least 6 % of the GDP. The gap between need and spend was evident even to the most cursory observer.

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2 The Need for CSR Contribution to Education in India

Education in India suffers from serious lack of quantity and quality, the former having proved to be easier to resolve than the latter. Official statistics from the District Information System for Education (DISE) state that student enrolment at starting grades has improved over the years and most children are registered to enter the schooling system (about 106 %; reported by DISE, 2014–2015); however, the dropout rates still remain alarming (DISE, 2014–2015). At the end of the primary school, eight out of ten progress to the next level and this goes down further to 3.9 at the end of senior secondary school, which means, only four in ten progress to higher education. This includes both public and private provision.

Teacher shortages, attendance and quality are deserving of interventions. According to the PAISA (Planning, Allocations and Expenditures, Institutions Studies in Accountability) 2011–2012 report, allocations to teachers accounted for 44 % of the budget, the largest share of the Sarva Shiksha Abhiyaan (SSA)[1] budget, yet teacher shortages are estimated between 6 and 13 million at the primary level (Business Standard, 2015; Hindustan Times, 2015).

The lack of investment in good data hampers a significant scaled analysis of the gaps in the availability and quality of education. The Annual Status of Education Report (ASER) (ASER, 2014) report states that children in India are about two grades below their expected literacy and numeracy levels. The mass survey identifies the quality gap as significant. While the government rejects the ASER results as overstated, their own National Assessment Survey (NAS) shows gaps in quality. The steady stream of students moving to the private sector is proof enough of the dismal quality of public education (The Hindu, 2014a, 2014b). This is when, private education tends to demonstrate similar learning outcomes albeit with a greater emphasis on mobility via more time spent on English language learning and at a third of the cost (Muralidharan & Sundararaman, 2013). The gaps in educational attainment have been remarked upon in various fora, and a report on Public Private Partnerships (PPP) by the Education Alliance notes dryly, “Educational outcomes in India are dismally low both in absolute terms as well as relative to other countries” (FICCI & Central Square Foundation, 2014).

Non Governmental organisations (NGOs) that work in education in India are needed, to enhance both access and reliability of the education provision in addition to improving it. This is a large and fragmented segment which is very responsive to local needs and depends mainly on philanthropy, grants and CSR for its survival.

[1]Government of India’s flagship programme for achievement of Universalization of Elementary Education (UEE) in a time bound manner, as mandated by 86th amendment to the Constitution of India making free and compulsory Education to the Children of 6–14 years age group, a Fundamental Right.

3 Education and Philanthropy: A History

Education has been fortunate to have traditionally been the recipient of much of the philanthropy that preceded the era of CSR, as we know it now. The Business Maharajas that led large family conglomerates have a long history of investing in education both within India and abroad. Unfortunately, no major database of these has been maintained formally over time but we do have as evidence a large number of educational institutions that bear the names of their donors executing their social responsibilities. Thus, not only does BITS (Pilani) (now called an Indian Institute of Technology) still bear the stamp of the Birla family business empire, but also the Aditya Birla Centre at the London Business School, the Aditya Birla schools and much more (Aditya Birla, 2016). The large Tata conglomerate that sits at the more formal end of CSR via the various corporates and the Tata Trusts that have been investing in schools, scholarships, research institutions as part of their corporate outreach.

Corporate CSR was the inheritor of these traditions in the Indian context even before the legislation regulated the amount and process of spend on social and sustainable causes. Even today, the line between the two is blurred as significant philanthropists are corporate heads who own a significant proportion of shares in the companies that they run and also use as a vehicle for their social spending. This is why the Hurun philanthropy rating as others include corporate CSR spend when they rank philanthropists. This is why, when we seek to analyse CSR in education in India, we still need to include philanthropic spend and impact in the discussion.

Education receives a major share of support from large corporate philanthropists as recorded in the The Hurun India Philanthropy list 2015, where the top 36 philanthropists give more than *Indian Rupees (INR) 100 million (approximately 1.3 million euros @ 1 INR = 0.013 euros; as on February 12, 2016)*. Education remains the most favoured cause, accounting for 84 % of donations and with about 50 % of people supporting it (Live Mint, 2016). This giving is targeted towards the kind of causes that the head of the foundation thinks is going to be transformative, often based on their experience of building large organisations. While traditional giving from the older business houses used to be simple, scalable schools and vocational training institutions, new corporate heads are directing their funds at building specific skills for the future that will catalyse systemic value addition.

4 CSR Spend on Education

Of the total CSR spend in India, a bulk of the share does go to education. Of the top 100 firms listed on the National Stock Exchange of India Limited (NSE), the total sum of money spent by 80 of them on education was *INR 15.71 billion (approximately 204 million euros @ 1 INR = 0.013 euros; as on February 12, 2016),* as estimated by NextGen, a Bengaluru-based CSR management firm (Live Mint, 2015). A recent Mercers, (a global consultancy firm) survey of 40 organisations showed that 81 % of corporates in India are most likely to spend on education, followed by community-based development (64 %) and environmental sustainability (61 %) (Eco-Business, 2015). The Business Backs Education (by the Varkey Foundation in partnership with Dubai Cares and United Nations Educational, Scientific and Cultural Organisation—UNESCO) reports that of the top 500 global funders of education, 8 were from India and their total CSR spend was *USD 81 million (approximately 72.1 million euros @ 1 USD = 0.89 euros; as on February 12, 2016), of which USD 15 million (approximately 13.3 million euros @ 1 USD = 0.89 euros; as on February 12, 2016)* was on Education. India's largest CSR firms spent a greater share of their CSR funds on education than the average of the Global 500 which averaged at 13.2 % of their CSR on education (Business Backs Education, 2015).

The same report notes that the bulk of CSR funds in education in India go to primary education, estimated at 39 % with 29 % going to secondary education. Higher education and teacher training get a mere 3 % and 1 %, which is interesting, since these have a significant private sector operating in these two areas. Vocational education gets another 14 % while another 14 % is not accounted for, according to this report (Business Backs Education, 2015).

The UNESCO—BBE report lists two large corporates from India in their top 100, one from the public sector and the other from the private sector. Reliance Industries, ranked at 80, spends USD 5.4 million (approximately 4.8 million euros @ 1USD = 0.089 euros; as on February 12, 2016) on education-related CSR activity, while the public sector Oil and Natural Gas Corporation (ONGC) at 91, spends USD 4.4 million (approximately 3.9 million euros @ 1 USD = 0.89 euros; as on February 12, 2016). The Indian origin Lakshmi Mittal's Arcelor from the UK (United Kingdom) spends USD 5.6 million (approximately 5 million euros @ 1 USD = 0.89 euros; as on February 12, 2016) and ranks 75th. As Indian CSR giving is a function of the size of its companies, this does not come as a surprise—it is only the oil majors that made it to this top 100 list.

Public Sector enterprises have also been significant contributors to education. Public sector companies have invested in a wide range of causes, developing regions near their far flung operations, building not just schools, though their contribution to education has been quiet significant. Public sector companies such as Gas Authority of India Limited (GAIL) also invest in education because they "consider it (education) as one of the foundation pillars through which we can build a better, more equitable and just society." GAIL spent INR 44.7 million (approximately 581 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) on education out of a total CSR spend of close to INR 718.9 million (approximately 9.3 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) (Live Mint, 2015).

Of the larger private firms in India, Infosys does particularly well in CSR activity and takes pride in being one of the first in the country to become compliant with the 2 % mandate. The Infosys Foundation, which is the CSR arm of the company, received INR 2.40 billion (approximately 31 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) in 2014 itself. Its head, Sudha Murthy (also the wife of one of the founders of Infosys) has announced an increase in the spend on mid day meals[2] at schools (INR 500–600 million; approximately 6.5 million to 7.8 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) which encourages attendance at schools, and another INR 500 million (approximately 6.5 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) on education (The Economic Times, 2014). The Infosys Foundation was set up in 1996, and the non-profit trust works across sectors, including healthcare, education, culture, destitute care and rural development. Its spend on the education sector has averaged 40–45 % of the total over the past two decades though this reduced to about 10–15 % of the donation made in 2014.

Samhita, an organisation that works in the CSR space conducted a study of education initiatives of the companies with the largest CSR budgets in the country (Samhita, 2014). It found out that of the top 100 companies, three-fourth of them were supporting at least one program in school education through CSR. And 78 of the top 100 companies had at least one program to address education in the past 3 years.

A look at CSR spending on education from the perspective of a single industry also places education as the key area for CSR contribution. All Information Technology (IT) companies, studied by Futurescape in their study (Rana, 2013), had joined in as education partners in projects, contributing both money and expertise from their employee volunteers. About half the firms surveyed, ran competitions as part of their CSR outreach.

A majority of them focused on Computer Education, followed by Business Education, which, surprisingly, had more projects and firms involved than Science, Technology, Engineering and Mathematics (STEM) education. Adult literacy, vocational training and financial aid was also a part of the CSR portfolio (Rana, 2013).

5 Impact of the CSR Legislation

Although, the CSR mandate is fairly new (initiated under the Companies Act, 2013), most large corporates already had effective systems in place when the new legislation was put in place. Though they already had a department and a reporting system in place, they now needed to ensure compliance with the new law and make sure that the CSR committee as recommended in the Act was in place with the requisite number of independent members. Group companies now needed to assess whether their individual contribution to the group CSR meets the requirement of 2 % of profits and these needed to be aligned to strategic interests of the group. While some companies may have been spending over 2 % and others less, each now

[2]The National Programme of Mid-day meals in School is a school meal programme of the government of India designed to enhance enrolment, retention and attendance and simultaneously improve nutritional levels among children till upper primary classes.

targeted the mandated amount and the plans for allocation of these to appropriate causes and sectors was initiated as the CSR law came into force. Once the CSR unit had defined its scoped area of CSR funding, projects were slowly identified, vetted and spending allocated on that account. However, for many firms, although, allocations have been made after due process, disbursements are awaited.

Most CSR professionals who fund education projects, speak of going back to the drawing board after the legislation was passed to take another look at their CSR investments from a strategic perspective. Most now want to serve a specific need in education and not just any worthy projects that approach them. For example, the Azim Premji (Chairman of Wipro Limited, informally known as the Czar of India's IT Industry) group's CSR clearly supports public government schools and stands against the private sector running schools. The interventions they fund are often designed in-house and support government school teachers and schools.

The CSR mandate also requires the spend to be planned and implemented in a far more organised manner than the older philanthropy led paradigm. Given, that the CSR Act has been in action for just over a year, it is early days to be able to determine whether philanthropy and CSR spend will emerge as two distinct paradigms. What is clear, is that, the spending on education will remain significant enough in each. So far, the two remain aligned and the spends are more driven by the convictions of the donors rather than a strong strategic ask from the demand side of such social spending, which continues to remain fragmented.

However, the CSR regulation has breathed fresh life into smaller efforts, who now can hope to find financial support with a larger range of corporates. The expectation is that, the amount of funds to the sector will increase, since, current estimates of CSR spend fall short of the 2 % of net profits of the targeted companies. If education retains its prime position, there will be an opportunity for more projects to see the light of day. This is something that we are already seeing—with some small, sincere pilot projects with unusual models receiving funding to scale up their efforts. With each corporate trying to carve a niche and a unique persona for themselves, some of the more unusual or finely targeted education projects begin to get support. There is a whole range of education projects waiting in the pipelines including mobile-based learning, local low-cost wifi based learning, teacher support systems, student skilling programs, employability interventions and so much more. Many of these may not have got a chance in the promoter-driven CSR era and now can pitch to professional committees casting about for worthy interventions in the domains that they have identified for their CSR programs.

Not only has the supply side of CSR responded to the mandate by creating a CSR organisation within the firm, if it did not already have it in place, but this has also had an impact on the demand side. What used to be a one page note from a small NGO describing a project has now evolved into a more formal pitch document. What used to be a meeting between the donor and the donee, has now evolved into a formal presentation with external members supporting the CSR core. What used to be a quick word with a senior person in the development/NGO world, or an introduction via a trusted mentor is now a formal due diligence exercise. What used to be a field visit and an annual chat about the project is now evolving into a full-fledged monitoring and evaluation mechanism. Most of the donors in the education space now expect reports in line with the school cycle and often others require quarterly reporting on non-school based interventions.

The CSR regulation has brought changes into CSR consulting as an unintended consequence. While this sector used to be fairly small and fragmented, it was dominated by development professionals who had a deep understanding of their contexts. The regulation now brings accountants and other consultants into the picture which then brings with it the inevitable management speak and efficiency goals. The entire point of social change is to create deep and sustainable shifts in mindsets, behaviours, approaches and attitudes so that the populations are able to access a better future. This does not always lend itself to short term efficiency based interventions. It remains to be seen whether these short term evaluations do more harm than good.

6 Three Large Trends That Supported PROFESSIONALISING CSR IN EDUCATION

The process of professionalizing CSR in the education sector had begun a while before the CSR legislation mandated the amount and the internal organisational structures. This was largely due to the influx of larger global foundations, who now sought to engage more with CSR in India rather than merely send funds from afar. This was in line with a post liberalisation economy that had learnt to operate on the global stage and align its processes with the rest of the world. As the economy opened up, so did the reach of transactions.

Needless to say, the changes in the processes of CSR investments was led by larger companies who were dealing with greater complexity in their operations and also in their outreach work. The Reliance Foundation, the Bharti Foundation, among others were leaders in creating professional structures within their organisations that ensured that their CSR spend was best accounted for according to the goals and wishes of the lead team.

6.1 Professionalising the Process of CSR

Mini Case Study 1: The BHARTI Story

The Bharti Foundation initiated the process of formalising and structuring CSR programs fairly early in the Bharti Group. In 2007, a CSR Council was set up comprising the Chief Executive Officers (CEOs) of all Bharti Group

(continued)

companies. CSR strategy was driven from the top with full engagement from the operational level.

The CSR council met twice a year to assess progress and give direction to new CSR initiatives. CSR strategy was aligned at the senior-most level with high quality information streams from the grassroots. The CSR council was supported by the CSR working group, which connected every quarter and consisted of the CSR operational leads. Their work was spread in their operational zones and each of them reported to the council on preset Key Performing Indicators (KPIs). Most of these projects were in the education arena as the leaders of the Bharti group believed strongly in the transformative impact of school education. Processes of grant proposals, evaluation, partnerships with NGOs and impact measurement were formalized. Employee visits and volunteering programs were designed around these.

Bharti Foundation was set up in 2000 as the philanthropic arm of Bharti Enterprises to lead its development projects in a strategic manner. Its flagship initiative is the Satya Bharti Schools program where they run absolutely free schools for the underprivileged children in the rural India, with a special focus on the girl child. These schools have been built by the Foundation on the land given by the community and are operated with full management control, which includes recruiting teachers, training, creating school processes, teaching, learning material etc. The funds for all the projects of the Foundation come from the promoters, CSR of the group companies, employee contributions as well as other corporate donors. The Foundation follows all the governance processes of the Bharti group. It undertakes annual operational plan, budgeting, regular reviews, internal and external audits etc.

The size of the Bharti Group as well as the commitment of the promoters towards giving back to the community led to the creation of the Bharti Foundation, and strong CSR blueprint at the group companies level. CSR projects and Bharti Foundation's work is a critical part of Employee induction at Bharti. In addition, companies like Airtel, Infratel have program for their 'Young Leaders,' where they spend 2/3 weeks working in the Satya Bharti School Program (the flagship rural education initiative of Bharti Foundation aimed at holistic development of children) in rural areas, during their induction period. Most employees engage with the CSR projects, but about a third are involved on a regular basis by ways of donating or volunteering.

Like the Bharti Foundation, other firms, such as the ICICI Foundation too invests substantially in education and has a long history of formal CSR processes and systems that have evolved substantially in the past decade. These firms stand as a role model to smaller firms and to those that seek to create more professional CSR units in response to the legislation. They also stand as a benchmark to the administrative processes and costs of good CSR.

6.2 Educating the CSR Ecosystem

Industry observers tend to agree that much of the professionalization of the grant-led education initiatives have been because of two major types of influences. The first, professional foundations and the second, research-led interventions. Bharti Foundation above, or, as an example, the Michael and Susan Dell Foundation are committed to improving the quality of education in urban schools in the public and private sector. They seek to improve the quality of available education through a variety of initiatives and one of their stated goals is: "The development and standardization of high-quality learning assessments that enable data-driven insights into—and improvement of—student outcomes, instructional quality and school performance" (Michael & Susan Dell Foundation, 2016).

Similarly, the work of Abdul Latif Jameel Poverty Action Lab (J-PAL) in Bihar was path breaking when it comes to a rigorous understanding of a situation and the impact of pilot projects or interventions by CSR or other grantees. These organisations have not only created databases, but also a cadre of trained researchers, systems and processes that enable those that follow. Offshoots from those projects are now on the ground as firms, that can provide quantitative and qualitative research into the area, the learning context and specific or general education projects, as well as independent audits in the areas of interest to the CSR donors. Much of the work of these pioneers was in the years just preceding the CSR legislation and lays the ground for professional implementation and evaluation of CSR projects in education for both old and new players.

6.3 Professional Monitoring and Impact Evaluation

Education initiatives have also become more professional in the past half a decade with greater investment in independent monitoring and impact evaluation. These include CSR funds who are now accountable to their CSR committees and need more monitoring and reporting on the CSR spend. Impact evaluation, as an industry, is still nascent in India with a few large players and many small researchers who have little to precede them. They often have to design their own studies in response to the context and need of their organisations. It is a tribute to much CSR and NGO activity in education, that projects have evolved from the traditional 'capacity building' and other inputs to a more outcome-driven paradigm. Many researchers in the monitoring and impact evaluation arena have been responsible for driving this shift.

Mini Case Study 2: E-ValDesign

E-ValDesign, a small boutique impact evaluation firm that specialises in education, speaks of their projects across states, as a journey with no scaffolding. When they started as a firm, there were few organisations that specialised in evaluating project data to provide evidence to determine the impact of their investment. Traditionally, interventions in the CSR space were evaluated by their inputs and EValDesign was one of the first of the new breed of firms that sought data to help NGOs understand their own interventions.

EvalDesign discovered that implementation organisations needed feedback in their work, and this deep conviction, based on years of work in the education sector in other organisations drove them to offer these services. They have continued to receive work through word-of-mouth and now can boast of an impressive client portfolio that is testament to their work. And to the steady maturity in the market, that is willing to invest in understanding their own data. They work as knowledge partners with clients to unearth the untold story of the educator's work in the field. The founder, Akanksha Bapna tells the story of a client, that had gathered wonderful data on their work, but had not mulched through it to understand the implications. Once presented to them in a visual manner, they changed their entire approach to early years skill delivery and redesigned their program. Older, more established CSR funds find it difficult to change their ways, but they too work with EvalDesign or their competitors in improving accountability for the CSR funds. The education sector in the CSR space is often unaware of how valuable their data is and are willing to learn from a better analysis of their own past practice. This can only augur well for the future of CSR in education.

7 What Does CSR in Education Actually Do?

Traditionally, CSR in education included a range of activities. The Infosys Science Foundation was set up in 2009, that awards achievements in science and engineering; the Intel Foundation creates an entire movement around innovation that culminates in an Intel Innovation award. The KC Mahindra Trust runs 'Nanhi Kali' (an NGO for Girl child Education that provides primary education to underprivileged girl children in India), a much awarded initiative that supports the education of underprivileged girls and has awarded grants to almost 100,000 students.

CSR investment in Education has evolved over the decades to deliver more nuanced and granular outcomes and has seen a shift from philanthropic input-driven giving to outcomes-driven interventions. However, this does not map to a direct timeline, but to a relative sophistication of model that is reflected in the capability and contextual familiarity of the donor. Broadly, CSR in education funds are along the following themes, but, within each, the process and expectations may be very different. A CSR donor may fund projects all along this spectrum or may have traversed this spectrum over time to now pick and choose projects that directly meet their intervention goals and ideological bent.

7.1 *Infrastructure, Curriculum, Equipment*

Large corporates built schools or school chains, while smaller donors sent school equipment that ranged from books, chalk, blackboards and benches to computers and software. Almost all of these were passive investments in education and there was little direct contact with the corporate. The only task was to ensure monetary disbursements and possibly, one annual 'function' celebrating the connect between the donor and school. The school, or the equipment donated often bore the name of the donor owner of the company or that of the company to mark the CSR spend. There was little by way of tracking or following up and the donations from the firm to the educational trusts and schools were a steady stream. In this model, it was more likely that the CSR disbursement was managed by someone in Human Resources (HR) or Communications Department who co-ordinated with the Accounts Department. This person also ensured that appropriate publicity was received for the charitable act and that was the extent of the output expected from the CSR donation.

CSR activities still include investments in infrastructure and materials but that is often the beginning of the engagement between the corporate and the donee organisation. For smaller firms, this is still the easiest way to contribute to education. A large proportion of CSR funding of education continues to be in 'bricks and mortar,' both in schools and colleges, though, there were no reporting requirements that would allow us to estimate aggregate CSR spend on infrastructure and materials. Samhita's study of the top CSR spends in India note that 42 companies (of the 78 that invested in education among the top 100) had about 67 programs that developed infrastructure for education, by far the largest.

Often CSR units fund infrastructure in education as a stepping-stone to bring about deeper change by improving education in an area. As a part of its CSR responsibilities, Canon India has adopted two government schools, where they take care of these two schools by improving the basic infrastructure, building resource centres and libraries, providing training for the teachers and equipping the schools with sports kits. Reliance Industries partake in CSR activities by constructing and renovating school buildings, providing free note books and text books to students, rewarding the meritorious with scholarships, building remedial centres and spreading awareness about the need for computer education in rural India. Aditya Birla Schools are spread over 11 states along with Balwadis[3] and Aditya Birla Vidya

[3]Balwadi Nutrition Programme is a healthcare and education programme launched by the Government of India to provide food supplements at Balwadis to children of the age group 3–6 years in rural areas.

Mandirs providing education. They also promote computer education and distance education for schools all over the country (Stem Learning, 2016). Similarly, Mahindra & Mahindra (M&M) has constructed 4340 toilets in 1171 locations across 11 states and 104 districts specifically for girls in government schools as part of ‘Swachh Bharat: Swachh Vidyalaya’ (national campaign driving ‘Clean India: Clean Schools’) (The Economic Times, 2015).

7.2 Capacity Building

For those who believe that the quality of the teaching cannot get better than the quality of the teacher, the most obvious place to designate funds is teacher training. As the government spends on increasing hard infrastructure, CSR funds support it by improving the quality of soft infrastructure. By far the largest donation and impact has been the Azim Premji Foundation. They set up model schools and invested in teacher training on site through their Fellow program, and via the Azim Premji University where their masters program students work on the real issues afflicting education. There are a very large number of small and big CSR driven teacher improvement programs largely supporting government schools.

Similarly the Tatas invest in rural schools through a separate fund and have now funded Aspire, an NGO that invests in supporting teachers in their everyday teaching with better techniques and interventions. This funding will allow Aspire to scale their operations significantly.

A young researcher who worked with some of these projects reports:

Mini Case Study 3: Experience of ‘Thousand School Project’
Tata steel, who conceptualized and funded this project since 2014 to provide school level intervention, covering almost 1000 government primary schools in 115 Gram Panchayats (GPs; local self-government organisation in India of the Panchayati Raj system at the village or small town level) in six blocks (the second tier of the three tier Panchayati Raj administrative system in India) of Odisha, had been deliberating, for almost a year, with eminent academicians, researchers, civil society people, educationist and bureaucrats to decide whether to go with such project which requires work with government school system or to have a separate education establishment. As Tata Steel’s planned commitment for spending on education in Odisha for next 5 year was substantial, Tata Steel Board approved a proposal of an NGO (ASPIRE) for this task for the first year, allocating funds for the budgeted activities. For second year (2015–2016), the company gave approval to spend almost INR 100 million (approximately 1.3 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) by expanding the intervention in all GPs which was completely unexpected by the implementing partner.

Tata group lead from the front with a INR 10 billion (approximately 130 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) budget on CSR for the year 2013–2014; among which, Tata Steel is the highest spender. It aims at launching 1000 schools project in Odisha, for improving the quality of education in government primary schools. Tata Education Excellence Program is an award winning education program in Pune, launched by Tata Motors. Every year, it identifies 600 boys and girls, enrolled in secondary schools and has helped them to improve the pass percentage of students to 98 % and reduced the drop-out rates from 35 % to less than 5 %. They also organize coaching classes for weak students and provide scholarship assistance to meritorious students. Tata Teleservices is also doing its best by providing education for students from underprivileged community in government schools. They have Teacher Training programs to enhance the quality of education being imparted to students studying in Government schools (Stem Learning, 2016).

Maruti Suzuki's CSR initiative in the field of education takes a technical-education oriented route. They have adopted over 10 state-run Industrial Training Institute (ITI) colleges in the states of Kerala, Tamil Nadu, Maharashtra, Goa and Haryana to transform them into centres of excellence in their respective fields. The ICICI Foundation, another big-amount CSR fund too includes education as one of its four pillars of change and focuses on the states of Rajasthan and Chhattisgarh. Their work includes supporting the states in teacher education with the various District Institute of Education and Training (DIET)s.

7.3 Funding Learner Skills: Life and Twenty-First Century

While schools have traditionally focused on the ability to pass tests and garner certificates, CSR funds have a big role to play. CSR funds now seek impact on the quality of education by funding skilling initiatives across a wider range of twenty-first century skills. Dasra is an organisation that tracks charitable funding and they note that "Philanthropists are looking to take education beyond just providing access to schools and looking at different layers of education like skills and job creation" (Live Mint, 2016).

There are quite a few interesting pilot projects that are funded by CSR and other grant funds that build competencies for learners. Pratham, the organisation that runs the ASER survey also supports Pratham Books, a movement that seeks to build a reading habit for every child in the country by creating low cost books that are fun to read and share. A fair number of programs that train students for competitive exams and other skills are thriving on CSR and philanthropic funds. The Tata Consulting Services (TCS) associates run an annual program to create IT awareness among school children. The event reaches out to over 200,000 school students from

5000 schools in 12 cities across India. Infosys has a ‘Spark Rural Reach Program’ that aims at encouraging rural children in middle school (classes 5–7) to pursue studies in science and mathematics, basics of computers and related subjects and become part of the IT revolution. This program has benefitted over 212,929 children across the country in 2013–2014.

GAIL Utkarsh has helped over 500 students from economically backward communities join India’s premier engineering institutes. They are provided residential coaching programmes and given monthly scholarships once they get into Indian Institutes of Technology (IITs)/National Institutes of Technology (NITs). The GAIL Institute of Skills (GIS) is also working towards bridging the skill gap faced by the oil and gas industry. GAIL’s CSR programme operates in 25 states and Union Territories (UTs). In the last fiscal, it spent INR 718.9 million (approximately 9.3 million euros @ 1 INR = 0.013 euros; as on February 12, 2016), or 1.21 % of the average net profit on CSR (The Economic Times, 2015).

7.4 Financial Assistance

Much of the support for students from CSR takes the form of scholarships. The large traditional CSR donors all have some form of a scholarship program or some arrangement to give financial aid directly to needy schools and students. While some of these are long established programs, the current funding via CSR, seeks more targeted interventions to ensure that the financial aid has maximum impact. For example, the Mahindra’s flagship programme, set up by Anand Mahindra in 1996, project ‘Nanhi Kali’ supports the education of over 1.1 million underprivileged girls in ten states, providing material support (uniforms, bags, notebooks, shoes and socks) and academic support (workbooks, study classes). The key outcomes of the project include an increase in both enrolment of girls in schools and curtailing dropouts to less than 10 % (The Economic Times, 2015). The Samhita report noted that, of the total edu-spend via CSR, about 15–19 % was financial aid across various donor sectors, whether fast moving consumer goods (FMCG), Banking and more. In fact, this seemed to be almost as popular as investing in infrastructure with about half the companies having at least one program for direct financial assistance.

7.5 Funding Innovation

CSR funds have contributed less to core academic research in education, but have had deep impact via research, conducted by players active in the field. Much of the non-academic research, which forms the bulk of real time insights into education has been funded by CSR efforts. But what is more interesting, is the support from CSR, in gently but firmly investing in better learning paradigms in schools. While traditional CSR invested in traditional teaching, the past decade has seen forays into creating new evidence for pedagogies and systems that work in the Indian context. CSR has had a distinct contribution in evolving innovative teaching and learning and in establishing it in the mainstream.

One such firm is EZ Vidya, a Chennai based firm that has grown to work with over 800 schools all over the country to ensure that children are able to demonstrate both the process and quality of the thinking as they work through the curriculum. Here is their experience with CSR:

Mini Case Study 4: EZ Vidya

"At EZ Vidya, our experience of working with CSR in Education, started more than a decade ago. Our very first association, for which we remain eternally grateful, is one with Wipro Applying Thought in Schools (WATIS). In many ways, this is quite atypical, as the WATIS team would most likely not want to categorise their work as 'CSR' but part of their 'core responsibility'. Indeed, WATIS began work when CSR was hardly a mandate!

What started as a chance association, has evolved, over time with WATIS itself, involving deeper projects in school education. Alongside, the partnership lent credibility in our growing years and gave us opportunities to work with many other organisations, both corporate bodies as well as NGOs and Foundation. Nokia, IBM, Dell Computers, Azim Premji Foundation, American India Foundation, The British Council and Microsoft are some of the organisations that we have worked with over the years. The wide variety of organisations added to the rich experience gained through a variety of work. Over time, EZ Vidya has been established as a credible enabler of 'CSR in Education' space.

In the initial years, many a school would wonder why teachers needed 'development programmes' when we approached them. Akin to this, most organisations would focus on 'grants' towards better infrastructure like benches, fans and so on. Over time, it moved to including technology in schools. We would often find ourselves wondering if these alone were sufficient. One of the aspects we notice is that over time the number of organisations working on enhancing learning outcomes, assessment, quality of learning and so on, has grown alongside the ones working on infrastructure. One of the things this could be attributed to, is perhaps the CSR mandate.

Alongside this interest in the qualitative aspects, we also see an attempt to 'measure' results that may be relatively more intangible. With this comes requests for deeper engagements to assess programmes from a learning outcome perspective. We think that the CSR mandate may be one of the factors in linking the funding more closely to the impact measurements. One of the areas where work needs to be done is for groups to come together to

(continued)

jointly enable CSR. While this may no doubt have some impact on the funding side, it could also streamline organisations working in this space to minimise duplication of efforts and maximise impacts. Moving forward, we certainly see this space growing given the CSR mandates. It will be interesting to see how consolidation, if at all, happens in this space and how organisations collaborate."

Another interesting innovation in CSR in India is the very pathway of funding—and therefore the discovery of worthy projects and their ability to access a wider range of funders. This author has long been an advocate of education bonds that allow smaller corporates to meet their CSR obligations with minimal costs. The Educate India Development Impact Bonds are a great model for the future and are likely to become a popular feature of CSR funding in the near future.

Mini Case Study 5: The Development Impact Bond
The first Education Bonds are a global effort with the implementation partner coming from India. 'Educate Girls' is an NGO that has received many awards for their excellent work in helping bring literacy to girls in districts where the gaps are the highest and have been reporting progress from their projects on the ground. For the first time, the payment on the bond is related to the success of the project. Payment is made only when an independent auditor declares that the desired impact has been achieved (The Educate Girls Development Impact Bond, 2015; Educate Girls Development Impact Bond, 2015; interviews).

The beneficiaries are the girls in Rajasthan who have 'Educate Girls' with them for another 3 years to raise standards and bring literacy to the region. 'Educate Girls' too has access to a wider range of funds that know that they are paying for impact on the ground. The shift in this innovative financing is in consolidating the place of impact and shifting the ground from the traditional input based criteria.

8 Conclusion

CSR in education is evolving and supporting the transformation in the sector as a whole. CSR funding leads the change. While the bulk of CSR in Education is traditional, much is supportive of innovations. Many of these programs on the ground today are successful pilots and seeking CSR funding to scale up. CSR funds now seek impact returns and while many Foundations and funds still measure their effectiveness in terms of outreach and outlay, others seek to understand the challenges of the situation and work towards more granular goals. Some seek to design support in their own sectors, which is logical given domain expertise, while others do good work towards priority areas in education. Going forward, much of the future of CSR in education will be about targeted programs that further the strategic direction and goals of the donors though education is likely to retain its primacy.

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Political CSR in India: Analysis of Indian Participants in the United Nations Global Compact in the Pre and Post Mandate Period

Vikrant Shirodkar

Abstract Research on the political connotations of Corporate Social Responsibility (CSR) has been gaining momentum. Political CSR includes social and philanthropic activities undertaken by firms that enable them to access political stakeholders while safeguarding their legitimacy and reputation at the same time. One such activity includes participation in the United Nations Global Compact (UNGC), which, since its inception in 2000, has provided an opportunity for organisations to voluntarily participate in addressing social challenges from a global multi-stakeholder perspective. However, governments in several emerging-market countries have been making CSR mandatory to address social and environmental issues at a local (or domestic) level. In this study, I analyse the Indian participants in the United Nations Global Compact in the pre and post CSR mandate period (passing of the Section 135 of the Companies Act, 2013). By doing so, this study aims to explore how the CSR mandate could potentially have implications on Political CSR.

Keywords Political Corporate Social Responsibility • United Nations Global Compact • India • Mandatory CSR

1 Introduction

In most emerging markets, trade and investment liberalisation by governments have led to large-scale economic development. However critics argue that in order to boost exports and attract greater foreign investment, businesses operating in most emerging markets have exploited lax labour conditions, institutional voids and weak environmental regulations (Christmann and Taylor 2001; Eskeland and Harrison 2003). At the same time, in most emerging markets, businesses are faced with several 'stakeholder' issues such as changing governments with conflicting interests, changing societal attitudes, changing agendas among business

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communities, and increasing scrutiny by media on business actions (Simon 1984). Such issues eventually affect the rules of commerce (via legislation), such as new or changes to subsidies and taxation, permissibility of goods and services, and changes to investment policies (Schuler et al. 2002).

One of the ways of dealing with such uncertainty and complexity in emerging markets is to engage in 'Political CSR'(Detomasi 2008; Scherer and Palazzo 2007; Shirodkar et al. 2016). Political CSR relates to attempts made by organisations (particularly by businesses) to scan and sense opportunities in the changing external environment surrounding them. This knowledge can then be used to develop capabilities to not only comply with stakeholder expectations but also to influence stakeholders in ways that is favourable to the smooth functioning of their business operations (Detomasi 2007, 2008). Research on the political connotations of CSR has been evolving. Political CSR activities include (although not limited to) activities that involve providing 'public goods' such as sponsoring education and healthcare for employees, communicating socio-environmental issues to the government, mobilising grassroots campaigns (such as signature campaigns) advocating specific issue positions, public relations advertising in the media, and engaging collectively (e.g. via trade and industry associations) to influence industry standards on product quality and/or environmental protection. Political CSR also includes self-regulating polluting activities by businesses via adopting global standards in environmental management, and collaborating with nongovernmental organisations (NGOs) to develop programs that address specific social needs (Shirodkar et al. 2016). While several academics relate these activities to public affairs, issues management, or business-government relationship activities (Baysinger and Woodman 1982; Berg and Holtbrügge 2001; Getz 2001; Schuler 2001), the notion of political CSR differentiates by combining or aligning CSR activities with a firms' political activities, as theorised in some recent research (Hond et al. 2014).

The United Nations Global Compact (UNGC), launched in July 2000 provides a global voluntary platform to discuss issues related to dealing with four main ethical challenges—i.e. employment practices (aimed to reduce child labour and hazardous working conditions), human rights (aimed to minimise worker discrimination and harassment), environmental protection (i.e. efficient management of waste and pollution by adopting adequate technologies) and control of corruption (via doing away with various forms of bribery). The UNGC does not provide a 'code of conduct' to manage these issues, unlike initiatives such as the Social Accountability 8000 standard that have done so (Laufer 2003). Instead, the UNGC provides a global forum wherein organisations (including businesses) could share their best practices in dealing with social and ethical issues. The UNGC thus projects itself as a global, multi-stakeholder approach to stakeholder management. *Recent studies have suggested links between participation in the UNGC and Political CSR* (Rasche et al. 2013). Early investigations conducted by McKinsey and SustainAbility (SA) suggested that the UNGC was "effective in building a solid participant base and in accelerating changes within businesses via 'partnership projects' between companies, NGOs, trade unions and the UN" (Cetindamar 2007). However, recent studies argue that the UNGC has not performed as it might have been expected to do so. Particularly several performance gaps exist in the formulation of CSR by firms that could be argued to align with the 10 principles of the compact by companies (Sethi and Schepers 2013).

While political CSR represents a *voluntary* multi-stakeholder mechanism to engage with external stakeholders, governments in many emerging economies have been making CSR *mandatory* as a means to promote transparency and accountability among members of the business community. Scholars argue that such mandatory CSR improves commitment by businesses and empowers various external stakeholders surrounding businesses (Gatto 2002). However disadvantages of mandatory CSR include increased cost of implementation, procedural complexities and added bureaucracy (Gatto 2002). In the past (i.e. during the 1960s and 1970s) several European countries and the United States adopted laws in CSR reporting. In the 1990s, the Global Reporting Initiative (GRI) was launched to develop reporting guidelines for the 'triple bottom line'—i.e. economic, environmental and social performance (Ioannou and Serafeim 2014). Reflecting the success of mandatory CSR-reporting in developed countries, in the 2000s, several emerging markets such as China, South Africa and Malaysia also adopted mandatory CSR reporting laws. However the 'expenditure' on CSR has remained voluntary. In 2007, Indonesia made an attempt to mandate CSR spending (particularly in the mining industry); however scholars argue that the implementation of this law has been so far been unsuccessful (Waagstein 2011). In 2013, the Indian government too passed a legislation that mandates companies having a net worth of INR 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a turnover of INR 10 billion (approximately 130 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a net profit of INR 50 million (approximately 650 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more during any financial year to spend 2 % of their net profits made in the preceding 3 years on CSR. This mandate has raised several discussions between related policymakers, media groups and business associations in India. Although pragmatists suggest that the CSR law will be ineffective in achieving its core aims, it is rather early to gauge the outcomes of this policy at this point.

In this study, I aim to analyse the Indian participation in the United Nations Global Compact in the pre and post CSR mandate period. By doing so, I aim to contribute in the following ways. First, I aim to contribute to the literature on political CSR by examining the demographics of Indian participants in the UNGC and thereby understanding what profile of participants in emerging nations like India engage in Political CSR. Second, I aim to explore whether the CSR mandate in India is likely to have implications on further UNGC participation by Indian organisations. In the following sections, I first briefly review the literature on political and mandatory CSR and the UNGC. I then provide a descriptive analysis of the Indian participants in the UNGC. This is finally followed by discussion and conclusion, where I discuss the findings and suggest implications to managers and avenues for further research.

2 Motivations for Pursuing Political and Mandatory CSR: Theoretical Foundations

2.1 Firm-Level and Industry-Level Factors

Various firm-level factors influence the adoption of political CSR. Research has suggested that integrating CSR in political discourses requires substantial investment, and therefore firms need to mobilise three types of resources: (1) *Human* (e.g. lawyers, sales personnel and personal relations professionals); (2) *Financial* (i.e. investment in undertaking political activities), and (3) *Political* (e.g. ties and relationships with interest groups, labour unions, media and other organisations such as NGOs). Slack human resources are particularly important to engage with regulatory commissions and gather data on issues concerning policy, or to engage in public affairs activities such as mobilising grassroots towards gaining public support on an issue (Poynter and White 1984). E.g. firms with greater slack resources have been found to establish philanthropic 'foundations' in order to exclusively address social and political issues surrounding the firm. Greater firm resources has also been an important determinant of participating in the UN Global Compact (Bernhagen and Mitchell 2010). Certain industries are also expected to engage in political CSR more than others. Celanese—a global chemical producer aligns its business strategy with local developmental needs, and attempts to create a favourable environment to support its global value chain activities (Zhao 2012). Also 'sin' sectors such as tobacco, alcohol and gambling have been found to invest greater in political CSR (Balbach et al. 2006; Dorfman et al. 2012; McDaniel and Malone 2012). Firms in extractive industries are also major participants of the UN Global Compact (Bernhagen and Mitchell 2010).

Important firm-level attributes that determine political CSR also include resource criticality and dependence on political stakeholders, i.e. firms that are more dependent on socio-political stakeholders for their day-to-day operations (e.g. businesses that supply to the government) have been found to undertake political CSR to a greater extent (Shirodkar et al. 2016). Scholars have also found that multinational companies (MNC) with greater global interdependence are also more likely to engage in political CSR than those that locally focussed within a host-country. This is because at higher levels of interdependence among MNC units, there is the risk that problems encountered by one foreign subsidiary may have a 'domino effect' and can cause serious problems for the MNC's globally integrated operations (Hillman and Keim 1995).

On the other hand, studies have examined similar firm level factors determining mandatory CSR disclosures and reporting; and it has been generally agreed that large firms with greater resources, those that are susceptible to environmental and other social costs, foreign-firms and publicly listed corporations would comply and even exceed the mandatory requirements (Holder-Webb et al. 2009). Yet there is an increasing trend among smaller and medium sized enterprises to comply with mandatory CSR requirements (Perrini 2006). Overall, such "structural pressures" have been argued to affect compliance to mandatory CSR (Haigh and Jones 2006). One study in China suggested that company location factors may also affect compliance to mandatory CSR requirements. In this context, firms from greater developed sub national locations in China (e.g. east coast) were found to be more efficiently complying to mandatory CSR reporting, as compared to firms in other regions (Liu and Anbumozhi 2009).

2.2 Dealing with Governance Issues

One of the key motivations for firms to pursue political CSR has been to achieve 'global governance'. Increasing globalisation and international trade and investment has been argued to render national and international systems of regulations weaker (Scherer and Palazzo 2007, 2011). Particularly, the implementation and enforcement of CSR regulations has not been able to catch up with the growing scale of business activity and their social and environmental impacts in a global context. In this situation, scholars argue, there is need for defining and implementing global rules and providing global 'public goods' through a "multilateral process where governments, international institutions, civil society groups and businesses contribute knowledge and resources" (Scherer and Palazzo 2007, 2011)—much of what the United Nations Global Compact aims to achieve. Global governance calls for voluntary self-regulation by firms that often exceeds national regulatory expectations (especially in emerging and developing countries). One example is the International Standards Organisation's (ISO) 14000 series of environmental management systems. In order to deal with cross-country differences and asymmetries in enforcing environmental regulations strictly, several MNCs adopt this system to self-regulate their polluting activities (Christmann and Taylor 2001). Particularly in emerging markets, where Foreign Direct Investment (FDI) is often induced by governments at the cost of environmental protection (Eskeland and Harrison 2003), adopting the ISO 14000 series enables firms (and particularly MNCs) to minimise their investment in understanding socio-environmental needs at domestic (i.e. specific host country) levels. Adopting globally accepted standards also enables firms to deal with converging social expectations better, and also to shape future policy by sharing knowledge and resources (Zhao 2012).

Mandatory CSR, scholars argue, is likely to bring back greater organisational attention towards national governance models. Since mandatory CSR is based on nation-specific 'hard law', rather than self-regulation-based 'soft law' (Scherer and Palazzo 2007, 2011), corporations are likely to turn to nation-states' expectations on socio-environmental development. Scholars examining the implications of mandatory CSR reporting (with respect to governance issues) suggest that such mandates have enabled business leaders to understand local stakeholder issues more clearly, and manage their intermediaries better (Ioannou and Serafeim 2014). Mandatory CSR reporting has also been argued to minimise bribery and implement ethical practices across value chains in Malaysia and South Africa (Ioannou and

Serafeim 2014). Research in China also suggests that mandatory reporting of CSR has reduced information asymmetries, leading to reduced transaction costs for MNCs doing business in China (Hung et al. 2013).

2.3 Enhancing Legitimacy and Reputation

Several studies have examined the role of political CSR in gaining strategic advantages such as legitimacy and reputation. The ‘corporate citizenship’ literature (Matten and Crane 2005; Matten and Moon 2008) argues that when the government fails to efficiently provide necessary good and services (such as education and healthcare to citizens), firms can provide these goods, and in return, gain access to multiple stakeholders such as government officials and NGOs. Recent studies have theoretically examined the possibilities of reputational benefits of aligning CSR activities with government affairs activities (and other corporate political activities) such as lobbying (Hond et al. 2014). Empirically, studies within the tobacco industry provided early evidence of the advantages of political CSR. British American Tobacco, for instance, was able to neutralise opposition to their products among various stakeholders by engaging in philanthropic activities that were used to gain access to stakeholders such as labour unions, minority groups and policymakers (Fooks et al. 2011, 2013). Within emerging markets such as China and Russia, Zhao (2012) found that businesses that aligned their CSR activities with local governments’ capacities in developing socio-environmental programs gained direct incentives and subsidies from the government.

On the other hand, based on studies examining the impact of CSR reporting in Europe, scholars have suggested that compliance to mandatory CSR reporting laws have improved firms’ reputation (Fombrun 2005), because by reporting CSR, firms are able to satisfy the interests of various stakeholders surrounding the firm (particularly employees and customers). Scholars have suggested that the terms legitimacy and reputation have been used interchangeably in studies on the link between CSR reporting and reputation (Bebbington et al. 2008). However the common benefits of legitimacy and reputation are likely to diverge when CSR ‘spending’ is mandated. Analysing the mandatory CSR law announced in Indonesia in 2007, it is argued that companies’ ‘voluntary’ CSR activities would be likely to be associated with greater reputation, however the ‘mandatory’ needs would be likely to be satisfied by corporations only as a means to appear legitimate, and to gain political benefits (Waagstein 2011). Thus mandatory requirements may increase costs to firms in maintaining legitimacy, while voluntary activities would likely continue to benefit firms’ image and reputation. Thus in the advent of mandatory CSR laws, companies, in order to improve or maintain their reputation would be likely to continue to adopt voluntary initiatives that exceed mandatory requirements.

3 The United Nations Global Compact (UNGC)

The UNGC, launched in July 2000, was UN Secretary General Kofi Annan's idea of dealing with global socio-ethical and environmental issues by developing a broad network of participants, such as companies, trade unions, social organizations, foundations, NGOs and governments. The UNGC's 10 principles were derived from the Universal Declaration of Human Rights (UDHR), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development.

The 10 Principles of the United Nations Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The UNGC has attracted widespread academic attention since its establishment, with novelty lying in introducing the 'principles-based' initiative to stakeholder management, rather than the pre-existing 'reporting' initiatives such as the GRI, or the 'certifications' based initiatives (e.g. ISO 14000 and SA 8000). Differently, the 'principles' based initiative does not reflect a set of regulations against which compliance can be verified and measured (Rasche et al. 2013). The UNGC has been argued to enhance compliance via 'learning and arguing' (Rasche et al. 2013).

Here, the UNGC effectively offers a platform to discuss how global stakeholder expectations can be effectively satisfied via CSR mechanisms in specific local contexts. This is facilitated by the UNGC's 'Local Networks' that cluster participants at a local level in order to discuss country or regional level stakeholder expectations. Although participating companies in the local network are not obliged to comply with the UNGC's principles, they are likely to imitate each others thinking that 'not copying' will render them less legitimate within the group (Perez-Batres et al. 2012). Such decentralisation (i.e. via the idea of local/regional networks) has been expected to increase the willingness and capacity of actors to voluntarily comply with the UNGC's principles.

With regard to accountability, UNGC participants are required to submit a Communications on Progress' (CoP) report, which details how the participant aligns with the 10 principles. Repeated failure to produce these reports may cause a participant to be delisted. These reports are publicly available on the UNGC website, and this allows media, academics and the public to review reports and identify potential inconsistencies. However, despite the success of the UNGC's idea of promoting a 'principles' based initiative to stakeholder management, it has also been subject to criticism. Most critics suggest that participants' reports (particularly those of companies) are not actually verified as to whether their reported CSR activities align with the UNGC's principles (Sethi and Schepers 2013).

4 Analysis of the Indian Participation in the United Nations Global Compact

Indian participation in the UNGC has been increasing since its inception in 2000. Currently 533 Indian organisations have signed up to the UNGC. Given that the total number of participants is 21,302 as of March 2016 (Compact 2016), the Indian participation could be considered as relatively low. Figure 1 describes the Indian participation in the UNGC based on the type of organisations. It can be noted that organisations classified as 'companies' and 'small and medium size enterprises' (SMEs) constitute a major participation with 148 companies and 152 SMEs. An exhaustive list of Indian companies participating has been provided in the Appendix F. A significant number of participants also include Global and Local NGOs (126), academic institutions (39), foundations (21) and micro enterprises (32).

The UNGC identifies 35 categories of industries that organisations may belong to. Figure 2 provides the distribution of Indian participants by industry/sector. It can be noted that the 'general industrial' sector comprises of the most number of participants. This mainly includes the manufacturing sector, indicating a strong participation by manufacturing companies. This is followed by 'software and computer services', and 'support services' and 'technology and hardware equipment' indicating a commitment to sustainability in the services sector.

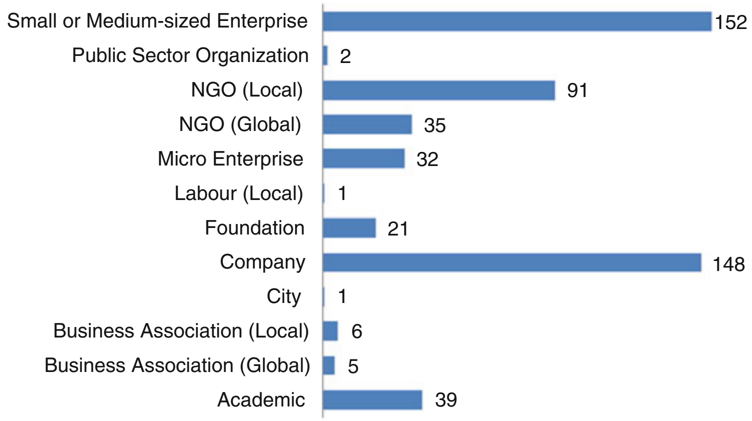

Fig. 1 Indian participants in the UNGC by type of organisation

A significant number of participating companies also belong to 'industrial metals and mining', 'industrial engineering' and 'construction and materials' companies. Finally a considerable number of Indian company participants also belong to the 'chemicals' and 'oil and gas' sectors.

In Figs. 3 and 4, I analyse the participating companies by the city in which the company is located within India, and the age of the company since its year of incorporation.

Information about company location and age was derived by matching Indian company participants in the UNGC with Bureau Van Dijk's ORBIS database. The ORBIS database provides company information of about 10 million companies worldwide. I searched for each participating company in ORBIS in order to identify the location and age. I found the location details of 136 out of the 148 participating companies in ORBIS. I found the year of incorporation (in order to calculate the age) of 131 out of the 148 participating companies in ORBIS. ORBIS provides a reliable source for analysing firm-level data, and has been used in several academic studies. The location analysis (Fig. 3) above shows that the Indian companies participating in the UNGC are diversely located, although a significant number of participating companies are located in Mumbai, New Delhi and Bangalore.

Figure 4 shows the analysis of participating companies by age. It can be seen that a majority of companies are less than 60 years old. In fact 15 % of the participating companies are 0–9 years old, 23 % of the companies are 10–19 years old, and a further 20 % of the participating companies are 20–29 years old. This indicates an increasing trend among newer companies (as compared to older, well established companies) in joining the UNGC.

Finally, Table 1 provides the year-wise distribution of participating companies. I divide the timeline into four stages. (1) Stage one is the pre-mandate period. This is prior to 2009 when there was no reported news about the CSR mandate; (2) Stage two is the period 2009–2010 when the CSR bill was proposed in the draft Companies Bill. At this stage, the CSR clause was voluntary, although it was mandatory to

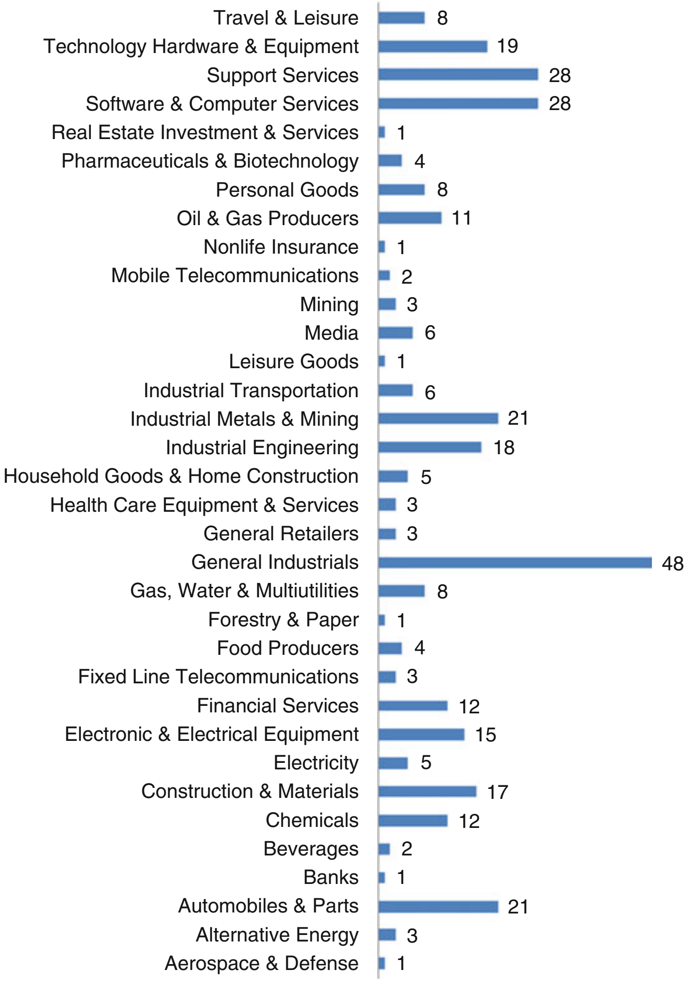

Fig. 2 Distribution of Indian participants by industry sector

report CSR activities to shareholders; (3) Stage three is the period between 2011 and 2013 when the government passed a revised bill in the Indian parliament i.e. the Lok Sabha and the Section 135 of the Companies Act, 2013 was passed by the judiciary. (4) Stage four is 2014 (April 1st) onwards when the law had come into effect.

Table 1 shows that pre-2009 (i.e. prior to announcement of CSR policy) there were in total 232 Indian participants in the UNGC. Pre-2009 also shows a period of cumulative growth in the number of Indian participants. Since 2009 till date, overall 301 Indian organisations have joined the UNGC. Thus it can be seen that there has not been a net decrease in the overall Indian participation in UNGC between 2009 till date. It is also worthwhile to note that during 2010, when the CSR law was

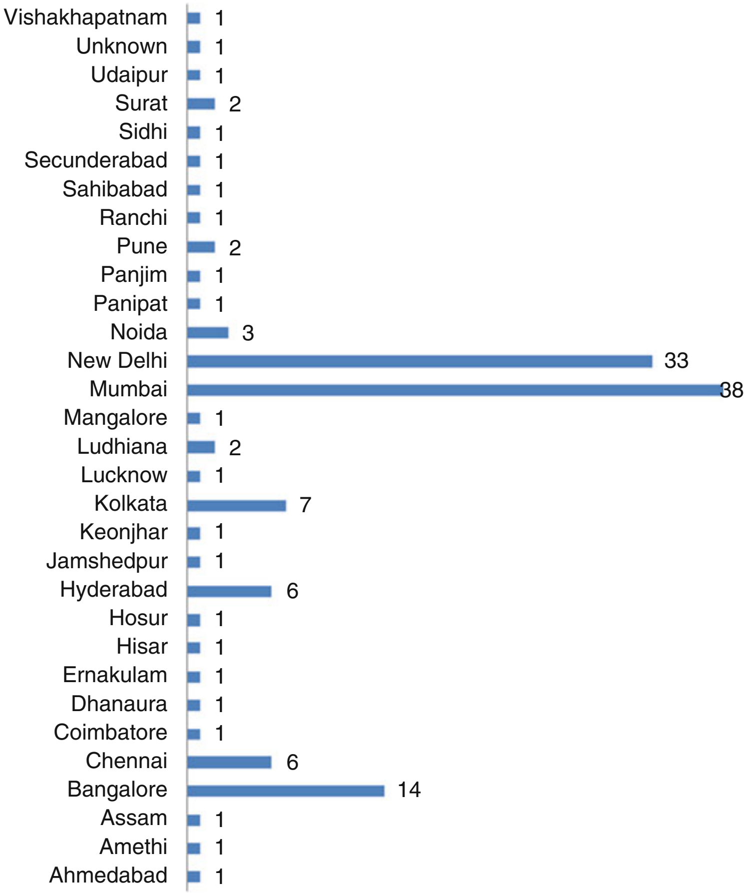

Fig. 3 Distribution of Indian participating companies by location

proposed in the draft Companies Bill, 70 new Indian organisations joined the UNGC (the highest in any year). Also during the 'policy discussion and revision' stage (i.e. between 2011 and 2013) 137 new Indian organisations joined the UNGC. However, post 2013 (since April, 2014 to February, 2016), the number of Indian participants has been cumulatively reducing. i.e. only 68 new Indian organisations joined the UNGC.

However, among Indian 'company' participants, pre-2009 there were in total 96 Indian companies that participated in the UNGC; and post 2009 till date, the number of companies joining the UNGC is 55. Thus there is a net decrease in the number of participating Indian companies during the post-announcement period. This trend indicates that Indian companies are likely to move away from global multi-stakeholder initiatives towards a greater focus on India-specific social and environmental issues. Infact, it is worthwhile to note that between 2009 and 2013, when the CSR policy was being discussed and revised, several new companies

Fig. 4 Distribution of Indian participating companies by age

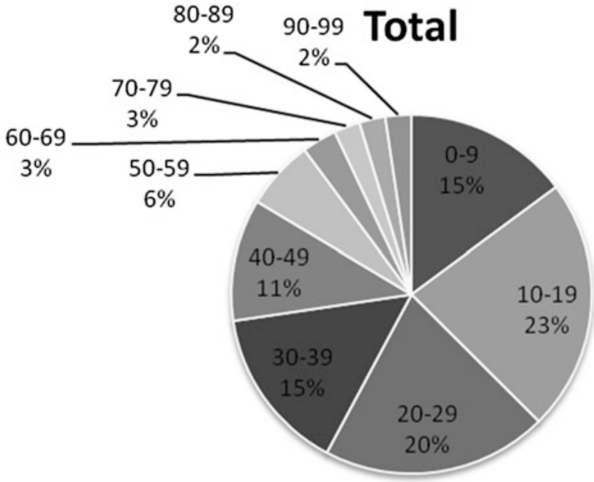

Table 1 Distribution of Indian companies and SMEs by the year of joining the UNGC

Year of joining	Stage of CSR policy	All Indian participants	Indian company participants	Indian SME participants
2000	Pre-mandate period	3	3	0
2001		52	28	0
2002		20	14	2
2003		15	2	3
2004		9	2	4
2005		10	9	0
2006		21	15	2
2007		53	10	38
2008		49	13	24
2009	CSR Policy proposed in the Draft Companies Bill	26	2	5
2010		70	15	13
2011	CSR Policy being discussed and revised in the parliament (i.e. Lok Sabha)	47	14	17
2012		50	6	14
2013		40	5	9
2014	Post-mandate period (since 1st April, 2014)	35	4	9
2015		26	6	9
2016 (until February)		7	3	3
Total		**533**	**148**	**152**

joined the UNGC. However the general participation by Indian companies in the UNGC has remained low. A close examination of the Indian companies (see Appendix F) shows that several participating companies are owned by the Government of India or affiliated to Business Groups (e.g. the Tata Group).

Among SME participants, pre-2009 there were in total 73 Indian SMEs that participated in the compact; and post 2009 till date the number of SMEs joining the compact was 79. Thus there has been a net increase in the number of participating Indian SMEs since 2009 when the CSR expenditure mandate was announced. The number of new SMEs joining the UNGC has also cumulatively exceeded the number of large corporations joining the UNGC, particularly in the post-2009 period. This shows an increasing commitment by SMEs towards engaging in political CSR.

5 Discussion and Conclusion

Overall the findings show an increasing commitment to political CSR among Indian organisations by way of participating in the UNGC. The analysis shows that, over the years, various types of Indian organisations joined the UNGC in order to discuss issues in a multi-stakeholder forum. Companies and SMEs form an important participants among the various types of organisations joining the UNGC. A closer look at the Indian industry participants shows that firms involved in international business activities such as exporting products (via manufacturing in India) and services (e.g. Information Technology and support services) to international vendors form a significant number of Indian participants. Those involved in extractive and polluting industries such as oil, chemicals, mining and construction also form a significant participation. This is in line with theory on the firm level determinants of political CSR. The Indian participation also shows an increasing participation by SMEs and newly established companies, who could be argued to have lesser resources to engage in political CSR, although theory suggests that smaller and newer companies are likely to engage in CSR due to reputational and legitimacy advantages (Perrini 2006). The Indian company participation also shows that UNGC participation is also important among firms that need to maintain their legitimacy and reputation and contribute to better governance by influencing policymaking (Shirodkar et al. 2016). This is demonstrated by a significant number of government-owned companies and those affiliated to business groups participating in the UNGC. Some company examples also additionally demonstrate the growing value added by UNGC participation—e.g. SABMiller India, a brewing and beverage company who recently collaborated with Neemrana Industries Association to promote dialogue with local industries that aims to reduce groundwater consumption, so that more groundwater would be available to local farmers (Compact 2016). This initiative attracted participation by more than 200 farmers and various companies involved in groundwater extraction. In another case, an Indian UNGC participant—Multi Commodity Exchange (MCX)—a company established in 2003 and holding 85 % of the share for commodity futures market in India (by 2009) reports that by building local and international alliances, it has been able to address the 10 principles of the UNGC, and also become a market leader within 5 years of its operations. MCX also undertakes several self-regulation programs such as certification of the ISO 14000 series to adopt globally recognised environment management systems. For a full report, see MCX's CoP report (Compact 2009).

The findings also show some likely linkages between Political and Mandatory CSR. It is seen that since the Indian government suggested the mandatory CSR policy in 2009, the number of company participants in the UNGC has been reducing. One could therefore interpret that the CSR mandate could reduce firms' investment in political CSR in general. The reasons for this could be several, and warrant further theoretical and empirical investigation. However one likely reason could be related to the overall resources available to businesses in investing in political CSR. Since both political (voluntary) and mandatory CSR demand resource investment, it could be argued that firms would primarily invest resources to comply with the government's mandatory CSR expectations, and the investment in voluntary political CSR would be secondary. Yet, it could also be argued that firms depending on global legitimacy and reputation (e.g. exporting firms) will continue to join the UNGC, and thus pursue both voluntary and mandatory CSR initiatives. One could also account for the possibility and opportunity (in some industry sectors) that the expenditure incurred in joining the UNGC and aligning the firms' business activities to the UNGC's principles could be linked to mandatory CSR expenditure.

Overall, this study has several implications for managers in India. India has also been one of the few countries where there has been increasing government support for NGOs and Civil Society Organisations (CSOs) engaged in socio-economic development. Although philanthropy used to be previously considered as the key reason for engaging in CSR, today, there is an increased importance of the role of CSR in developing better relationships with key stakeholders, such as employees, customers, shareholders and local communities (Shrivastava and Venkateswaran 2000). In a recent survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), 95 % of the companies reported that their CSR projects were aligned with the development initiatives of the Indian government (Business-Standard 2016). This prevalent movement away from a passive philanthropy by Indian companies towards resolving social issues (through their CSR programs) and developing improved corporate reputations and stronger ties with the local community has been facilitated through 'multi-stakeholder initiatives' (or MSIs) such as the United Nations Global Compact, and leading industry/trade associations, such as the FICCI in close collaboration with the government (Gautam and Singh 2010). At the same time, in India, the exploitation of family and political connections in order to gain political benefits (such as exclusive licenses, contracts, incentives etc.) is being increasingly linked to corruption. In the past years there has been a strong movement towards anti-corruption that has been supported by various non-governmental organisations and news channels. Engaging in Political CSR via multi-stakeholder initiatives such as the UNGC may simultaneously enable companies to gain important intangible resources such as goodwill and reputation, while enabling them to lobby the government in ethical manners. The new CSR legislation brings forward new challenges. In the forthcoming years, companies would have to engage in making sense of the government regulation alongside relevant stakeholder groups (e.g. managers, employees, NGOs, consultancies, community groups, suppliers etc.). The new law may cause disruptions in existing CSR practices among firms and could be expected to result in ambiguity and uncertainty.

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Part II
CSR Mandate and Its Implementation

CSR Implementation: How It Is Done in India

Bhaskar Chatterjee and Nayan Mitra

> *It is not enough to have a vision, the vision needs to be converted into hardcore reality.*
>
> —Dr. Bhaskar Chatterjee

Abstract The CSR mandate was passed under the Companies Act, 2013; however, India Inc. faced great challenges in the transition and in the initial period of its implementation: How does a Corporation organize itself to shoulder this responsibility? Who are its partners? How to choose credible partners? What were the qualifications expected from the people who did CSR?

All these concepts needed to be worked out, sorted. CSR, with the passing of the mandate, came to the 'Boardroom from the backroom', that required professional intervention. This paper, seeks to understand the various dynamics of CSR implementation, as put forward by the mandate, from an exclusive interview of Dr. Bhaskar Chatterjee (B.C), the man who was instrumental in incorporating it.

Keywords Foundations • Non-governmental Organization (NGO) • CSR vertical • Implementation Agency Hub • CSR professional • Indian Institute of Corporate Affairs (IICA) • National Foundation of CSR (NFCSR)

1 Introduction

Corporate Social Responsibility (CSR) implementation has always been a subject of great debate in India. The Wanchoo Committee (The Direct Taxes Enquiry Committee), 1971, in India, quoted a study of 75 trusts (of which 62 were charitable) by the Department of Company Affairs (1970), where it showed that the

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business houses creating the trusts had mostly appropriated the trust funds for their own businesses (Sundar 2013).

Later, in her studies, Sundar (2013) observed that by 1990, companies had begun to engage with the community in one of the several ways: directly though company departments; through owned foundations; either partnering with non-Governmental Organizations (NGOs) for particular projects, or giving them outright grants to carry out certain activities; forming partnership with government; philanthropy (donations on request to individuals or organizations; sponsorships; establishment of mega institutions for public causes; personal philanthropy of owners and leaders).

Das Gupta (2012) noted that a way of overcoming uncertainties of how to develop efficient ways of implementing CSR is through collaboration with other companies with similar objectives which can be facilitated by CSR associations or collaboration networks. Afsharipour and Rana (2013) in their comparative study of the implementation of CSR concepts and practices between China and India noted that both suffer from institutional enforcement weaknesses, and corruption and a lack of transparency. However, they also noted that India appeared to be moving forward in comparison to China in that it is ‘implementing legal reforms in the CSR arena more quickly and more broadly than China’.

This is apparent from the passing of the CSR mandate under the Companies Act, 2013. Although, faced with initial resistance and flutter during the transition period regarding the implementation mechanism of the CSR mandate, the rules clarified under Section 135, Ministry of Corporate Affairs (India) Notification on February 27, 2014 clearly stated that the Board of a Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise. It also provided that in case, the trust, society or company is not established by the company or its holding or subsidiary or associate company, they must have an established track record of 3 years of undertaking similar programs or projects. However, the company needs to specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

It further clarified that Registered Trust would include Trusts registered under Income Tax Act of India 1956, for those States where registration of Trust is not mandatory. Infact, contribution to Corpus of a Trust/Society/Section 8 Companies etc. will qualify as CSR expenditure as long as (a) the Trust/Society/Section 8 Companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act (Appendix C).

A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

However, the law also provides that the CSR projects and programs or activities undertaken in India only shall amount to CSR Expenditure and that any project,

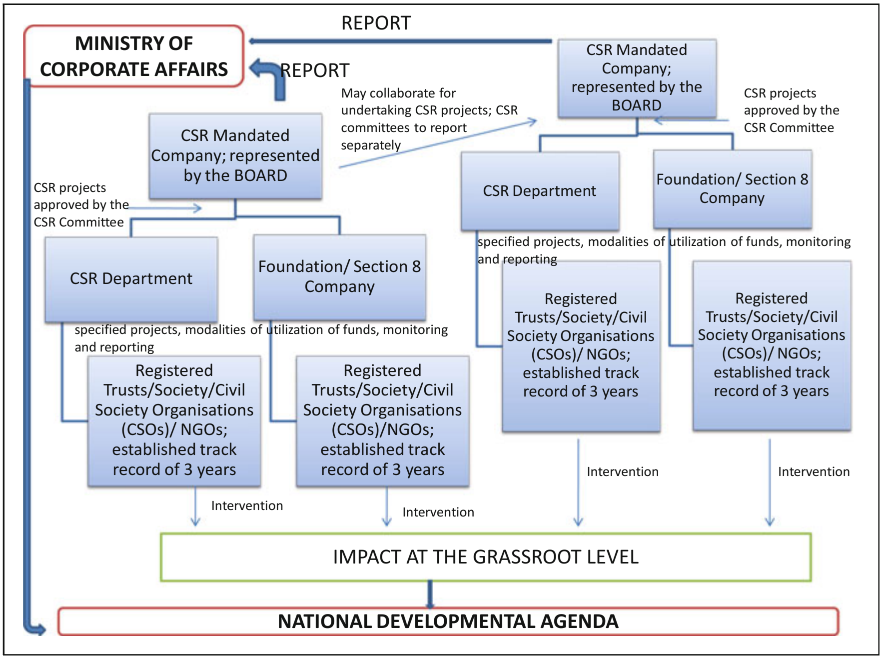

Fig. 1 CSR implementation in India as mandated by the law and how it affects the national developmental agenda

program or activity undertaken in pursuance of its normal course of business; or, that benefit only the employees of the company and their families; or, contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.

Having laid down the macro rules of CSR implementation (Fig. 1), the understanding of the dynamics of the micro rules, are explained in the words of Dr. Bhaskar Chatterjee, the Director General and Chief Executive Officer (CEO) of the Indian Institute of Corporate Affairs (IICA), the institution at the forefront of the CSR initiative of the Government of India—being the think-tank as well as the arm of dissemination of its Ministry of Corporate Affairs and has a role of considerable significance to play; as well as the man who is credited to be the formulator of the Mandate.

2 CSR Implementation: Exclusive Interview of Dr. Bhaskar Chatterjee (B.C)

B.C: “*Let us say, you are a very large corporate and you want to do your CSR work professionally. How can you implement your CSR project?*”

"One good way would be that, you create a CSR vertical within the company, which sees all of the CSR work. The Head of the CSR vertical reports to the CSR committee of the Board, thereby, ensuring good monitoring, efficient application of the mind, good assessment of the ongoing project by project.

If that is difficult for you to do, because, in this case, you will have to invest in a new human resource, a whole new department; the easier or softer option is to create a 'Foundation!' In the latter case, you are putting 4–6 people into that Foundation, where, the CSR money of the company is being sent.

But, now comes the real question: Say, you are the head of that Foundation and you realize that your budget for the current year is about (Indian Rupees) INR 200 million (*approximately 2.6 million euros @ 1 INR = 0.013 euros; as on February 12, 2016*). What will you, as the head of the Foundation, do? *There are six of you sitting in a room and you have a INR 200 million budget, how will you spend it?*

Either way, you will work in the same way. You are just the tracking mechanism for the company; for the funds that came to you and the funds that you gave to different implementing agencies; then, come to the Board and report. So, the Foundation is not doing the CSR activity hands-on; they are sitting in the Company's Head Office and monitoring the activities.

It is their partners, who are working at the grassroots level. However, one of the major issues faced by the Companies is to choose the right partner! India has about *3.3 million NGOs*. But, majority of the NGOs, so far, lack a certain amount of professionalization. That is the nature in which the NGO sector in this country has evolved; we cannot blame anyone. Another question, that has arisen, again and again is the problem of plenty. With *3.3 million NGOs in a country, with 16,237 companies mandated to report on CSR spent, with an approximate amount of INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) in each year, how do you select the NGOs? What is the best fit? Who are the credible NGOs?*

So, the IICA has brought out the Implementation Agency (IA) Hub (Fig. 2), to generate a database of implementation partners with information about their geographical presence, area of work, previous projects executed; generate a database of agencies conducting baseline surveys, impact assessments and social audits; initiate a continuous online registration process of implementing agencies and other agencies; take concerted steps for the training and development of comprehensive skill enhancement of Trusts/Society/Section 8 Company/Foundation/Civil Society Organisations (CSOs)/NGOs operating within India; organise regular meets of NGOs/Implementing agencies and Corporates on national and international levels; facilitate the IAs to showcase their work. In the first year, the CSR IA Hub has prepared a list of 114 NGOs after due diligence. These NGOs are verified from *six ministries and four departments in the central government*.

But, now the question is: '*How to professionalize them? What kind of capacity building is required?*' Once the NGOs begin to interact with the corporations, they will need capacity development. You ask the NGO, '*I am going to give you ten million of Indian rupees this year, so tell me what is your competence? What is your*

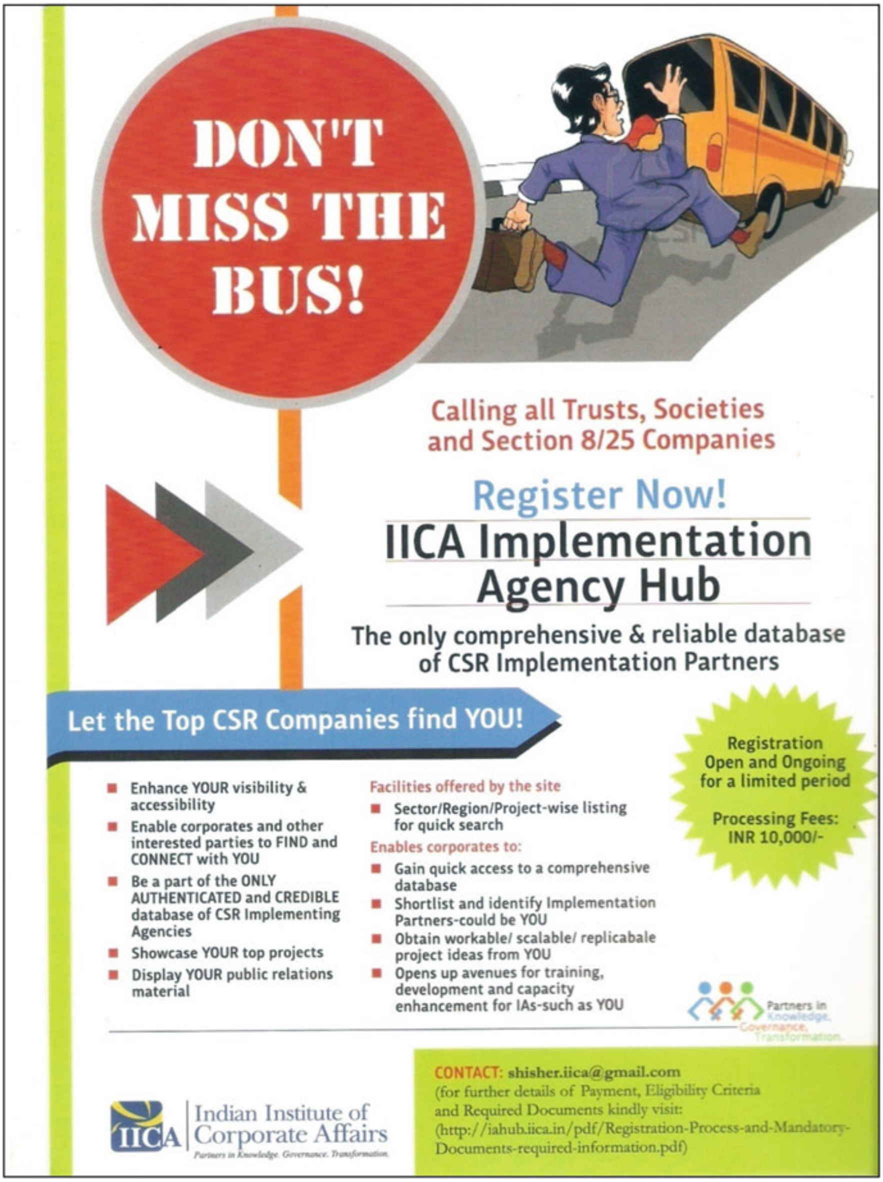

Fig. 2 The IICA Implementation Agency (IA) Hub Brochure

capability? What is your track record? What will you do with my money? How will you show me progress?'

Now the NGO needs to know: how to present itself before the corporate; show them their accounting system; financing system; their work; credibility; modus operandi of work; professionalization! So, now the NGO world is suddenly beginning to get itself professionalized and stepping into the formal domain because now they have the chance, they have been waiting for all their lives.

Whatever, be the implementation strategy adopted by the Company, the crux of the matter is that: CSR projects need to be reportable. It has to fall into the 8-column 'Format for the Annual Report on CSR Activities to be included in the Board's Report' template (Appendix E), as put forward in the Companies Act, 2013. The template is very simple but rigorous; when the Companies fill it up and send it, then, there is not much chance of fudging things that they have not done. This reporting is mandatory. The law, as it is framed today, is based on the principle of "comply or explain". This means that a company should spend 2 % of its average net profits made during the three immediately preceding financial years on CSR projects and programs. If in a financial year, it does not do so, it is called upon to provide an "explanation" on its website and also in the Annual Director's Report. Quite clearly, this provides accountability since, before the public at large, the company has to provide a credible explanation for the shortfall. The explanation provided is entirely the company's choice. Government does not stand in judgment on the quality or the validity of the explanation.

However, if the company fails to comply with the 2 % norm *and also fails to provide any explanation*, then it stands be held accountable under Section 134 of the Companies Act, 2013 which provides for stringent punitive measures.

Yet another aspect of CSR implementation is: *Whom will you select to do CSR? Will you select a marketing man or a finance person or HR person?* But, if you say—'I want only a CSR person.' *Where will you find the CSR person? What should be the qualification of the person? When you go to the market and hire a marketing professional, what do you ask that person? "Where did you do 'marketing' from?"* He/she names the Institute; he/she shows his/her diploma or degree, and, then you hire. If you are trying to hire a CSR person today, *where would you find that person?*

So in the IICA, we have started a nine months professional course which is completely on-line; which now enables the 'CSR profession' to come into the market so that a pool of CSR Certified professionals are created. So, with the passage of time, when CSR will grow, when the Foundations are looking for people, the pool of CSR professionals will be ready."

> The National Foundation of CSR (NFCSR) was established at IICA in 2012 to be the apex national institution that aims to build an enabling environment for the corporate sector to work in partnership with the government, non government and civil society organisations for effective contribution towards sustainable growth and development. It offers the following facilitation and Services: learning and Development (People); CSR Training Services; (Bombay Stock Exchange) BSE IICA CSR Index; metadata on CSR: (Information); CSR Implementing Agency Hub (Partners); documentation, assessment and evaluation, advocacy and dissemination and research (Projects & Implementation); Centre of Excellence for Sustainable Development (CESD) (IICA 2015).

3 Conclusion

Thus, under the given circumstances, a new implementation model of CSR is emerging through the development of strategic partnerships between the Government, NGOs and Corporates. This model, is expected to allow sophisticated analyses of the national problems, create solutions by combining different projects that complement and supplement each other and create scale for a holistic national development agenda in the years to come. The IICA, in its effort, to nurture a vibrant CSR environment in India is empowering the organization by streamlining its CSR implementation framework, assisting it in building up strong networks and collaborations (through the IA Hub), thereby bringing about a larger conducive, enabling environment of multistakeholder co-creation.

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Time to Think Fresh: Innovative Models; Mass Impact Solutions

Sridhar Iyer

Abstract The passing of the CSR mandate in the Companies Act, 2013 has brought about a unique opportunity before organizations in India to innovate on models that can impact at scale, yet be frugal in terms of costs and yet bring about speed and rigour in implementation. Some of the opportunities include but not limit to enrolling children from financially deprived families in private schools by making use of the 25 % quota under the Right of children to Free and Compulsory Education (RTE) Act, 2010; improving the learning levels in the government schools by making the government system the principal stakeholder in the intervention or; by empowering Women Federations in rural India to make them self-sustaining. This paper seeks to critically analyze and explain these unique opportunities for the Indian corporations through high impact, high return innovative models, that can successfully unleash the true potential of India. These same models can be replicated in other sectors like health, nutrition and so on.

Keywords Self-sustainable • Women federations • Right of Children to Free and Compulsory Education (RTE) Act 2010 • Improving learning • Government schools

1 Introduction

The implementation of Section 135 of the Companies Act, 2013 is expected to contribute nearly Indian Rupees (INR) 200 to INR 250 billion *(approximately 2.6–3.2 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per year by Indian companies. This can be a potent force multiplier if companies choose to deploy it in areas where the government has not been as effective and more importantly, contribute not only money, but also bring in their expertise in implementation. Infact, that has been one of the most important agendas of introducing the Corporate Social Responsibility (CSR) mandate in the Companies Act, 2013. The CSR spends being only a fraction of what the central and state governments

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spend on various social initiatives, organizations, also need to inject fresh and out of the box thinking into the sector. Conventional solutions, beyond a feel good factor will not help to make even a small impact. Therefore, there is a pressing need for models that are:

a) Low cost but ensures quality
b) Replicable at scale
c) Have a rigid frame for implementation
d) Self-sustainable

Keeping these parameters in mind, let us take the Case Study of the projects supported by the Ernst & Young Foundation (EY(F)). Established in December 2004, EY(F) is a not-for-profit organization engaged in community oriented initiatives. It seeks to provide financial and management support to community projects to benefit the underprivileged. EY India contributes 0.5 % of the firm's revenues to the EY(F)/Charities. While, the focus areas include empowering entrepreneurs, supporting education and commitment to environment; the Foundation is also committed to providing aid and relief during times of natural calamities.

2 Models of EY(F)

A few models that the EY(F) has been supporting or has initiated support are as follows. Each of the models have been broken down into the description of the situation, the intervention and finally, the analysis of the impact to provide deep insight into the above-mentioned parameters of each of the models.

2.1 Enrolling Children from the EWS in Private Schools by Making Use of the 25 % Quota Under the Right of Children to Free and Compulsory Education Act (RTE) Act, 2010 (Appendix G)

The Situation The Annual Status of Education Report (ASER), 2014 (ASER Report, 2014) states:

i) Of all children enrolled in Class 5, about half cannot read at Class 2 level.
ii) Half of all children in Class 5 have not yet learned basic skills like subtraction that they should have learned by Class 2.

Without being able to read well, it is clear that a child cannot progress in the education system. Moreover, the percentage of children enrolled in private school in rural India has risen from 18.7 % in 2006 to 30.8 % by 2014 and has shown a continuing rising trend (ASER Report, 2014). This is indeed a situation of great concern.

Though the reading levels in Class 5 in private schools too are also not high, the gap in reading levels between children enrolled in government schools and private schools seems to be growing over time (ASER Report, 2014). If one analyses, the shift from government schools to the private school system, are primarily two:

- the perception that government schools are not conducive for learning with many schools facing teacher shortages which in turn prompts parents to enrol children in private schools the moment there is a rise in household income;
- the perception that proficiency in English is the magic wand to help pull their families out of poverty. Since most government primary schools i.e. from Class 1 to Class 5 have the state language as the primary medium of instruction, parents prefer to enrol their children in private schools which have English as the primary medium of instruction from Class 1 itself.

As per the RTE, every private school has to reserve 25 % of the new admissions in Class 1 for children from the economically weaker sections (EWS) of society. The concerned state governments are responsible for reimbursing the private schools the fees payable for every child enrolled under this 25 % quota. The reimbursement would be the lesser of the actual school fees or per child expenditure incurred by the state. This reimbursement would be available for 8 years i.e. from Class 1 to Class 8.

As per the State of the Nation Report, 2015 there is an opportunity to enrol nearly 2 million children in private schools each year, or 16 million over the next 8 years. This means that at the end of 8 years, there would be a perpetual cycle of 16 million children enrolled in private schools taking advantage of the 25 % quota provided under RTE with 2 million children passing out of Class 8 being replaced by a fresh batch of 2 million being enrolled in Class 1. This estimate of 160 million children does not factor the potential to enrol a higher number of students since the rising trend of private schools would automatically translate into higher number of seats available under the RTE quota.

The report goes on to state that in 2013–2014, roughly 0.6 million seats were filled out of approximately 2.11 million seats available nationally under Section 12 (1)(c) (Appendix G) (State of the Nation Report, 2015), resulting in a fill rate of 29 %.

In 2013–2014, out of 206 thousand private unaided schools with Class I, approximately 45 thousand schools had reported at least one admission under Section 12 (1)(c) i.e. only 22 % of the private unaided schools have participated in this process (State of the Nation Report, 2015).

Intervention An effort in this direction was initiated in 2013 in Delhi by Indus Action Initiative (Indus Action), a not-for-profit (NFP). Indus Action expects to help enrol close to 6 thousand students for the academic year starting 2016, admission forms for which have already been submitted. They are also planning to expand this program to three more cities in 2016 and seven more in 2017. The initial costs in a new city tend to be higher in the first 2 years primarily because the biggest cost are team costs which are more or less fixed while the initial enrolment numbers would be lower due to lack of awareness among the financially deprived.

The model now ensures a cost of not more than INR 2500 *(approximately 32.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per child enrolled by year 3 of initiation of a fresh location. This cost includes not only the enrolment costs but also the costs of a school readiness program. The modus operandi of such a model has been detailed below:

Modus Operandi of the Indus Action Model:
Step 1

a) *Helpline Support* which address the queries that families have regarding eligibility, rules, regulations and procedures, deadlines, documentation process, schools seats' details, etc.
b) *Distribution of Pamphlets* to disseminate information. Anganwadi[1] workers and local people (friends and relatives) are next best channels of information dissemination. Though, television (TV) is a mass channel and has been an effective source of identification of eligible families, it has the tendency to reach out to ineligible families as well and hence slows down the process at the organization's end (Anganwadi 2011).
c) Have access to a *compiled/access of database* of schools clearly listing all schools along with their seats availability information. This could help strategize the campaign and tracking very effectively.

Step 2

a) **Advocacy for End-to-End Management Information System**: The current model of decentralized admission process is extremely time and cost intensive. It is also very vulnerable to eligible families being denied participation in admission process in various ways.
b) **Decoding Grievance Redressal Mechanism**: Indus Action receives thousands of grievances during admission cycle. These include denial of admission forms, lack of transparency in Lottery (for giving away of forms; or interview calls) and even the harassment of the children and their parents. Therefore, a robust grievance redressal mechanism needs to be put in place to handle these instances effectively which restores faith of

(continued)

[1] 'Anganwadi' meaning "courtyard shelter" in Hindi, is a government sponsored child-care and mother-care centre in India, catering to children in the 0–6 age group. They were started by the Indian government in 1975 as part of the Integrated Child Development Services (ICDS) program to combat child hunger and malnutrition. The Anganwadi system is mainly managed by the Anganwadi worker. She is a health worker chosen from the community and given 4 months training in health, nutrition and child-care. She is in-charge of an Anganwadi which covers a population of 1000.

the common man in the public institutions and acts as a deterrence for subsequent violations.

c) **Coalition Building:** a combination of Direct Beneficiaries, Community Outreach Organizations, Media Partners, School Based Organizations and Volunteer Based Organizations plus collectives of potential beneficiaries, be they '*safaikaramcharis'* (sweepers) union, auto drivers' union and Anganwadi workers.

Step 3

Setting up of summer camps: to ensure that both the parents and children are sensitized on what they would need to adapt to the new environment where the children would mingle with children from well to do families as also the faster pace of learning in private schools. Enrolling a child in a school only for the child dropping out a little later due to its inability to cope with the new environment is counterproductive.

Analysis *This one time investment of INR 2500 per child (approximately 32.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016) can result in a saving of up to INR 128,000 (approximately 1664 euros @ 1 INR = 0.013 euros; as on February 12, 2016) for a family over a period of 8 years (INR 16,000 × 8 years) as the fees would be reimbursed directly to the school by the respective state government. This translates into a return of upto 51.2 times the original investment of INR 2500 on the child.*

Therefore, by investing INR 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or 2.5 % of expected annual CSR spends consistently over 8 years, there is an opportunity to tap INR 256 billion (approximately 3.3 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) of government funding support on an annual basis (128 % of expected gross annual CSR spends by corporates) and at the same time ensuring that 16 million children from economically weaker sections of society have a chance to access relatively better education, as explained in Table 1.

This could be a unique opportunity for companies to replicate and/or fund the model in the cities/towns where they have a strong presence and help faster scaling up of the model.

Table 1 The mathematics of sending children from economically challenged backgrounds to private schools

No. of children enrolled in private schools under the 25 % RTE quota	Total cost @ INR 2500 per child (INR[a])	Potential reimbursement by government per year @ INR 16,000 per child per annum (INR[a])	Potential reimbursement by government over 8 years (INR[a])
1	2500	16,000	128,000
2 million	5 billion	32 billion	256 billion
16 million	5 billion per year (over 8 years)	256 billion	–

[a]@ 1 INR = 0.013 euros; as on February 12, 2016

2.2 *Improving the Learning Levels in the Government Schools by Making the Government System the Principal Stakeholder in the Intervention*

The Situation With more than 100 million children studying in government schools, where learning levels are dismal per ASER reports, many NFPs/corporate foundations have tried to intervene in the government schools. However, while many of these interventions have been very beneficial, they have mostly remained as pilot projects as the NFPs/corporate foundations fail to embed them into the government system. It is only through the government systems that one can achieve sustainable development in India.

So is there an opportunity to make a model work where government is the primary implementing agency and NFPs/corporate foundations come in to do a gap filling?

Interventions An attempt to address this critical gap has been made by Sampark Foundation with their intervention in the states of Chhattisgarh and Uttaranchal.

While the intervention begins on the same lines as any other NFP i.e. by signing a formal Memorandum of Understanding (MoU) with the government, the process is taken forward with a focus on embedding the model in the school system, as explained below.

i) With this objective, the project in Chhattisgarh is under the monitoring of the Chief Secretary (most powerful bureaucrat in the state) of the state of Chhattisgarh, the Principal Secretary (administrative heads of the all the departments of a state government)—Education and the State Project Director—Sarva Shiksha Abhiyan (SSA)[2] in Chhattisgarh (Sarva Shiksha Abhiyan 2007).

[2]SSA is Government of India's flagship programme for achievement of Universalization of Elementary Education (UEE) in a time bound manner, as mandated by the 86th Amendment to the Constitution of India making free and compulsory Education to the Children of 6–14 years age group, a Fundamental Right. SSA is being implemented in partnership with State Governments to cover the entire country and address the needs of 192 million children in 1.1 million habitations.

ii) At the district level, the District Collectors who are de facto Chief Executive Officers (CEOs) of the district have also been involved in the process with many conducting monthly meetings to review the progress.
iii) While Sampark would have a small team to monitor the project, the primary responsibility of the project monitoring would be with the Cluster Co-ordinators of the education department, each of whom would have oversight over 12–15 schools), which then is consolidated at the Block level (the middle level of the 3-tier Panchayeti Raj Administrative system of India) for further consolidation to the District (the top level of the 3-tier Panchayeti Raj Administrative system of India) and finally at a state-wide level.
iv) While the approach of monitoring by the government Cluster Coordinators is something that many other organizations have attempted, the key differentiator is that Sampark has developed an online portal which requires the report by each Cluster Coordinator to be fed into the system which the system then automatically consolidates at different levels.
v) There is also a call centre which follows up with Coordinators who have not submitted their report. The report that the Cluster Coordinator has to provide is very simple in terms of the initial feedback, comprising of: a) kit is not being used, b) kit is being used intermittently and c) kit is used regularly. In the second phase, the Coordinators will also input the consolidated learning levels in a school which can be derived from the chart that has been provided to each school wherein the teachers would input the names of the students and ticks off each competency when the concerned child achieves the said competency.
vi) A mail is sent out on a regular basis by the Chief Secretary to the district collectors of poorly performing districts for follow up to ensure effective implementation.
vii) To ensure that the Cluster Coordinators provide correct feedback, the Sampark team make random visits. If the findings of the Sampark team is at variance from that provided by the Cluster Coordinators, the same is discussed during the monthly meetings with the District Collector and Block and District Education Heads for corrective action. Constant feedback ensures that the feedback updated by the Cluster Coordinators is reasonably accurate. In poorly performing schools, the call centre calls up to check if it is a training issue and whether the teachers would like a refresher training to be conducted by Sampark. The approach is therefore not just a reprimand, but also an attempt to understand the problems being faced at the school level and how the same could be suitably addressed.
viii) Sampark Foundation's primary role is that of a content provider cum facilitator i.e. provide the child friendly kits to enable the government teacher to transact Mathematics and English in the classrooms, conduct training for the teachers and also provide monitoring tools to the system.
ix) Sampark has also created training videos which the teachers could use to refresh their memory in case they have forgotten how the kit has to be used to

explain a particular concept. These videos are also loaded onto the phones of the teachers when they attend the training workshop.

x) For English, considering that most government school teachers, especially in rural parts, themselves are not fluent in English, Sampark would be providing an audio set which has all the lessons pre-loaded. The teachers can play the recordings for the concerned chapter and then encourage the children to participate.

xi) As a project goal, this intervention has set out to ensure that Chhattisgarh government schools figure in the top 10 states in terms of learning outcomes by 2018, something which is fairly refreshing in the sector which do not have clearly defined accountability targets.

In the state of Chhattisgarh, Sampark began with a demonstration of the Mathematics kit in 450 schools in 2014, which was scaled up to 3200 schools using a cluster model school (a group of over 12–15 schools) concept in 2015 and will cover the entire 30,000+ government schools in 2016.

For English, the plan was to roll it out a year after the Mathematics implementation. With this objective, the English program was rolled out in 150 schools in 2015 which will be scaled to 3200 schools using the cluster model school concept in 2016 and finally covering the entire 30,000+ government schools in 2017.

Analysis *The additional cost per child is expected to be less than 1 euro or INR 65 per child. If this is compared to the per child spend estimated at Dongre, Kapur, and Tewary, (2014) INR 12,000 (approximately 156 euros @ 1 INR = 0.013 euros; as on February 12, 2016) p.a. by the government system, an incremental INR 6.5 billion (approximately 84.5 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) (3.25 % of CSR spends of 200 billion) can help make the government spending of around INR 1200 billion (approximately 1.56 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) each year more productive.*

2.3 Self Sustaining Women Federations

The Situation The Rangarajan Committee, 2014 estimates the poverty ratio at an all India level for 2011–2012 at 29.5 % applying a monthly per capita consumption expenditure of INR 972 *(approximately 13 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* in rural areas and INR 1407 *(approximately 18 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* in urban areas. This implies that more than 360 million people in India are below the poverty line.

The INR 200 billion *(approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016)* CSR spend by companies works out to INR 555 *(approximately 7.2 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per capita for 360 million people below the poverty line. If we consider people slightly above the poverty line (who too would be in need of help) the per capita expenditure will shrink even further.

It is therefore imperative that models that focus on the poor participating in their own progress are also actively promoted. One such possibility is the Self Help Group (SHG; a village-based informal grouping of women to promote thrift and extend micro-credit to its women members) model, implemented differently.

The Central Government has a strong focus of creating women SHGs under the National Rural Livelihood Mission (NRLM)[3] and the State Rural Livelihood Mission (SRLM) (NRLM 2016). The intent is to use these women collectives to access credit from formal sources at significantly lower rates of interest (cost of accessing credit from informal sources range from 60 % to 120 % p.a.) as also use these women collectives as a platform for ensuring better governance at the village level. Representatives from each SHG are then encouraged to become a part of a Village Level Committee (VLC) with the intention of ensuring that the VLC will then act as a pressure group to ensure implementation of government programs in the village as also a platform for cross learning. Representatives from each VLC are then encouraged to come together to form a Women's Federation either at the Panchayat (the lowest level of the 3-tier Panchayeti Raj Administrative system of India) or at the Block level.

While the intent is laudable, the track record of the government has been dismal while that of the NFPs too leaves much to be desired.

So why has such a good concept not delivered results?

a) The key reason for such effort not being effective is that the task is usually given to a village worker who forms the group and then quickly loses interest in managing the group post formation. The requisite training to be imparted to the women members as also the constant follow ups required till the women start to own the concept is missing which results in most groups turning defunct after a few months or years.
b) On the other hand, the SHGs formed by the NFPs tend to be better run in the initial years, but the NFPs depend on donor funding to sustain the intervention into perpetuity; therefore they miss the opportunity of creating self-sustaining women collectives before donor funding dries up. Once the donor withdraws the funding, the SHGs slowly and steadily turn defunct.

In this process the opportunity to make women partners in the journey rather than mere recipients is lost.

[3] Aajeevika—National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. NRLM has set out with an agenda to cover 70 million rural poor households, across 600 Districts, 6000 Blocks, 250 thousand Gram Panchayats and 600 thousand villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8–10 years.

Intervention A Madurai based NFP, Kalanjiam Foundation (KF), has successfully created a template for ensuring sustainability. The EY Foundation is currently partnering KF across different parts of the country to take the model to the next level. The Modus Operandi of the KF model has been detailed below:

The Modus Operandi of the KF Model
Phase 1—Financial Sustainability

i) Under this model, a group of 3300 women are encouraged to become members of 220–240 SHGs (each SHG having around 13–15 members). These 3300 women are drawn from 30 to 40 villages and are expected to be from the poorer families in the villages.
ii) The team managing this project comprises of one Block Coordinator, one Accountant and eight Associates who are recruited from the target villages. Each Associate is expected to manage around 30 SHGs.
iii) One representative from each SHG is expected to be a part of a Cluster Federation, each cluster federation comprising of representatives from 30 SHGs handled by an Associate i.e. one cluster federation per Associate. Ideally this Cluster should cover members from the same Panchayat.
iv) Subsequently one or two representatives from each Cluster Federation are elected to become a part of the Block Level Federation (BLF) which is a registered body. So effectively about 11–15 members represent the entire group of 3300 women.
v) Once the BLF is registered (2 years from the inception of the project), the entire implementation team of the Block Coordinator, Accountant and eight Associates become employees of the BLF. The yearly operational costs of a BLF works out to around INR 700 thousand–900 thousand *(approximately 9100–11,700 euros @ 1 INR = 0.013 euros; as on February 12, 2016).*
vi) The issue of the Women Federation becoming self-sustaining is discussed with the women leaders. If the issue is placed before the women leaders in the right perspective, it is more or less certain that the women leaders will express their desire not to be dependent on any donor for support which can be uncertain over a period of time. The opportunity of each SHG contributing INR 3750 *(approximately 49 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* to the Federation to meet its annual expenses of INR 700 thousand–900 thousand is discussed with the women leaders. The willingness of the group depends on how effectively the groups have been serviced and on whether the bank linkages have been managed for a large number of groups. If this has been done well, a significant number of groups (if not all) would agree to payment of the service charge to their Federation. It is easier if the concept is seeded early and the service charge is staggered in a manner, where, say a group in existence for 1 year pays a service charge of INR 1200 *(approximately 16 euros @ 1 INR = 0.013 euros; as on February 12, 2016).* A group in existence for 2 years pays INR 2400 *(approximately 31 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* and a group in existence for 3 years INR 3600 *(approximately 47 euros @ 1 INR = 0.013 euros; as on February 12, 2016).*

So how does one go about seeding this concept of service charge?

i) Assuming that a group of 15 women members save on an average INR 100 *(approximately 1.3 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per month (p.m.) that would translate into a saving of INR 18 thousand *(approximately 234 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* p.a. or INR 36 thousand *(approximately 468 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* in 2 years.
ii) Couple this with interest @ 2 % p.m. (a norm across most SHGs across different parts of India), the SHG corpus would be excess of INR 45 thousand *(approximately 585 euros @ 1 INR = 0.013 euros; as on February 12, 2016).*
iii) Add to this a minimum bank loan of INR 50 thousand *(approximately 650 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* which can be obtained at anything between 12 and 14 % p.a.
iv) The SHG members are paid 9 % on their balance, the same as that they would have received on a fixed deposit with the bank. There is a clear distinction made between the SHG and the SHG members.
v) Once this is done, this would leave the SHG with a gross interest earning of INR 22.8 thousand *(approximately 296 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* (24 % on INR 95 thousand). Of this the SHG will pay the members INR 4050 *(approximately 53 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* (9 % on INR 45 thousand) and the Bank INR 6500 *(approximately 84.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* (13 % on INR 50 thousand). That would leave the SHG with a net surplus of INR 12,250 *(approximately 159 euros @ 1 INR = 0.013 euros; as on February 12, 2016).*
vi) The average cost of a team would work out to anywhere between INR 700 thousand and INR 900 thousand *(approximately 9100–11,700 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* p.a. INR 900 thousand over 240 groups would work out to INR 3750 *(approximately 49 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per group. Therefore, the group can easily meet its share of the annual operational expense from its surplus.

It is critical that the services provided by the Federation (through the team) is explained clearly to each SHG group. The basic services would be:

a) Helping conduct SHG group meetings,
b) Helping with the SHG accounting,
c) Helping with SHG annual audit,
d) Helping process the loan documents for each SHG,
e) Helping SHG members aware of the various entitlements (at stage one the service would be limited to only dissemination of information about the various government schemes and not actually getting them the entitlements. That will happen once the SHG women are united).

Most SHGs will see value in paying this charge if the above services are provided in a timely manner. It is also critical to make the women members aware that the service charge is not paid by them individually but from the SHG surplus out of interest that would otherwise have been payable to the moneylender. Here the individual members save INR 34,200 *(approximately 445 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* (60 % on INR 95 thousand (interest charged by the moneylender) less 24 % on INR 95 thousand (interest charged by the SHG)) and it is out of the group surplus that the service charge is paid.

It is also critical to explain to the SHGs that the service charge is paid to their own Federation and not to any external agency and that the income and expenditure of the Federation too would be subject to an annual audit which would be placed before the women directors.

This has successfully been demonstrated over the past several years by KF across its nine locations with more than 35,000 women members in Salem (in the state of Tamil Nadu) and many other different locations in the states of Tamil Nadu, Karnataka and others. A similar exercise is currently going on with EY(F) support across 24 locations in the state of Maharashtra.

Education is a great tool in empowering women and it can be the single biggest change agent towards building a *New India*. Empowering a poor woman is one of the best ways to eradicate poverty. The biggest challenge, today, is to bring about a change in women's thought process in making her self-sustainable. There is a great opportunity to work on this front too.

For example, one common problem that has been experienced in women SHG is the low level of savings. In many parts of the country, including at one of EY(F)'s project location, the women members were saving INR 10 *(approximately 0.13 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* a week or INR 40 *(approximately 0.52 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* a month. It is fairly simple to motivate the women to save more through the following reflective model:

i) During the federation and cluster meetings of the women leaders, the women should be asked if they thought that the savings of INR 40 p.m. was adequate.
ii) The prompt answer by the women would be that they were poor and hence cannot save more.
iii) The moment the women give this response immediately the team members should not shy away from confronting the issue. The women should then be asked whether they believe that at least any of the following three situations could be encountered over the next 10 years i.e.

    a. a serious illness where a family member may require to be hospitalized,
    b. a child has to go to college for further studies (it may be noted that education is free pan India in government schools up to Class 10) and
    c. Marriage of a daughter (which can lead a family towards bankruptcy).

iv) There will not be a single woman who will raise her hands and say that she is confident that none of the three situations would occur in her family. Every woman will agree that she would have to face at least one of the situations, if not more.

v) The women are then quizzed further on what they felt was the bare minimum expenditure that they believed would be required if even one of the situations was encountered. Post discussion, a consensual amount can be arrived at. In one of the EY funded project location where the monthly saving was INR 40 the consensus was a figure of INR 30,000 *(approximately 390 euros @ 1 INR = 0.013 euros; as on February 12, 2016).*

vi) The women should then be taken through a calculation wherein it is explained that a saving of INR 10 a week results in a saving of INR 520 *(approximately 7 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* a year and INR 5200 *(approximately 68 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* in 10 years. Even with interest saving, the cumulative savings of a woman will be less than INR 8000 *(approximately 104 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* in 10 years.

vii) The women should then be asked that with a requirement of INR 30,000 *(approximately 390 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* according to their own estimates and a maximum saving of INR 8–10,000 *(approximately 104–130 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* in 10 years, what would their funding source be for the balance INR 20–22,000 *(approximately 260–286 euros @ 1 INR = 0.013 euros; as on February 12, 2016)*?

viii) The answer by the women will normally be that in all probability the funding source would be the moneylender (since by past experience the SHGs in EY funded location never had enough money to disburse a loan of INR 20,000 to a single member).

ix) It should then be explained that an interest rate of 5 % p.m. (60 % p.a.), would itself amount to an interest p.m. to INR 1000 *(approximately 13 euros @ 1 INR = 0.013 euros; as on February 12, 2016)*. They should be questioned on the fact that if they found it difficult to save more than INR 40 *(approximately 0.52 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* each month, how are they expected to pay an interest of INR 1000 *(approximately 13 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* each month? Would this not mean that they would have to sell a productive asset be it land or an animal which in turn will ensure that they become poorer?

x) The women immediately realize the folly in their thinking, post which they can be motivated to increase their savings.

xi) With another round of facilitation in the groups, within 6 months, 50 % of the groups in the EY funded location have now begun to save INR 100 *(approximately 1.3 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per month. The plan is to ensure a saving of INR 2500 *(approximately 32.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* p.a. per member i.e a nearly five fold increase in savings.

xii) This would help achieve two objectives;

a. the risk of the women moving into a debt trap to address the situations mentioned above will hopefully be mitigated and

b. the higher amount of savings by each member will ensure a large group saving (say, INR 37,500 per year in a 15 member group) which in turn will ensure that the women can borrow from the group to undertake some meaningful income generating activity thereby helping them raise the standard of living. In the earlier format, all the SHGs were ensuring lower interest costs for small borrowings and nothing more.

This higher saving band will help create a virtuous cycle of prosperity.

Phase 2

i) Once the structure is formalized, the Federation would be the interface agency for all government entitlements. Initially the attempt should be to interface with line departments with whom the primary requirement would be service and not entitlements say the agricultural line extension departments who would be more than happy to conduct trainings and distribute pamphlets on agricultural best practices. Similarly, it would be possible to persuade the veterinary department to carry out vaccination for animals if the federation is able to assure the veterinary department that all the animals in a village are brought by their members to a particular point which will save the veterinary team the trouble of carrying out a door to door visit.

ii) The Cluster meetings are used as a platform for sharing best practices between various SHG groups as also acting as a pressure group. For example, if in the Federation meeting, a decision is taken that all women will have to learn to sign their own name, this decision is then cascaded to the clusters and onward to the SHGs for implementation. In the monthly cluster meetings the progress of each SHG can be discussed which would automatically put pressure on the SHGs that have not managed to make progress on this front. Similarly, if there are groups which are not able to make progress the progressive groups that have managed to ensure that each member in their groups have learnt to sign can be encouraged to help the weaker groups. This practice of the stronger groups coming forward to help the weaker groups can be extended for all initiatives that the federation chooses to work on.

iii) Once there is a strong unity and bonding among the cluster/SHG members, other interventions with the government departments can be initiated (say) with the Anganwadi workers.

a. The attempt should be to ensure that the entire approach is collaborative and not confrontational.
b. If there is an Anganwadi where the Anganwadi worker is not feeding the children on a regular basis, the first attempt should be to understand the operational issues that the Anganwadi worker faces and how at least some of the issues can be resolved with the support of the women.
c. If the approach is to first ensure that all the children in the village come regularly to the Anganwadi and immediately post that each mother is

encouraged to come as a mother volunteer and to help the Anganwadi worker once a month, the approach will start yielding results fairly quickly.

d. While some Anganwadi workers may be tempted to feed lesser quantities to the children, the mother who helps the Anganwadi worker cook and feed the children will automatically ensure that the right quantities are given to the children thereby plugging the issue of provisions being siphoned off and this is achieved without any confrontation.
e. Once the Anganwadi worker sees the level of support that she is receiving from the village women, in all probability, there will be a change in her mind set and she will perform her duties with greater commitment and passion.
f. The hypothesis of the approach is that there is inherent goodness in most human beings which may be suppressed due to circumstances.

   i. With the Anganwadi worker, stifling rules in the government with apathetic support from superiors to the operational issues, faced by the Anganwadi worker on a daily basis, makes her indifferent.
   ii. Similarly lack of meaningful supervision and the opportunity of making easy money in the form of diverting provisions is another temptation that the Anganwadi worker may succumb to.

If both these issues are addressed, that is—helping with operational issues, as well as mother volunteers are involved, a significant portion of the Anganwadi workers themselves turn to become efficient and model workers.

g. On the other hand, taking a confrontational approach ensures that all the Anganwadi workers unite and then it becomes a tussle between the women in the village and the Anganwadi worker, which turns out to be counterproductive. Sure, there can be temporary gains by way of complaining to the supervisor, but it fails to create a healthy environment in the longer term.
h. Similarly, with the case of entitlements, before accusing the ration shop (Fair price shops through the Public Distribution System a Government-sponsored chain of shops entrusted with the work of distributing basic food and non-food commodities to the needy sections of the society at very cheap prices) owner of siphoning off the entitlements, it is prudent for select women representatives to have a dialogue with the ration shop owner on the quantities that he/she may be receiving on a regular basis and compare this with the total quantity required to be disbursed to the various ration card holders.
i. This discussion will make it clear if the problem is at the end of the ration shop owner or at the level of the disbursing authority.
j. Similarly, even if the ration shop owner has received the appropriate quantity, it is imperative to find out if the ration shop owner is deliberately suppressing supplies or is it a case where many ration card holders have not updated their records. If it is a case of updating of ration cards, then the women members can facilitate for all the groups in the village or across all villages on a campaign mode.

Once the issues of credit and entitlements are addressed, the federation could then take up social issues, be it education, domestic violence and so on. Each intervention should be analyzed on the parameters given below in Table 2 (dummy examples have also been given to illustrate on how any intervention proposed could be analyzed):

iv) The groups are then encouraged to take an active role in the 'Gram Sabha' (village meeting of all adults who live in the area covered by a Gram Panchayat, local self-government organisation in India of the Panchayati Raj system at the village or small town level) or the meetings that each Panchayat has to organize to take feedback from the residents of the village. Groups are encouraged to discuss various problems being faced by the women in the village and then each issue could be debated on the number of beneficiaries, probability of success versus importance of the issue and then all women agreeing to speak in a united voice on a maximum of one or two issues that the groups are unanimous about. This helps act as a more effective pressure group since the women will not be raising multiple issues in a single meeting, rather will have a structured approach in resolving village issues, one issue at a time. This also ensures that the Panchayat too is able to focus on addressing a single issue at a time rather than trying to figure out which demand of which group should be addressed first resulting in politicization of a village level issue which in turn may drive a wedge between the women members and weaken their unity.

v) In the earlier phases, the focus was on ensuring benefits for the women members. In the final phase, the women members will be motivated to undertake activities which will require them to spend money (say) on the education of their children. Investing in the well-being of the family—be it health, nutrition or education, will be the final phase of intervention in each Federation.

Analysis *The process of self-sustainable federations can easily be done over a period of 5 years with a donor support of a maximum of INR 10 million (approximately 130 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) over the entire grant period to support 3300 families or INR 3 thousand (approximately 39 euros @ 1 INR = 0.013 euros; as on February 12, 2016) per family or an average grant of INR 600 (approximately 8 euros @ 1 INR = 0.013 euros; as on February 12, 2016) p.a. per family.*

360 million people living below the poverty line translates into 72 million families (assuming an average family size of five members). A focused support of INR 43.20 billion (approximately 561 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) (21.6 % of annual corporate CSR spends) for a period of 5 years can ensure that these 72 million families become part of self-sustaining women federations post which they continue to work on the second phase of development without the constant fear of donor funding drying and the entire effort coming to a standstill.

Table 2 Parameters for Analysng Various Social Interventions

Proposed Intervention	Expected number of beneficiaries	Expected benefit per beneficiary - in INR[a]	Benefit to Federation	Implementation Costs in INR[a]	Risk - Low / High	Risk - Implementation	Risks - Political
1)Veterinary services	2,000 out of 3,000 families	INR 3,000 p.m. assuming mortality drops from 50 percent to 10 percent and each family has two goats	Will make service charge collection easier	It will be a paid service. Initial costs of 200,000	Low	Low	
2) Integrated Child Development Services (ICDS)[b]	2,000 out of 3,000 families	Meals at Anganwadi, supplementary nutrition for lactating mothers and malnourished children	Women will be able to identify with the federation	NIL	High	May result in friction between women and government system. Women may be disillusioned if intervention fails to yield benefit	ICDS workers may be politically affiliated

[a]*@ 1 INR = 0.013 Euro; as on February 12, 2016*

[b]The ICDS comes under the purview of the Ministry of Women and Child Development (MWCD), which was launched in 1975 to eliminate hazards to child health and development. The scheme aims at providing an integrated package of services, that include supplementary nutrition, immunization, medical check-ups, recommendation services, pre-school non-formal education and nutrition and health awareness. The purpose of providing these services as a package is because each of these issues is dependent on the other. In order to ensure that the overall care and education of the child is addressed the MWCD envisions the scheme as a complete parcel of provisions

3 Way Forward

Similar approaches can be implemented in areas of health and nutrition and so on. Indian corporates, now, with the CSR mandate coming into force, have a unique opportunity to bring in the spirit of innovation, coupled with rigorous implementation and unleash the true potential of India. Or, in other words, to contribute to nation building by transforming the disadvantaged communities into the human capital that yields for the country, named India.[4]

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[4]Views expressed in this article are personal.

ITC Limited's Mission Sunehra Kal: Two Decades of Transforming Lives and Landscapes

Ashesh Ambasta

Abstract The Corporate Social Responsibility (CSR) mandate in the Companies Act, 2013 is a relatively recent development that has generated considerable debate between companies, the government, non-Governmental Organisations (NGOs) and the academia regarding its scope, coverage and impact. Given that this legislation is the first in its kind, important lessons can be drawn from the experience of companies like ITC Limited, which has always believed that in the Indian context, it is essential that business corporations come forward and take on a proactive role in ensuring that the development process is inclusive and sustainable, premised on a triple bottom line approach that aligns social, economic and environmental development along with business growth. This paper seeks to contribute to this on-going debate on CSR by documenting and analysing ITC's two-decade old interventions under the umbrella of its 'Mission Sunehra Kal'. The paper critically examines the Mission's alignment to the broad aims of the CSR mandate as legislated in the Act and introduces a few constructive suggestions to initiate a conversation on the future direction of this mandate.

Keywords Mission Sunehra Kal • ITC Limited • Social investments • Strategic stakeholder • Sustainable livelihoods • Wealth generation • Employment opportunity • e-Choupal • Integrated watershed development • Sustainable agriculture practices • Social forestry • Livestock development • Women's empowerment • Self help groups • Education • Vocational skills • Water, sanitation, hygiene • Social enterprise • Village and grass-roots institutions

1 Introduction

Section 135 of the amended Companies Act, 2013 came into effect in the financial year 2014–2015. By then, ITC had already completed nearly two decades of implementing Mission Sunehra Kal (MSK; 'Sunehra Kal' meaning bright future), the Company's strategic Social Investments Programme. Its aim is to create

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sustainable livelihoods on a large scale by transforming the lives of even the most marginalised through empowerment based on knowledge and technology transfer. Then, as now, it was driven not by the necessity of fulfilling a statutory obligation, but by a deep and abiding commitment to "Putting India First."

At a general level therefore, the Act largely vindicated ITC's stand: India's challenge of multi-dimensional poverty and under-development urgently called for a *broad alliance of all stakeholders*, including businesses. For corporations operating in India, such a call-to-arms seemed even more pressing and urgent: evidence was/is rapidly mounting to demonstrate emphatically that businesses cannot succeed in societies that are failing. It was a simple but, nevertheless, a very profound and perceptive insight that drove ITC to join hands with the government to confront the challenges of endemic poverty in India. It also signified a strategic shift in perspective from a metric based on share-holder value creation to measuring performance on Triple Bottom Line (TBL) parameters, premised in the belief that such an orientation would deliver superior value not only to its share-holders, but to all its stakeholders, thus promoting sustainable and inclusive growth in the long-term.

The government's recent CSR initiative raises interesting questions, especially for companies like ITC which has applied itself seriously in finding lasting solutions to seemingly intractable problems of poverty and under-development. Does ITC's MSK meet the spirit and letter of the law or did the Act compel major changes and modifications in the objectives, strategy and content of the Mission? From the government's perspective, can such companies provide valuable lessons on the best way to engage with the corporate sector that goes beyond mandating merely monetary outlays to drawing on the spirit of innovation and entrepreneurship that reside in businesses?

These questions form the backdrop for examining ITC's contribution to the social sector. In our reading of Section 135, the Act implicitly pushes companies to meet two primary, but complementary, objectives:

1. To promote sustainable development initiatives: evident in the Act's emphasis on project implementation in a programme mode rather than one-off donations, the concern with establishing relevant baselines to arrive at a proper understanding of needs, and end-lines to gauge impacts.
2. To direct CSR funds to priority areas of development: manifest in the items listed in Schedule VII of the Act.

This paper primarily aims to examine ITC's MSK in the light of these two objectives in order to validate if, indeed, corporates are meeting the government's hopes and expectations embedded in the Act. We will conclude by making a few suggestions, based on our experience, to stimulate a dialogue on how the Act could draw upon other, intangible resources of companies, to deepen and enhance impacts in the social sector.

2 ITC's Commitment to Sustainability

The world continues to grapple with the vital need to balance economic growth with social equity and environmental health even as the pressures on depleted natural resources and fragile ecologies are increasingly intensified by the adverse effects of climate change. These issues impact each and every nation and its citizens, but affect millions of poor and vulnerable communities throughout the world, especially those who are dependent on climate-sensitive sectors, most severely. For India, these considerable challenges assume even greater complexity and urgency given its size, diversity, alarming levels of environmental degradation and appallingly high incidence of poverty; which is not surprising given that it is home to 17 % of the world's population (Burke, 2011), but accounts for just 2.4 % of the world's landmass (UNDP in India, 2016), 4 % of its freshwater (The Globalist, 2014) and 1 % of its forest resources (Ramkumar, 2009).

A diversified Indian conglomerate, ITC's business portfolio includes consumer goods/fast moving consumer goods (FMCG), hotels, paperboards and packaging, agri-business and information technology (IT). ITC believes that, in the Indian context, it is essential that business corporations come forward and take on a proactive role in ensuring that the development process is inclusive and sustainable. Businesses have a particular responsibility and position as the economic engines of society, as they draw heavily on and also command considerable societal resources, as well as have numerous touch-points throughout society at all levels.

ITC has acted on this belief by making sustainability the cornerstone of its corporate strategy and making TBL the measure of performance in all its operations. Placing equal emphasis on building economic, environmental and social value, ITC's multi-pronged strategy to enhance its contribution centres on the creation of multiple drivers of business growth; and ensuring the highest standards of internationally benchmarked environmental performance throughout its units as well as putting in place an integrated social investments programme, Mission Sunehra Kal (MSK), that also supports large scale livelihood creation and natural resource augmentation.

3 ITC's Strategic Stakeholders

In the context of sustainability, it is important to identify key stakeholders, based on materiality analysis, and their attempt to address their needs. In the social sector, the two main stakeholders of ITC are:

A. Rural communities with whom ITC's agri-businesses have forged long and enduring partnerships through crop development and procurement activities These are business-critical partnerships for the Company since much of the raw material that feeds several of its businesses are realised through these stakeholders. While such economic linkages have generated wealth for rural households on a sustained basis for decades, they also look to the Company to help find viable solutions to some of the major challenges that could threaten the sustainability of their production systems.

B. Communities residing in close proximity to ITC's production units, situated in urban and semi-rural locations While residents in these catchments derive considerable benefits from the multiplier effects arising from the operations of ITC's units, there is nevertheless an expectation that the Company will help in the creation of the necessary socio-economic infrastructure for the emergence of a healthy, educated and skilled work force with the capability to successfully compete for employment and enjoy a better standard of living. For the Company, such interventions will fulfil its aim of generating goodwill of the communities and retaining harmonious relations with them.

4 Development Challenges

Rural households account for the largest proportion of ITC's stakeholders who are mainly dependant on agriculture and allied activities for their livelihoods. Agriculture remains the backbone of the rural economy, despite its declining contribution to India's gross domestic product (GDP). Involving approximately 52 % of the workforce (Indian Agriculture, 2012), the sector remains critical to the country's continued economic progress. While the agricultural sector has made great strides, the fact remains that Indian farmers, the vast majority of whom are small-holders dependent on rain-fed agriculture, have largely remained poor.

Mostly compelled to practice rain-fed agriculture in areas where the natural resource base is already fragile and under increasing stress, these small-holders face enormous constraints. Water resources, as the most immediate requirement for successful harvests, are gravely threatened. Almost half of India's 600 districts are severely water-stressed, droughts have intensified and are increasingly unpredictable. Groundwater levels have fallen drastically due to indiscriminate sinking of bore-wells and poor conservation practices (Briscoe & Malik, 2006). Although India's precipitation is good by global standards, rainfall patterns are erratic and only about 10 % of rainfall is harvested—the rest is lost as run-off (Vyas & Reddy, 1998). Stagnating productivity is exacerbated by fragile soils and fragmented landholdings that push up production costs.

Adding to these are a host of challenges—lack of infrastructure, limited access to technology, limitations of modern agricultural know-how, institutional credit, underdeveloped and inefficient market channels and extension services—compounded by increasing input costs, few options for non-farm livelihoods, real concerns about climate change, uncertainties associated with volatility in food prices and international markets, and low public investment in the sector. These factors combine to keep farmers trapped in a vicious cycle of low yields–low returns–low investments–low risk taking ability, perpetuating unacceptable levels of endemic poverty.

While several initiatives can be taken to de-risk and strengthen agriculture from the challenges outlined above, there is also the case that the future of small-holders may not lie in farming alone. Rather, it calls for measures to stimulate rural non-farm sectors and create more employment opportunities. Indeed, members of such households have recognized this limitation themselves, evident from the high rural-urban migration due to lack of employment opportunities within agriculture and poverty. Unfortunately, employment associated with such a movement has not necessarily led to poverty alleviation. Most fall in the category of the 'working poor' who are employed but are able to earn only a fraction of what is regarded as the minimum, necessary to overcome poverty. Many of the migrants thus end up earning little and leading miserable lives in urban areas because they lack education, technical skills and knowledge (Papola & Sahu, 2012).

This situation calls for urgent action to expand farm productivity and agricultural employment on the one hand and to create alternative non-farm based livelihood opportunities on the other. It demands proactive strategies for natural resource management, coupled with better market linkages to upgrade the agricultural value chain. To create a solid foundation for sustainable growth and economic development, this must be supported by building grassroots capacity through knowledge and technology transfer, and improving access to basic education and skills.

5 ITC's Strategic Approach

The most powerful dynamic driving ITC's MSK projects is the fact that each one is anchored in *direct community participation and rooted in choices made and shaped by them*. Based on a participatory approach with in-built flexibility to address diverse needs, the aim is to create highly replicable and scalable models that can be customised to the particularities of a region to deliver end-to-end solutions as far as possible. Common to all these programmes are certain distinguishing features in terms of its strategy for identifying target communities, defining needs and implementing solutions, detailed as follows:

A. Empowered Grass-roots Institutions All projects and targets are based on specific needs identified by target communities. The participatory approach ensures that consultations with all stakeholders are integral to fulfilling the objectives of the programmes—a collaborative process which builds an atmosphere conducive to the exchange of information and effective communication. Every effort is made to ensure that women as well as the most disadvantaged community members are included in this process. On-going group meetings, dialogues and robust feedback mechanisms enable continuous assessment of community needs and identification of the best strategies to address them.

Target communities are key decision-makers at every stage—from identifying objectives and planning projects right through to implementation and monitoring as well as contributing resources, both financial and human. The specific interventions, in turn, are based on data and information gathered directly from the communities through intensive participatory rural appraisal (PRA) exercises. The planning and implementation of the projects are bottom-up rather than top-down, ensuring that communities are the instrumental change agents. Thus, all projects are implemented on the back of local institutions created for the purpose—water user groups (WUGs), forestry groups, women's and farmers' self-help groups, etc. These institutions monitor and supervise physical activities and financial transactions, ensuring complete transparency in all operations and activities. This also generates high levels of ownership, fundamental to the long-term sustainability of projects.

B. Multi-stakeholder Collaborations The delivery model mobilises multi-stakeholder partnerships involving communities, non-Governmental Organisations (NGOs), local bodies, professional agencies, the Government at all levels and the Company. Leveraging these diverse competencies, the model has created productive partnerships at all stages of the projects, a critical factor in their success and scalability. To achieve scale, ITC views Public-Private Partnerships (PPP) as vital instruments for sustainable social sector and infrastructure development, and has entered into partnerships with state governments and public institutions on several programmes.

Almost all of ITC's projects are implemented through NGOs as project implementation partners. The collaboration involves continuous dialogue on the development priorities of the project sites and the most effective and strategic interventions required. It also takes into account the mobilisation skills of NGOs, their specialised domain knowledge and a committed group of people dedicated to the task of development.

All major natural resource management projects are only implemented after consultations with, and approvals and sanctions from Gram Sabhas (village meeting of all adults who live in the area covered by a Gram Panchayat, local self-government organisation in India of the Panchayati Raj system at the village or small town level). No civil work is implemented in any village unless the Gram Panchayats and the Gram Sabhas have been fully informed of the plans and their approval (by way of a 'No Objection Certificate'—NOC) is received. ITC acts as a direct channel for community feedback, and regular meetings (both structured and free-wheeling) are held between community members and Company personnel at all levels.

C. Efficient Delivery Knowledge and technology transfers are intrinsic to all projects. Community members are given training in best practices, project implementation and management. Learning by doing, demonstrations, exposure visits, technical training and skills enhancement are all integral components of the model. Wherever appropriate, traditional community knowledge is complemented by modern techniques. ITC's dedicated Social Investments project management teams provide the necessary expertise and domain knowledge to add value at every stage of the projects.

This is backed by a meticulous planning process supported by robust documentation systems, including a rigorous Management Information System (MIS) which tracks progress, quality and expenditure at every stage of the projects. This ensures an in-built and self-correcting system which enables comprehensive impact assessment.

6 ITC's Operational Principles to Ensure Sustainability

It is evident from the trends discussed above, that ITC's stakeholders are confronted with multiple, but inter-related issues, at the core of which, are the twin challenges of securing sustainable livelihoods for today and tomorrow for both rural and urban households. This calls for a 2-horizon perspective:

- Horizon 1: Making today's dominant source(s) of livelihoods sustainable; and
- Horizon 2: Creating capabilities for wealth generation and employment for tomorrow.

This, thus calls for an integrated approach to development, comprising several, mutually supporting layers of interventions summarised in Table 1, which form the core of MSK's interventions:

Table 1 ITC's integrated approach of Mission Sunehra Kal

Horizon	Approach	Initiatives and interventions
Horizon 1: Making today's dominant source (s) of livelihoods sustainable	Enable the poor to manage and reduce risks intrinsic to their current portfolio of economic activities.	On farm: Natural resource management and sustainable farm practices to strengthen agriculture. Off-farm: Create non-farm livelihood opportunities, especially for women.
	Empower communities to instil in people: confidence, security and power.	Strengthen community-based governance of local resources through grass-roots institutions and building their capacity in all aspects.
Horizon 2: Creating capabilities for tomorrow	Improve habitats to reduce morbidity and ensure a healthy community.	Invest in social infrastructure, services and governance.
	Invest in education to enable the young to develop skills for gainful employment.	Focus on quality learning in schools; align skills training with market demand.

6.1 Horizon 1: Strengthening Today's Livelihoods Systems

A. Knowledge Empowerment through e-Choupals Among the multiple constraints that India's millions of small-holders must contend with is the fact that, for all practical purposes, the only marketing channel available to them are '*mandis'* (government regulated wholesale markets)—a system which lacks transparency, involves multiple intermediaries and is heavily loaded in favour of commission agents (traders who are licensed to operate there as buyers). It thus makes it difficult for farmers to exploit price trends and time their sales to obtain optimum prices for their crops. Commission agents rarely offer significant premiums for quality, offering farmers little incentive to upgrade the quality of their crops.

Launched in the year 2000 to improve traditional market channels, the e-Choupal initiative empowers even the smallest and most marginal farmer with information and services to improve decision-making, enhance risk management and therefore raise their competitiveness in national and global markets. Currently, ITC's e-Choupal is a 3-tiered platform, consisting of:

- A network of village internet kiosks—e-Choupals, which provide access to real-time price and weather information as well as know-how on best practices and latest agronomic techniques. Information is customised to local requirements and made available in local languages. These 'internet kiosks' are managed by lead farmers who are trained to help their fellow farmers to access information and services provided through the site. Typically serving a cluster of an average of 600 farmers in 10 villages within a radius of approximately 5 kilometres (kms), e-Choupals also function as a single channel for the supply of agri-inputs, e.g. seeds, fertilisers, herbicides, pesticides, etc., right in the village. Farmers are able to aggregate demand and bargain as virtual producers' co-operatives to obtain higher quality inputs at lower costs.
- This digital network is supplemented by physical infrastructure—Choupal Sagars, which are multi-service hubs within tractor-able distance of a cluster of e-Choupal served villages. They function as facilitation centres for farm-related services (soil testing, product quality certification, training, agri-inputs, etc.) as well as offering other services for rural households.
- Complementing this digital-physical framework are farm extension services—Choupal Pradarshan Khets (CPKs). Launched in 2006 to improve farm competencies, CPK services range from demonstration plots that propagate best farm practices and better seed/crop varieties to classroom and on-site training, consultation and supervision that enable farmers to access expert advice from agricultural professionals, weather insurance, institutional credit, etc.

Empowered with relevant information, farmers are better equipped to time sales and manage risks. The dissemination of know-how and best practices enable farmers to raise quality and productivity as well as to diversify their portfolio in line with market demands. The single largest IT-based intervention in rural India by a corporate entity, 'e-Choupal', offers a low-cost, versatile and scalable distribution channel, and has emerged as a continuously expanding 2-way platform.

Currently, there are 6500 e-Choupal kiosks serving over four million farmers in 40,000 villages across 10 states; while there are 24 Choupal Sagar multi-service hubs in 3 states.

B. Integrated Watershed Development

The effective conservation and management of India's depleting water and other natural resources directly impacts the livelihood security of over 70 % of its population who are dependent on agriculture and allied activities for their livelihoods (Ministry of Environment and Forests, 2012). Targeting the most disadvantaged members in agricultural communities, ITC's Integrated Watershed Development Programme (IWDP) addresses their most basic livelihood needs.

The Programme promotes the development and local management of water resources by facilitating village-based participation in planning and executing watershed projects. Adopting a bottom-up participatory approach, ITC mobilises farmers to form Water User Groups (WUGs). These Groups are trained to carry out the entire spectrum of activities from planning to implementation and maintenance. The focus is on implementing soil and moisture conservation measures and building, reviving and maintaining water-harvesting structures to reverse land degradation, extend critical irrigation and raise agricultural productivity. Groups are also trained to formulate regulations and fix water user charges which go towards creating a fund used to maintain existing structures, build new ones and tap government schemes.

The model is highly replicable as traditional methods are used in conjunction with modern techniques to build location-specific, low-cost water-harvesting structures, relying on simple technology and locally available materials. Community contribution, both financial and in terms of labour, and the creation of a Maintenance Fund from user charges, generates high levels of ownership, crucial to long-term sustainability. Civil works on structures and an increase in farming activities as a result of increased water availability also generate employment within villages, benefiting the marginal/landless—a key factor in reducing seasonal out-migration.

Initiated in 2001, ITC's IWDP currently covers over 236,500 ha in 11 states. There are 1600 active WUGs with over 31,800 members. Over 7400 water harvesting structures have been built, creating a water storage capacity of nearly 27 million kilolitres. The WUGs have accumulated a Maintenance Fund of over Indian Rupees (INR) 8.55 million *(approximately 111 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016)* and contributed over INR 304.1 million *(approximately 4 million euros @ 1 INR = 0.013 euros; as on February 12, 2016)* towards construction. The rise in agricultural activities and civil work on the structures have generated approximately five million person-days of employment, especially benefitting the landless and helping to stem distress migration. All of this has been possible because of NGOs like Foundation for Ecological Security (FES), Dhan Foundation, Mysore Resettlement and Development Agency (MYRADA), OUTREACH, Vikasana, etc.

Across all ITC project areas, there has been an appreciable increase in well-recharge and water availability, extending critical irrigation, which thus help to protect agricultural yields, enable crop diversification towards commercial varieties and expand area under double/multi-cropping regimes. The average rise of 10–20 % in productivity has significantly raised household incomes. Although ITC's Programme does not directly target drinking water, project activities lead to an increase in water points within villages, reducing drudgery for women who no longer have to walk long distances to fulfil daily water requirements.

ITC's key challenge was to evolve a model that could be replicated across India's diverse geographies. Its success is demonstrated by the Programme's geographical spread (from 1 state in South India to 11 states across the country) and by ITC's multiple PPPs. Among the first corporates to partner state governments and National Bank of Agriculture and Rural Development (NABARD) in watershed development, ITC is currently implementing 25 PPP projects covering over 158,000 ha across five states.

C. Sustainable Agricultural Practices

Intrinsically linked to ITC's Watershed Programme, the intervention on Sustainable Agricultural Practices promotes a combination of bio-mechanical measures to optimise water management and enhance productivity to create a stable agricultural regime. It emphasises the use of water-saving technologies and efficient irrigation devices to help optimise the gains of increased water availability. These include the use of drip and sprinkler systems as well as group irrigation wells, which extend the benefits of water-sharing to economically weak farmers.

To propagate and speed up the adoption of best practices, ITC sets up demonstration plots and provides continuous farm extension services that include training and supervision through Farmer Field Schools on crop diversification, improved agronomic practices, sustainable farming, and use of organic fertilizers. Agri-business Centres (ABCs) enable access to better quality agri-inputs and farm implements. In line with ITC's long term sustainability objective of increasing soil organic carbon, the use of organic fertilisers and pesticides are actively promoted. Training, start-up supervision and subsidies for setting up compost units—both NADEP (developed by Naryan Devrao Pandri Pandey) and vermi—are provided by ITC. To reduce the use of chemical pesticides, integrated pest and nutrient management (IPNM) initiatives link counter-measures to close monitoring of pest incidence and promote the use of neem-based (Azadirachta indica) and other organic pesticides.

Initiated in 2003, this Programme is currently operational in over 1200 villages in 60 districts across 13 states in collaboration with NGOs like Action for Agricultural Renewal in Maharashtra (AFARM), BAIF Development Research Foundation (BAIF), Development Support Centre (DSC), MYRADA, OUTREACH, Samarth in Participatory Action Society (SIPA), etc. The initiative covers a total area of nearly 40,000 ha, benefitting more than 122,000 farmers with the construction of over 700 group irrigation wells, distribution of more than 2370 sprinkler sets, setting up of over 28,500 organic compost pits. There are 247 functional ABCs with over 18,300 members.

D. Social Forestry

Delivering on all three dimensions of the TBL, ITC's Social Forestry Programme, creates a renewable raw material base for wood-based industries by providing sustainable livelihood opportunities to marginal wasteland owners that simultaneously brings multiple environmental benefits.

ITC began with a Farm Forestry Programme in 1993, targeting rural households with investible surpluses. To ensure commercial viability of these plantations, ITC developed location-specific, high yielding, disease-resistant clonal stock with better wood qualities and shorter harvesting cycles (4 years in comparison to 7 for standard saplings) at its Research and Development (R&D) lab in Bhadrachalam (Andhra Pradesh). Once the viability of the model was established through widespread acceptance of Farm Forestry, ITC integrated the Social Forestry component into the programme as a poverty alleviation strategy for resource-challenged smallholders—primarily from the Scheduled Caste (SC) and Scheduled Tribe (ST) communities (official designations given to various groups of historically disadvantaged people in India).

To ensure that the most disadvantaged in the community are targeted, SC, ST and households headed by women are given precedence within the small and marginal farmers' group. Generally dependent on wage labour to supplement what they grow from subsistence farming, these households have neither the financial surpluses to invest in their land nor are they considered credit worthy by formal lenders. As a result, levels of seasonal out-migration are high among them.

ITC mobilises these households to form Social Forestry Groups, village institutions which function as wood producers' associations, and provides long-term interest-free loans to members, through the Groups as well as a comprehensive package of extension services. This includes planting stock, silvi-cultural training, plantation maintenance and training in financial management. Capacity building initiatives are a top priority as the ultimate aim is that the Groups should function autonomously. Members are required to repay their loans to their Group after the first harvest to build up a corpus, known as the Village Development Fund (VDF), which is used to extend loans for further plantations, internal lending and to invest in community assets.

Owners can harvest three coppice crops from the initial stock with significantly higher returns from the second, third and fourth fellings as the investment required is far less. The bulk of the investment is made in the first year, both in terms of cash and labour, leaving owners free to pursue other avenues of income thereafter.

The plantations generate average net incomes of INR 40,000 *(approximately 520 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per ha per year, which is a life-changing proposition for these low-income households, sufficient to pull them out of the poverty trap. Plantation activities generate employment within the village, helping to stem high seasonal out-migration. The plantations act as carbon sinks while the conversion of wastelands into green cover on this scale renews the ecological base—improving soil and in-situ moisture conservation, augmenting groundwater recharge, decreasing soil erosion and nurturing depleted soils through leaf litter and leguminous intercrops.

Since 2011–2012, ITC has introduced the Agro-forestry model. Using a paired row design with wider spacing, it allows agricultural crops to be grown throughout the 4-year cycle with land allocation of 25 % forestry to 75 % agricultural crop. This enables diversification of farmlands, improves productivity/profitability and conserves the environment without impacting pulpwood productivity. Other recent initiatives that have been introduced are soil and moisture conservation measures and compost pits aimed at increasing productivity and improving soil fertility, thereby boosting incomes.

In 2009, one of ITC's Social Forestry projects in Khammam district (Andhra Pradesh), became the first large-scale afforestation/deforestation project of its kind in India to receive UNFCCC-CDM (United Nations Framework Convention on Climate Change—Clean Development Mechanism) registration. Covering 3071 ha, it has the potential to earn 57,792 CERs (Certified Emission Reductions) annually over a 30-year crediting period. The economic benefits will be shared among the 3398 tribal beneficiaries. In 2012, ITC's Social Forestry Programme received the Forest Stewardship Council (FSC)—Forest Management certification. 255 village committees across 300 villages with plantations covering 8028 ha and involving 9045 households signed an agreement with ITC to follow FSC guidelines.

ITC commenced with Farm Forestry in 1998–1999 and initiated the Social Forestry component in 2001–2002 in alliance with NGOs like BAIF, MYRADA, OUTREACH and VIKASANA. Currently both Programmes cover nearly 224,000 ha, have generated over 100 million person-days of employment and sequestered over 4896 kton of Carbon dioxide (CO_2). ITC's Social Forestry Programme is currently operational in 4535 villages in 15 districts across three states—Andhra Pradesh, Telangana and Karnataka, covering nearly 86,000 ha and benefitting 85,000 households. There are 1654 Forestry Groups which have accumulated a Village Development Fund of INR 16.9 million *(approximately 220 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016).*

E. Livestock Development

The vast majority of rural Indian households, landed or landless, own cattle and animal husbandry plays a significant role in the rural economy. For the most impoverished among these households, it is often their only sustained source of livelihood. However, milk yields from indigenous cattle are abysmally low, largely as a result of poor quality stock and fodder, compounded by lack of access to quality animal husbandry services. Recognising the potential of dairying as a sustainable livelihood opportunity, ITC's Livestock Development Programme aims to upgrade low-yielding indigenous stock through artificial insemination to produce cross-bred progeny with much higher milk yields. It thus enables cattle owners to convert an existing asset into a substantial supplementary income source from the sale of milk surpluses.

ITC sets up Cattle Development Centres (CDCs) in partnership with BAIF. CDCs are manned by local youths trained as technicians and equipped to provide a complete package of services right at the cattle owner's doorstep. Apart from artificial insemination, this includes healthcare, vaccination, nutrition, pre- and post-natal care, as well as fodder resource development and other best practices. The semen used is from bulls of superior strains and state-of-the-art technology is used to maintain the high quality. Cross-bred progeny are 6–9 times more productive than their indigenous mothers, providing significant milk surpluses which can be sold. They also have a high wealth creation potential, as cross-bred progeny command much higher premiums in comparison to indigenous cattle.

The Programme is highly scalable as poor cattle owners are able to earn reasonably attractive returns through a comparatively small investment in an existing asset. It also paves the way for dairying to emerge as a viable livelihood option—a key measure in deflecting pressure off arable land. The CDCs are intended to become financially self-sustaining in 3 years and technicians are encouraged to take them over on a franchise model, thereby filling a vital infrastructure and service gap. Cattle owners are also encouraged to form Milk Marketing Societies so that they can pool their resources and channel production to large dairies and connect to the formal milk market.

Initiated in 2003, ITC's Livestock Development Programme currently operates in seven states and has benefitted over 489,000 cattle owners. There are 250 functioning CDCs and animal husbandry services have been provided to nearly 1.3 million milch animals. Over 1.7 million artificial inseminations have been performed resulting in the birth of over 545,000 cross-bred calves.

F. Economic Empowerment of Women

Economically challenged women are generally among the most disadvantaged sections of their communities. Their lower educational and nutritional levels and limited access to productive resources, compounded by restrictive social norms about appropriate work for women, tends to confine them to lower paid work with few opportunities for skills training and advancement, thus perpetuating their lower status. At the same time they represent a powerful latent resource for improving the quality of life of their communities, as income in the hands of women usually goes towards ensuring their family's well-being, especially for the nutrition, health and education of their children.

Recognising their skills, indigenous knowledge and resourcefulness in establishing and managing enterprises, ITC's Economic Empowerment Programme for Women focuses on tapping the latent potential of women by providing them with opportunities to earn independent incomes. Operating mostly in areas where ITC has significant operations or manufacturing units, the Programme targets the most marginalised, below poverty line (BPL) and SC/ST women in partnership with NGOs like Deepam Rural Development Charitable Trust (DRDCT) and SEWA Bharat. The focus is on mobilising women to join together to form micro-credit self-help groups (SHGs; a village-based informal groupings of women to promote thrift and extend micro-credit to its women members) that enable them to build a corpus fund through monthly contributions and seed money from ITC. Group members are trained to create and manage common funds as well as handle bank accounts and maintain documentation. Groups are also facilitated to access Government development schemes and bank loans.

The corpus fund is used to finance loans to members for self-employment activities or to set up micro-enterprises. It is also used for emergency loans, reducing dependency on money lenders. Skills training and entrepreneurship development programmes help to enhance employability and equip women to establish micro-enterprises.

SHGs are engaged in a variety of income-generating activities, ranging from the making and marketing of cottage products such as pickles, dried fish, spices, incense sticks, vermi compost, etc., to running custom hire centres for farm equipment. Incense stick rolling groups in Munger (Bihar) have been particularly successful, evolving from an informal network to a sustainable and scalable enterprise by setting up a co-operative to manage the production of unscented sticks and a scenting-cum-packaging unit, both run entirely by women beneficiaries. Women have also been mobilised to form solid waste management groups that undertake door-to-door garbage collection, segregation of waste as well as the production and sale of organic manure. These small ventures have the potential to grow into successful and profitable independent enterprises in the future.

Two new components have been added to the Programme in the past few years—projects for women in extreme poverty in collaboration with Bandhan, an NGO, and an intervention aimed at women in agriculture. The former focuses on destitute women who have no asset base and whose incomes are largely irregular. They are assisted with productive income generating assets, supported with intensive handholding, counselling, on-job assistance, training and local level facilitation with the objective of bringing them into the financial mainstream. The overall goal of the programme for women in agriculture is to make agriculture more inclusive. It equips women with knowledge and skills in modern agricultural practices through initiatives tailored to local needs, e.g. pulpwood sapling nurseries, farmer field schools, custom hire centres for farm equipment, etc.

Initiated in 2000, this Programme is currently operational in seven states. Nearly 50,000 women have benefited through micro-enterprises or assistance with loans to pursue income generating activities. There are over 2300 micro-credit SHGs with over 26,000 members and cumulative savings of INR 44.8 million *(approximately 582 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016)*. Commencing in 2014, over 8800 women have been covered under ITC's programme for ultra-poor women across six states.

6.2 *Horizon 2: Creating Capabilities for Tomorrow*

A. Supporting Primary Education

In line with the widely acknowledged view that the most productive strategy for energising education, especially for children from economically weaker sections, is to strengthen the schooling system and ensure quality mainstream education, ITC's Primary Education Programme aims to provide quality education to these children with a focus on quality and retention. Operational in areas in the vicinity of its operating units, the Programme has four components.

I. Infrastructural support for Government schools, include furniture, text and exercise books, uniforms and modern teaching aids as well as structural additions, e.g., classrooms, separate toilets for boys and girls, partition walls, roofs, compound walls, etc., to create a more conducive learning environment. Enabling schools to conduct sports, extra-curricular activities and other special activities like competitions and cultural events broadens the learning experience. Supplementary Learning Centres (SLCs) provide coaching to school-goers to help them keep up in school or to drop-outs so that they can re-join mainstream education. They are usually manned by local educated youth, either college-going or unemployed. SLC teachers proactively engage with parents of dropouts to persuade them to send their children to the SLC as a step towards returning to school and interact with parents regularly to build community involvement in children's education.

To create a strong foundation for children between the ages of 6–14 years, ITC has partnered with Pratham Education Foundation to improve their reading, writing and basic arithmetic skills through a unique pedagogy that is geared towards helping learners achieve all five competencies—Listening, Speaking, Reading, Writing and Doing.

Initiated in 2000, to date, these interventions have benefitted over 450,000 children across 12 states. Infrastructural support to over 1200 government schools has been provided and over 320 SLCs have been established.

II. Skilling and Vocational Training

ITC's Skilling and Vocational Training Programme for boys and girls focuses on employability and employment linkages. The initiative aims to build market relevant skills so as to make potential job seekers industry-ready and employable in the manufacturing and service sectors. As part of ITC's affirmative action plan, it is primarily targeted at SCs and STs, among the most socially and economically marginalised communities in India.

Largely operating in the vicinity of its operating units, the Programme offers training in technical skills for the hospitality, automotive, electrical, computer and construction sectors, as well as in a range of trades—tailoring, beautician, bedside nursing, and security. Courses run for 4–12 weeks, depending on the skill. On completion, placement camps are organised by partner NGOs to facilitate employment opportunities.

Initiated in December 2013, the Programme is currently operational in 14 states in partnership with NGOs like Don Bosco Tech Society (DB Tech) and Pratham. Over 27,000 youth have completed their training.

III. Public Health and Sanitation

The severe lack of sanitation facilities, especially in rural areas, is a major cause for the persistence of open defecation throughout the country. The problem is further compounded by lack of awareness on the causality between open defecation and health hazards—especially water-borne diseases. ITC's Health and Sanitation Programme seeks to address this serious issue by supporting the building and usage of family-owned toilets in the catchments of its manufacturing units.

ITC's strategy is centred on galvanising a people's movement and mobilising grassroots institutions to take the lead in building family-owned toilets. Intensive awareness generation programmes customised to target men, women, youth and children, combined with mandatory financial contribution from participating families help to ensure high and sustained usage levels of the constructed toilets. Wherever possible, the Programme works in active collaboration with government sanitation schemes.

ITC is also supporting the training of teachers and students on WASH (Water, Sanitation and Hygiene) principles (laid down by the United Nations) with the aim of bringing about sustained behavioural changes through a variety of awareness building exercises and infrastructure. To instil the importance of WASH right from the primary level, committees, consisting largely of students, are taking the lead in taking ownership of WASH areas in schools e.g., proper use of facilities, cleanliness, hand-washing with soap, etc.

Initiated in 2000–2001, the Programme is currently operational in 11 states in collaboration with NGOs like Vibhavari, MYRADA Kaveri Pradeshika Samsthe (MYKAPS), Water for People India Trust (WFPIT), etc. Over 11,000 family-owned toilets have been constructed and 748 health awareness camps have been held.

IV. Solid Waste Management (SWM)

The vast increase in municipal solid waste generation as a result of rapid urbanization and changing lifestyles is a widespread global problem as is the development of effective disposal solutions. Unfortunately municipal waste disposal services in India are by and large inefficient, unhygienic, uneconomic and inadequately supported by modern waste treatment practices and technology (Vij, 2012).

Considering the severity of the problem of safe and low cost disposal of household waste, ITC launched its first solid waste management project in Saharanpur town (Uttar Pradesh) in October 2006. ITC's project has demonstrated an effective delivery model that involves stakeholders—primarily the community and local government bodies—in productive people-public-private partnerships and ensures efficient recycling and reusing of waste, thus reducing the burden on landfills. It also provides employment opportunities for large numbers of the urban poor and is financially self-sustaining through the collection of user fees, sale of recyclable waste and the production and sale of organic compost.

The model entails door-to-door collection by waste collectors, who are provided with rickshaw trolleys, each covering 150–200 households per day. Waste is segregated at the household level into (a) recyclable, (b) biodegradable and (c) non-recyclable waste. It is then transported to the waste management site in separate bags to avoid both contamination and spillage. Working on the *"Treatment closer to the Generator"* concept, waste management sites were developed close to the collection points to reduce transportation costs. Secondary segregation, to separate recyclable waste from biodegradable waste, is done on site. Recyclable waste is sold to private vendors, non-recyclable waste is transported to landfills and biodegradable waste is processed to make organic compost.

SWM projects are being implemented in eight locations in the vicinity of ITC factories for door-to-door collection of household waste, segregation and recycling with the help of NGOs like BITAN, Exnora Green Pammal (EGP), Muskan Jyoti Samity (MJS), SEWA, etc. The projects together cover nearly 32,000 households and handle 240 ton of waste per month on an average. Only 21 % of the total waste collected is being dumped untreated. The projects earn nearly INR 700 thousand *(approximately 9100 euros @ 1 INR = 0.013 euros; as on February 12, 2016)* per month as revenues which goes towards meeting part of the administration and overhead costs.

7 Conclusion

With the core objective of building sustainable livelihoods, ITC's MSK combines to deliver a mosaic of end-to-end solutions that foster local initiatives to develop soil, water and forest resources, open up new non-farm livelihoods, empower women economically, expand primary education and build skills to improve employability. Together, the Mission helps to strengthen local economies by enhancing incomes, building grassroots capacities, broad-basing rural livelihood options and putting in place systems for sustainable management of local resources, thereby helping communities to move to a position of strength in a challenging global marketplace. Moving away from the *'dependent development'* syndrome, ITC's initiatives are committed to catalysing change at the grassroots and developing leadership from within stakeholder communities, by enabling even the most marginalised to access knowledge, co-operatively mobilise resources and act collectively to safeguard and enhance their social, economic and environmental security.

8 Going Forward

ITC's programme adequately addresses the underlying hopes and expectations of the government in nudging corporates to adopt CSR practices. The projects:

- Aim at sustainable development of the most marginalised as the core of all its interventions through grass-roots capacity building;
- Are designed to address the needs articulated by the target group elicited through a participatory process of planning and implementation;
- Promote interventions that are aligned to national priorities and concerns; and
- Have quantifiable and measurable indicators for each intervention to ensure robust impact assessment.

The conclusion that companies like ITC abide by and are in full alignment with the spirit and the letter of the law should not come as a surprise. Many companies in India have been seriously engaged in promoting inclusive development along the lines charted in the Act. For such companies, Section 135, far from compelling any changes in the way things have been done, in fact, reaffirm and validate the strategy, interventions and implementation systems that had been put in place prior to the Act.

But one of the CSR rules—that CSR could not be *"undertaken in pursuance of normal course of business of a company"* does raise important issues. Arguably, more than financial resources alone, businesses have the potential to create transformational social business models because of their entrepreneurial and innovative skills which are imperative to run successful enterprises. Examples abound, from India and abroad, of innovative social-business models that (a) have created sustainable livelihoods on a scale that would not have been possible otherwise; (b) have multiplier impacts on environmental regeneration; and (c) give the company a long-term competitive advantage.

The viability of such an approach has now come into doubt since it may come in conflict with the rule cited above, thus leading to sub-optimal solutions. A single example should suffice to support this conclusion. Companies wishing to enter the dairy business would hesitate to provide a range of back-end services to farmers to enhance productivity and quality of milk since it could be interpreted as "normal course of business". Consequently, higher value realisation by farmers, based on transparent systems, traceability and premium for clean milk could become a victim of normal market operations, thus leading to sub-optimal solutions for the main stakeholder.

Narratives from companies like ITC elicit several stimulating possibilities that could shape the future of the Act. The questions that merit a thorough and wide-ranging consultation and debate therefore is that if *CSR was to be delivered in the context of business,* would it sharpen and deepen the spirit of innovation and entrepreneurship, thus making projects even more replicable, scalable and sustainable? Equally, in the wider context of Sustainability, in the long run, would such a strategy also reinforce the competitive capability of enterprises which are critical to ensuring sustained growth, which in turn, would continue to provide resources to support social investment programmes desired by the government?

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Jindal Stainless Limited's Perspective on Corporate Social Responsibility: A New Strategic Dimension

Rajiv Williams

Abstract The perspective of Corporate Social Responsibility (CSR) of a developed economy and an emerging economy is distinctly different. While, in a developed economy, Corporates have the option of choosing the nature of its CSR intervention; but, in an emerging economy, such flexibilities may not be possible. Hence, as CSR professionals, especially in an emerging economy, as that of India, one needs to be endemic in their facilitation and understand and support the reality of economic growth and bring about a direct relationship of 'inclusive growth' with social development. Interestingly, in India, the CSR mandate of the Companies Act, 2013 also supports a national development agenda.

This paper seeks to understand the various CSR implementation strategies available and explore, in particular, Jindal Stainless Limited (JSL), India's largest and the only fully integrated Stainless Steel manufacturing Company's CSR implementation, through its Case Study.

Keywords Charity Welfare Philanthropy (CWP) • Sustainable CSR • CSR implementation • Cheque book philanthropy • Grameen Dukan • Jindal Stainless Limited Foundation • Private-private-public-people partnership

1 Introduction

Corporate Social Responsibility (CSR) is the strategic approach towards sustainable community development and the key to inclusive growth. In other words, the bottom line in the realm of CSR is to engage and connect with people by speaking the *'Language of the heart', and making honest endeavor in fulfilling needs of the community through a community based participatory approach* (Williams, 2010).

However, 'the future of CSR' is linked to the corporate leaders' understanding of CSR and how in today's context, it has become an essential part of the business strategy. It, therefore, behoves upon the CSR Directors/CSR Heads and the likes in Corporations, to excite the senior management team (SMT) in such an

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understanding and engage them in adopting sustainable practices in various business processes. The outcomes of such engagement also contribute towards business profitability and encourage various stakeholders to adopt a positive value-based approach. Such an adaptation by Corporations have a direct impact on their business responsibility towards the second pillar of 'Respect' enshrined in the United Nations Guiding Principles on the business and human rights (UNGP) framework—*'Protect, Respect, Remedy'*.

In India, many years of programmatic work has been done without noticeable outcomes, despite the expenditure books showing large amounts being spent on social development activities. This is because of the involvement of a number of Ministries in the Government of India, trying to achieve targets by spending funds allocated for the purpose without a nodal Ministry in charge. This has led to a complex innuendo of duplication of both effort and 'Outcomes', which needs to be corrected. Thus, the critical mass of CSR activities rests on the 'Social impact' achieved and how the efforts have made a difference in the lives of the people.

To ease this process, the Government of India, through the recently passed Companies Act 2013 has very clearly articulated under Section 135 on the eligibility criteria; the processes to be followed in terms of composition of a CSR Committee; the CSR activities, which qualify under Schedule VII and so on for companies having a net worth of Indian Rupees (INR) 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a turnover of INR 10 billion (approximately 130 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a net profit of INR 50 million (approximately 650 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more during any financial year.

This Act hopes to initially target more than 16,237 companies mandated to report on CSR spent, with an approximate amount of INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) in each year. Subsequently, with more corporations aligning themselves towards the CSR agenda, the number of corporations in the CSR space is expected to increase manifold and raise the community investment capital, which will serve the unmet community needs. However, it is not the '2 %' mandate, which is going to make the difference, but the 100 % commitment of the corporation that can make a difference in the overall life patterns in defined spaces and geographies.

2 Brief Perspective on CSR

It is therefore, important to reiterate that CSR is a sustainable development of internal and external environment through various activities and programs, planned over time. *Although, the methodologies vary with the Corporate strategy, area of implementation and the situation; yet the aim of CSR remains the same i.e. 'To provide a platform to build upon and empower a group or a community through repeated processes making the target self reliant and sustaining'* (Williams, 2010).

This aim is achievable only when as CSR professionals, we develop need-based programs through a process of direct intervention with the community. What do they need, should be the question and not what a corporate thinks they need. It is only after analyzing the need-assessment, should projects/programs be initiated, as there may be a real difference between perceived needs and the actual requirements. In addition, it is important that all programs and projects are implemented on a 'Project mode', with discernible outcomes spread over time and NOT merely be a one-off activity.

There are a number of ways for program implementation; viz the 'indirect approach', the 'direct approach' and the 'mixed approach'. The indirect approach encompasses running a program through an external agency, like a non-Governmental Organisation (NGO), not for profit organization or for that matter, even a private domain specialist organization with requisite expertise and skills. In such an approach, the onus of running the program lies with the partner organization, where, they are required to provide periodic feedback to the funder on project curves. To get a sense of satisfaction and a 'feel good' factor, the funding partner usually carries out a validation of the project and checks on the partners' involvement through planned site visits, giving adequate time to the implementing agency to cater to the needs of the funder and present, at times, a fabricated picture of the project. The project outcomes of such visits are thus questionable and in most cases inaccurate. This method of outsourcing projects through agencies could be termed as the 'cheque book' philanthropy model. This expenditure of the funder also qualifies under the 2 % rule, as mandated in the Section 135 of the Company's Act 2013!

The second approach i.e. the 'direct approach' is when a Corporate engages directly with the community, thereby, having the advantage of a direct connect with the people in a pragmatic and direct manner. Such a method has a great advantage of feeling the pulse of the communities around the manufacturing facility, thereby pre-empting any misadventure, which may spur up, and impact the running of the factory. This approach is more strategic in nature.

While the former model follows the '*Charity Welfare Philanthropy (CWP) concept'* (Williams, 2010), the second model is the real subset of 'Sustainable CSR', where-in corporations directly engage with communities. The CWP model is usually momentary and has a short shelf life of little recall value, while the Sustainable CSR concept is the real bonding between the supporter and the supported. An NGO's engagement to a project is fund-based and when/if the fund stops, the work stops as well. Such a practice invariably leads to creating a void in the area, and the sudden de-link results in negative vibrations amongst the community. Hence, it must be understood that the most charitable initiatives unfortunately lack sustainable outcomes, unless the capacities of local communities are built up to such an extent that it can withhold the exit policy of the corporate or a partner organization. This same caution holds true for even the large funding institutions like, the Bill & Melinda Gates Foundation or, Mr. Warren Buffet and others, who invest billions of dollars in the social development sector to India.

Yet, a third version is a mix of both the methods, where-in the local corporate CSR team constantly monitors activities of the implementing agency, thereby ensuring that frequent visits take place to a project site. Here, the rules of engagement for a good implementation strategy are clarity of aim, good monitoring systems and transparency in all transactions.

3 Various Dimensions of CSR

CSR benefits are intrinsic in any Corporate Strategy; however, such factors should not become overbearing in its complexion and be the only reason for social interventions. Co-lateral engagements or projects linked to Central or the State Government should be viewed with a 'pinch of salt', where a large number of foreign sponsors or successful business houses are keen to invest large sums either directly in the social sector or through cleverly worked out programs, which give them a long term partnership. These international agencies support Government programs with a long-term dependence of the Government on the partner to provide software/equipment for running a program. This must be guarded against and independence assured in implementing such long-term initiatives. *Hence, as CSR professionals, we need to be endemic in our facilitation and understand and support the reality of economic growth and bring about a direct relationship of 'Inclusive growth' with social development.*

Thus, CSR should not be taken up as an expenditure; but an investment. Recent studies (Peloza & Papania, 2008; Garay & Font, 2012; others) indicate that the Companies with good CSR practices have been found to increase their overall sales and financial status. It is therefore important to understand the linkage and *relevance of CSR with CFP (Corporate Financial Performance) and brand equity; and acknowledge* the relevance of formulating the corporate strategy with respect to good CSR practices.

CSR is also a key to *Reputation Insurance*. Peloza (2005), have highlighted a number of benefits of CSR like increased purchase intentions, higher sales, enhanced image, and improved employee morale and so on. However, the potential for CSR to act as an insurance policy and a public relations tool has gone largely unexplored.

Additionally, the potential for CSR to provide *Risk Mitigation* is widely accepted. Knox and Maklan (2004), have noted that "Being trusted by stakeholders and pursuing socially responsible policies reduces risks arising from safety issues, potential boycotts and loss of corporate reputation" (Peloza, 2006).

4 Social Charter and Corporate Citizenship

Social Charter and Corporate Citizenship are very closely linked. A paradigm shift in the Government's policies towards social engagement of corporations from a community perspective, was first noted by the 10-point Social Charter (Appendix H), announced by Dr. Manmohan Singh, erstwhile Prime Minister of India that gave a boost to CSR, focusing it more on Inclusive Growth, and paving the way to the passing of the Companies Act, 2013 in due course. The main reason for such intervention at the highest policy level is because of the existence of an unequal economic distribution in India. But, have we ever questioned ourselves as to why such a gap exists? What can Corporates do to give back to the community, especially, in the areas where they have their presence either because of their manufacturing operations or because of some strategic interests?

It is in this context that we need to think of having a collaborative CSR model, a Private-Private-Public-People Partnership, where Corporates, amongst themselves, as also Corporates with the Government/others initiate joint programs and facilitate in transforming the society and strengthening the common agenda through a process of integration and joint-man-ship in-keeping with the laws of the land.

5 Case Study: Jindal Stainless Limited (JSL) CSR Initiatives

As part of the O. P. Jindal group, JSL is India's largest and the only fully integrated Stainless Steel manufacturing Company. It has grown from an indigenous single-unit Stainless Steel plant in Hisar, Haryana, to the present multi-location and multi-product conglomerate.

It is a globally recognized producer of stainless steel flat products in Austenitic, Ferritic, Martensitic and Duplex grades and its product range includes ferro alloys, stainless steel slabs and blooms, hot and cold rolled coils, plates and specialty products such as razor blade steel, precision strips and coin blanks. In addition to its stainless steel manufacturing facility, it has established an extensive distribution network through its service centers and warehouses in both domestic and overseas market. JSL is well equipped to serve its customers from its stainless steel manufacturing facilities at Hisar (Haryana) and Jajpur (Orissa).

Driven by its focus on sustained growth and value addition in its products and services, JSL has led the way with continuous innovation, and over the years, initiated strategic growth plans and made investments towards capacity expansions through forward and backward integration in both domestic and international markets.

JSL's Corporate Vision is "To be admired as a Socially Responsible Corporate and a Sustained Value Creator for all its Stakeholders".

Aligned to this vision, JSL established its Foundation, a registered society under the Registrar of Societies with the aim of implementing various social and environmental initiatives near its Corporate Head office, plant locations and factories, through the direct and indirect methods. Through its various networks and partnerships with various National/International CSR initiatives, JSL believes in the participatory approach of program development and design. This has given all stakeholders i.e. the employees, the community and others in the supply chain an opportunity to get connected with each other, especially in the immediate operational space.

Mrs. Deepikaa Jindal, Chairperson of JSL Foundation provides the overall guidance for the CSR initiatives. Direct interventions are carried out by professional and experienced CSR team members at plant locations; as well as programs implemented through partnerships with reputed national and international civil societies and NGOs. JSL believes that "CSR is the direct connect between 'Head & Heart' and can only be achieved when professionals speak the 'Language of Heart'."

The CSR philosophy of the JSL Foundation is: "To address key social developmental issues and encourage all stakeholders to get engaged through focused sustainable interventions with the aim of achieving the overall vision of JSL of becoming a Socially Responsible Corporate;" while its aim is to mainstream 'communities at the bottom of the pyramid.'

The Mission Statement of JSL Foundation is "To develop an enabling environment for all stakeholders through community based sustainable development programs and in so doing, facilitate inclusive development."

To achieve this mission, the objectives include working towards social advancement of all stakeholders i.e. employees, communities and their families; empowering rural youth and women through skill enhancement and promoting entrepreneurship; providing basic amenities to rural communities living around their areas of operations i.e. primary health, basic education etc; working towards environmental protection; providing an enabling environment, promoting best practices and ensuring a proper reporting structure.

To ensure implementation of such objectives, several projects are undertaken at both the Corporate Office level and at the plant/factory level, some of which has been detailed below.

5.1 Promoting Gender Equality and Empowerment of Women

At the Corporate level, JSL Foundation has signed up to the United Nations Women's Empowerment Principles (UN-WEP) Statement of Support and is 1 of the 30 members of the UN-WEP Leadership Group. Apart from coming up with safety guidelines for women, JSL encourages women to apply for managerial positions; has a strong Internal Complaints Committee, that includes a policy for prevention of sexual harassment at workplace and guidelines towards safety of women employees.

At the plant level, JSL has increasingly realized the importance of devoting attention to the economic betterment and development of rural women by organizing regular interaction events, that helps the women in showcasing not only their talent, but also display their leadership prowess. As a part of this project, a number of activities have been undertaken, where, the top management team (TMT) has always played a lead role. Some of the activities are as follows:

Save the Girl Child At Hisar, responding to the issue of diminishing girl population in the State of Haryana and its deeper implications, JSL, in collaboration with the local Government, has initiated a project, named, "Save the girl child", in partnership with an NGO—Child Reach International (India) targeting 630 Currently Married Women (CMWs). The project focuses on creating awareness among different stakeholders such as elderly mothers, eligible couples, male community members, adolescent girls etc. on health and hygiene, gender issues, education, rights, prevention of girls and female feticide.

International Women's Day At the Corporate Office, International Women's Day is celebrated every year, where, representatives from United Nations (UN) Women make presentations on the 'Theme of the year' and other speakers talk on various topics, bringing in a pride of place amongst the women employees.

This same spirit is percolated among the plant offices and celebrated across locations to inspire positive changes among the women. As a part of this project, numerous videos are screened and experiences shared by women who have been impacted by the JSL CSR initiatives.

Women's Empowerment Through Nurturing of Self Help Groups (SHGs) JSL Foundation focuses on capacity building of SHGs, (a village-based financial intermediary committee at the grass-root level found in India), who are in need of support in accounting, financial management, and organizational development. These are undertaken through multiple activities, as follows:

Since 2012, groups of 36 Home Science final year students from Haryana Agriculture University (HAU) carry out an internship program for 2 months at various villages in Hisar town in Haryana State, where they train the SHG members on making soft toys, embroidery, cutting and stitching; as well as to bake cakes and make pickles.

Training programs on *animal Husbandry* are also conducted at the Central Institute for Research on Buffaloes in Hisar. The technocrats build capacities of the local farmers on various scientific methods of buffalo management, that include preparation of balanced feed—hay, selection criteria for breeding animals, healthcare, artificial insemination and so on.

In Jajpur, over 150 SHGs with a total of 1805 women members have been promoted by the JSL CSR team; facilitated to *open bank accounts and are linked to the TRIPTI (Targeted Rural Initiatives for Poverty Termination and Infrastructure)*

Project of the Government of Odisha. The empowerment process with the SHGs has been divided in three phases; (i) Capacity Building; (ii) Income Generating Activities and (iii) Livelihood Programs.

A total of 17 SHGs with 243 women members in Jajpur have been trained in **mushroom cultivation** and facilitated to purchase mushroom spawn from the Grameen Dukan (a direct online buyer-seller rural mart), thereby earning a good profit through selling their produce in the local market.

The *Grameen Dukan* is also promoted to sell the SHG products that was initially supported by the National Bank for Agriculture and Rural Development (NABARD). At present, 21 commodities are available for sale with very low profit margin. It has been the constant effort of the JSL CSR teams to improve the quality of these products.

Workshops on Fruits and Vegetables on Preservation training are carried out regularly for women and girls in Hisar; handicraft, pickle making and other livelihood trainings are imparted to SHGs in Jajpur, which has helped them to start entrepreneurial activities and contribute towards their family incomes.

The locals of Jajpur have also been engaged in papad making and other food products made from pulses etc. The SHGs have been facilitated in getting commercial production licence from Central Food Technological Research Institute (CFTRI), Mysore and have been registered with the District Industries Centers. Beetle vine cultivation has also been introduced and taught to the locals here, which has a good market in and around their villages.

The layer birds given to the Scheduled Caste (SC; official designations given to various groups of historically disadvantaged people in India) households of Manatira village in Jajpur have been laying eggs, that has a great local demand. Vaccination of the birds is done by the NGO, SOPUTRA.

Sheep breeding and sheep rearing, besides other animal support is given to the local communities in Jajpur; regular veterinary camps are held where-in sheep vaccination is carried out regularly in partnership with the local animal husbandry department and bank loans facilitated to farmer clubs and SHGs for taking such initiatives to the next level.

In Jajpur, training in making Stone Apple/Wood Apple/Amabel sharbat (drink) is being imparted to the SHG members by the State Food Processing departments. The women have opened drink kiosks and have been successfully selling the healthy drink, which is not only being liked by the community, but also contributing towards weaning the locals from the locally brewed drink.

Tailoring training is imparted to the women in the villages around and entrepreneurship encouraged, be it in terms of opening petty shops to stitching, to setting up their own small pulverizing mills etc. One of the success stories have been documented hereunder.

Asmita—Production Center
JSL runs various tailoring centers in and around the plant location in Jajpur. Most of the trained women start their small enterprises at the household level and are able to make a small income out of it. In an effort to take the program to the next level and add more value in the lives of these women, a new production center model was introduced, with an intention to produce good quality finished products, which would then be connected to markets in and outside Odisha.

A group of 20 young women were handpicked for the initiative and provided intensive training on home furnishing products in IKAT (or Ikkat, is a dyeing technique used to pattern textiles that employs a resist dyeing process on the yarns prior to dyeing and weaving the fabric). A one and a half month long training was conducted by a master trainer from All India Artisans and Craft Workers Welfare Association (AIACA) at the Jindal Institute of Industrial Training. This program was in partnership with the Earthy goods Foundation and a Delhi-based designer, Ms. Sangeeta Sen. The training program was followed by a design workshop of home furnishing products made in Ikat, post which, a range of products were made under the brand name ASMITA.

Currently, ASMITA has received bulk orders, that includes stitching uniforms from local schools since December, 2013; stitching 2500 pieces of cushion covers from J P. Handloom, Cuttack. However, the real feather in the cap came, when, ASMITA received orders from Fabindia (India's largest private platform for products that are made from traditional techniques, skills and hand-based process) to stitch kurtas and other apparels after the samples were duly approved. These young women do everything by themselves, right from sourcing of the product to production, quality check and marketing.

5.2 *Human Rights*

JSL is associated with the Chief Executive Officer (CEO) Forum on Business and Human Rights, where it takes a leadership role and facilitates other Corporations to be a part of the process. JSL has strong initiatives and ideologies on Human Rights and over the past few years, a number of consultation and training programs, both external and internal, have taken place in order to embed the UNGP into its business strategy and operation. Some of them include, efforts made to share and sensitize employees about Human Rights; sensitizing the MSME (Micro, Small and Medium Enterprises) and the supply chain on issues relating to Business and Human Rights as articulated in the UNGPs; encouraging members of the United Nations Global Compact (UNGC) as also others to learn and share; encouraging other corporations on the UNGP guidelines and exploring through peer learning sessions how the mystic can be uncovered.

Global Business Initiative on Business and Human Rights has been the pillar of support to JSL. In order to create awareness of UNGP, JSL has undertaken a number of activities, including developing tools for conducting workshops and bringing in international expertise in strengthening the second pillar of ‘Respect’, with a structured focus on international standards.

The dialogues also focus on Principle No. 5 (Business Responsibility Reporting Framework) of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) for Indian companies and explore practical approaches of embedding both the UNGPs and NVG principles into business operations, as well as reporting and assurance processes.

Human Rights Due Diligence As part of the UNGPs, JSL carry out a due diligence on Human Rights through an external agency, MAZARS, a global audit and consulting firm. They review various policies, procedures and processes concerning the community and environment that are prone to human right risks and consider the impact of those policies and procedures on the community and the environment. The final audit report is submitted to JSL and has been extremely beneficial in streamlining its various processes and take out corrective action to avert possible human rights violations, which in sum has also helped the company’s profit index.

5.3 Environment Conservation

JSL has undertaken a number of projects in environmental conservation, namely, as follows:

Project “Paper Back” JSL, in collaboration with Greenobin (company that provides complete range of independent recycling and paper waste management facilities) has initiated a “Paper Back project” across the companies to recycle paper waste and demonstrate good practice of using, reusing and recycling paper for making products, which are not only useful but are aesthetically good. All Jindal employees have been asked to ensure that whatever paper they use is worthy of recycling (not soiled, as wet paper cannot be re-used). This paper gets collected by the office boys and given out for recycling.

This project is an attempt to save the environment as industrialized paper-making has an effect on the environment. 90 % of paper pulp is created from wood and paper production accounts for 35 % of felled trees (Martin, 2004; Wejnert, 2012).

Project “Paper Craft” JSL, in collaboration with ACT, an NGO has been engaged in training women in an innovative project i.e. making different products with newspaper. Some of the products are coasters, lamp shades, baskets, glass and pen holders, ear rings, key chains and the like.

Organic Farming At Hisar, activities have been initiated to promote organic farming in the area since the practice of using fertilizers etc. have resulted in the depletion of the soil condition and have increased the cost of cultivation and negatively impacted human health. Currently, JSL Foundation is intervening in 10 villages with the objective of motivating the farmers to adopt organic farming techniques which are proven and considered to be sustainable. The JSL team interacts with the farmers at various levels, conducts awareness sessions, identifies the progressive farmers, trains them and organizes exposure visits. Farmers are informed about the land preparation, seed preparation, organic fertilizers, organic sprays etc. and farmer clubs are formed for the promotion of organic farming. Other practices like rice intensification procedures and farming using less water as also on multi cropping practices are shared with farmers.

Linkages have been established with various Government Institutions like the Agriculture department, Regional Center of Organic Farming, HAU etc., which has resulted in experts sharing their experiences through SMS (Short Message Service) platform.

A small booklet on techniques of organic farming has been distributed to all the farmers; and presentation on the project, along with the methods and materials that organic farmers need to keep and build good soil structure and fertility to control pests, diseases, weeds; and costing has been shared. The session has helped in giving an insight of this initiative to all the employees. The farmers have expressed their happiness and have promised to work in this direction by not only increasing the land for organic cultivation but also in introducing more farmers for this initiative.

5.4 Promoting Education

In order to promote education and realize the goal of universal education amongst the rural and backward population in Jajpur, various interventions have been undertaken. The main objectives that these interventions seek to achieve are (i) to bring all non school going children to bridge course education centers in five villages; (ii) to create an environment of education in the villages; (iii) to impart computer literacy to the poor students in two high schools and (iv) to bridge the digital divide by offering exciting and effective education and learning experiences through innovative technologies to the underserved groups.

Bridge Course Education Centers There are six bridge course centers at different locations in Odisha opened up in the area to cater to the needs of the community. To ensure participatory approach, efforts have been made to engage with the mothers by establishing a Mother's Association. In addition, Education Committees have been formed and such a concept ensures that the needs of the parents and the children are met quite an extent. Besides JSL also has special children enrolled at our O. P. Jindal Modern School, Hisar.

Pre Nursery classes for children below the age of 4 years are conducted at O. P. Jindal Vikas Kendra, Hisar where students are taught English and Hindi alphabets, numbers, names of fruits, vegetables, modes of transport, poems etc. to prepare them to be mainstreamed into schools. Periodical meetings are organized with mothers to share topics related to school admission procedures, cleanliness, nutrition, health and hygiene etc.

Pre-nursery kids of O. P. Jindal Vikas Kendra, Nehar Colony and Workers Colony celebrate 'Lodi', the harvest by germinating seeds in the cups filled with soil. Getting closer to nature is encouraged as they see the seeds germinate and grow by. The kids tend to their plants each day under the guidance of their teacher.

Computer Education Centers Computer Education Centers are running in two high schools in Hisar and students from classes VIII to X are enrolled to learn basic computer. The courses taught are Micro Soft (MS)Word, Excel, PowerPoint, internet and e-mail etc. 216 students are enrolled annually.

Basic computer classes, both theoretical and practical are also being run for the children residing in and around the residential areas of the factory at O. P Jindal Vikas Kendra—Old workers colony to impart computing skills. The course is designed for 6 months and children from class VI onwards are eligible for the admission. At the end of sessions, examinations are held and certificates are distributed.

Hole in the Wall (HiWEL)—Computer Aided Learning Station—An Innovative way to Learning

At Hisar, JSL entered into a partnership with the HiWEL in December 12, 2012 for setting up of Learning Stations (LS) with a prime objective of promoting the self learning process to enhance the academic education through computers. The learning materials installed in each of the system are in the form of multimedia i.e. cartoons, games, and other interesting modes which can be easily accessed by the children on their own or with a little trial and error method.

Village Library A Village Library is running to inculcate book-reading habit amongst the displaced persons in Trijanga Rehabilitation Colonies in Jajpur. A Village Library Management Committee has been constituted to run the program. The level of village readership has gone up manifolds by the introduction of the library.

Skill Training JSL Foundation has initiated a new project, formally launched in Srinagar by the Minister of Rural Development (MoRD), Government of Jammu and Kashmir (J&K) in the presence of Mr. Ratan Jindal, Chairman of JSL and Mrs. Deepikaa Jindal last year, in partnership with the MoRD, with the aim of imparting skill training to the unemployed youths of J&K. 'Himayat' is a part of the Skills Empowerment and Employability (SEE) scheme of the Prime Minister's Office (PMO), that is being implemented through the MoRD. 'Himayat' has its focus on bridging the gap between the industry requirements and the skill sets of the youth, so that more employment opportunities can be generated. Through the program over 2000 youth from the State of J&K are being trained over a 2 year window in Electrical, IT, Stainless Steel Fabrication, Hospitality etc.

5.5 Health

A number of healthcare interventions are done by JSL Foundation at the plant level, namely as follows:

Mobile Health Units In Jajpur, JSL, in partnership with the State health department reach out to the interior villages through mobile medical units deployed for the purpose. The Medical Van is fully equipped, in accordance with the prescribed medical standards, to attend to the needs of the patients in the target areas. The patients, who require further treatment, are referred to hospitals in the vicinity known as the 'Referrals' approach.

The objective of the static and mobile health clinic is to deliver preventive, promotive and curative health services that reaches out to the rural population, especially to the economically challenged women, children and geriatric in the peripheral villages of JSL plants. The medical vans, besides attending to the static clinic every day, also moves to two villages with the medical team to conduct mobile health camps.

At Hisar, the Mobile Health Dispensary project, jointly with N. C. Jindal Hospital (NCJH), provides medical services at door steps for the unreached population. The medical services in terms of diagnostics, treatment and medicines are provided to the rural beneficiaries.

Health Awareness Program Awareness on Acute Respiratory Infection, prenatal and post natal care, leprosy, sun stroke/heat stroke, tuberculosis, malaria, safe drinking water, personal hygiene, cancer concern, malnutrition Grade 1–4, breast and complimentary feeding, Integrated Child Development Society, door-to-door health checkups, RTI (Respiratory Tract Infection), STD (Sexually Transmitted Diseases), pulse polio, tuberculosis, maternal and child health care, (Human Immunodeficiency Virus and Acquired Immuno Deficiency Syndrome) HIV & AIDS are conducted around the plant areas.

HIV & AIDS Volunteer Program and Employee Engagement Post training by Modicare Foundation, the HIV & AIDs Master trainers from hot rolling division (HRD), cold rolling division (CRD), N. C. Jindal Hospital and Research Center, Vidya Devi Jindal School (VDJS), O. P. Jindal Modern School (OPJMS) and Jindal Industries Limited (JIL) has formed a core committee to bring about awareness on the issue in the rural areas. The Master Trainers, through the Volunteer engagement program, aim at fostering awareness of the disease and work to change attitudes and behavior towards the affected.

The outreach has increased from creating awareness among the internal organization to other external companies/organizations namely Quality Foils, Quality Stainless Limited, H. P Cotton Mills, DCM Textiles and Truck unions in Haryana.

JSL Dental Care Center To support the Government dental health care program, a dental team has been positioned at the Community Health Center (CHC). In addition to this, the dental team also provides school dental health on a weekly basis and provides dental care to the tribal community in a remote area in Odisha.

Blood Donation Camp In Jajpur, blood donation camps are organized periodically in collaboration with the Indian Red Cross Society and the Odisha State.

NOIDA Deaf Society (NDS) Outreach Program JSL, in collaboration with NDS has started a program in English Communication skills and Sign Language skills for the deaf youth. This initiative was started to mainstream deaf children and youth into the society through quality education and vocational training.

Satyawan Sharma hails from a small village in Jakhalmandi, Fatehabad. Out of the three siblings, he was born deaf. He completed class V from the village school and left his village at a young age of 15 years to pursue higher education. He passed class 8 from a private school in Hisar and later completed Matriculation from the National Institute of Open Schooling (NIOS), Delhi. During his stay in Delhi, he heard about NDS and was fascinated to know its work. He joined NDS outreach center in Hisar in January, 2013 and completed various courses in English and Computers to enhance his skills. His commitment, sincerity and zeal to learn at NDS paid rich dividend when NDS offered him a job at Pizza Hut, a leading Food Retail company in Gurgaon in January, 2014. It was a dream comes true for him and his parents.

5.6 *Rural Development Projects*

Apart from the above-mentioned projects, JSL Foundation undertakes various rural development projects as well. Example, construction of schools, roads, culverts, boundary walls of the area, hospital, construction of community centers in the villages, installation of water purification plants and distribution of fruit bearing saplings etc. are some of the rural development projects being undertaken on a project mode by the JSL CSR department in Odisha.

6 Conclusion

Corporates need to be engaged directly with the community and make the CSR initiative meaningful and outcome-oriented. All interventions should be based on the take of the community. A Private-Private-Public-People Partnership model, with good monitoring mechanisms will ensure that the beneficiaries remain the people and the programs remain people-centric. The era of mere charity and philanthropy is over and instead, partners should be engaged with the purpose of sharing expertise and scaling up the projects. Hence, it will be pertinent to mention, that the roles of NGOs need to be clearly defined and transparency ensured. The only message in the sum game of CSR is to remain committed in community development with *'Service before Self'* being practiced by all engaged in the business of CSR. The overarching aim of the exercise is to win hearts and minds of the people through a continuous process of speaking the *"Language of the heart, which transcends all barriers and aligns communities toward an inclusive, holistic Society."*

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Reporting of CSR Activities in India: Are We Still at a Nascent Stage Even After the Legal Mandate?

Sumona Ghosh

Abstract In this paper we have attempted to study Corporate Social Responsibility (CSR) reporting made by select companies in their official websites, Sustainability Reports and Annual Reports for a period of 5 financial years (FY) from 2009–2010 to 2013–2014 i.e. during the pre and mandate onset period, by conducting an empirical and analytical study. Data was then generated from such an analysis using longitudinal Qualitative Document Analysis to show trends as well as absolute CSR levels of Indian companies for the aforesaid 5 year period. "Number of sentences" was used as a unit of measurement to calculate the extent of information reported. It was noted that companies were more prone towards reporting of CSR activities in their official websites than Annual Reports. Infact, the reporting of CSR information was not satisfactory in case of Annual Reports both in the pre and mandate onset period. Besides, the important sections of the Annual Reports like "Chairman/CEO message," "Managing Director's message" and "Letter to the Shareholders," still do not lay emphasis on reporting of CSR as compared to financial information. However, although, there was an increase in the proportion of companies publishing Sustainability Reports from 2009–2010 to 2013–2014, but still there were companies without Sustainability Reports too. The average sentences reported in the Sustainability Reports was observed to be highly inconsistent both in the pre and mandate onset period.

Keywords CSR reporting • Longitudinal qualitative document analysis • Companies Act 2013 • Pre and mandate onset period

1 Introduction

With the rapid spread of globalization, business leaders have begun to realize that we live in an inter-connected world where mutual interdependence forms the basis of our existence and progress. For the survival and sustained growth of business itself, apart from anything else, it is not sufficient to limit our thoughts and concerns

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within the boundaries of the organization. Thus the spectrum of initiatives around Corporate Social Responsibility (CSR) is an ever expanding one that may start from the employees and shareholders but includes the customers, the suppliers, the social milieu, the government, the natural environment and even the competitor. Moreover, with increasing thrust on responsible Corporate Governance, there has been a shift from the preoccupation with the interests of shareholders to engagement with concern for multiple stakeholders from diverse constituencies. At a micro level, with the championing of transparency as a value that demands availability and smooth flow of information, companies can no longer afford to manipulate the customers and arm-twist the vendors. At a macro level, corporate leaders are compelled to consider the impact of their business decisions on the community and the environment at large—the distant others. Further, with increasing dependence on stock market for equity financing, there is also the growing need to attract and fulfill the expectations of conscious investors who value the goodwill of companies that invest in CSR initiatives. CSR today is not just a part-time philanthropic activity, but a strategic imperative directly linked to business results for long term sustainability of organizations. Reporting to stakeholders thus assumes prime importance to transform CSR from a mere company initiative to an all pervading movement.

With the inclusion of this introduction, the paper has been organized into seven sections. Section 2 gives a brief insight into the work that has been done in this area; Sect. 3 outlines the objectives; Sect. 4 states the methodology; Sect. 5 delves into empirical results; Sect. 6 presents the conclusion and Sect. 7 the reflections.

2 Literature Review

Corporate Social Reporting originated from a growing public awareness of the role of the corporate in society. It has been argued that in the mid-1970s there was a change in corporate external reporting from a largely profit oriented perspective to a broader view encompassing a CSR perspective (Ramanathan, 1976). There has been a substantial amount of research in the area of CSR reporting globally but most of the reporting was voluntary in nature because CSR reporting has never been made mandatory till date across the world. Beets and Christopher (1999), in their study, emphasized the need for environmental reporting standards and concluded that environmental reports issued in hard copies and on websites were mercifully diverse. Belal (2001) reported that out of the companies selected, maximum number of companies made disclosure on employees, marginally followed by disclosure on some environmental and lastly on some ethical issues in Bangladesh. Azim, Abmed, and Islam (2009) attempted an empirical investigation into the Corporate Social Reporting practices of listed companies from Bangladesh. Analysis of Annual Reports published in 2007 revealed that only 15.45 % of listed companies made social disclosures. Khan and Khan (2010) examined the extent of human capital (HC) reporting in leading Bangladeshi firms. The study revealed that the most commonly disclosed HC items were information on employee training, number of employees, career development and opportunities that firms provided, and employee recruitment policies. The Human Resources (HR) reporting was found to have increased during 2009/2010.

Purushothaman, Tower, Hancock, and Taplin (2000) focused on Corporate Social Reporting in Singapore, taking five themes such as environment, HR, energy, community involvement and products and services. The study asserted the fact that human resources was the most disclosed theme and that award winning companies were following more Corporate Social Reporting practices. Unerman (2000) deliberated upon the documents that need to be scanned for Corporate Social Reporting and the methods used for measurement of the quantum of the Corporate Social Reporting. They warned that the studies solely based upon the content analysis of Annual Reports is certainly going to present an incomplete and misleading picture of Corporate Social Reporting for a lot of information on social and environmental projects existed in documents other than Annual Reports. Richardson, Welker, and Hutchinson (1999) reported that between the 1992 and 1996 more than 1000 companies across the world reported their social and environmental performance. Such disclosures were made in a range of documents covering Annual Reports, press releases and advertisements. Of late, there is clearly noticeable trend towards issuing standalone reports on socially responsible practices.

Kuasirikun and Sherer (2004) concluded their research with regard to Corporate Social Reporting practices in Thailand and strongly pointed out that the Thai practices were not able to realize their full potential to function as enabling communication. A slight reduction in the number of companies reporting their social and environmental information from 86 % in 1993 to 77 % in 1999 was found. The researchers held the opinion that the slight reduction may be attributed to the economic cycle and corporate profitability as companies in Thailand confronted the financial crisis in 1997.

Adams (2004) conducted a case study of a company named Alpha to present a 'reporting-performance' portrayal gap. Through content analysis of various Annual Reports, it was asserted that the reports did not address the informational needs of various stakeholders on ethical, social and environmental issues. The author suggested mandatory reporting and auditing guidelines and a radical overhaul of corporate governance systems. Nazli and Ghazali (2007) examined the influence of ownership structure on CSR disclosure in the Malaysian company Annual Reports (CARs). The results showed that, companies in which the Directors hold a higher proportion of equity shares (owner-managed companies) disclosed significantly less CSR information, while companies in which the government was a substantial shareholder disclosed significantly more CSR information in their Annual Reports. Barut (2007) in his thesis investigated the emergence and level of voluntary social reporting through (TBL) Triple Bottom Line reports by the top 100 companies in Australia. The disclosures were skewed towards environment, yet social disclosures were also apparent and increased over the period assessed. Yao, Wang, and Song (2011) studied the determinants of CSR disclosure in China using the Annual Reports of over 800 listed firms on the Shanghai Stock Exchange in 2008 and

2009. Guiral (2012) as well as Elliott, Jackson, Peecher, and White (2012) in their studies found that investing in CSR activities and disclosing about the same has a positive impact on financial statement users' judgments and decisions. Dhaliwal, Radhakrishnan, Tsang, and Yang (2012) through his study showed that CSR disclosure completes financial disclosure and affects analysts' behavior in a more favorable way.

From the Indian perspective, we observe that Singh and Ahuja (1983) made content analysis of 40 Annual Reports of public sector companies 25 years back. It covered 33 items of social disclosure. Cowen, Ferri, and Parker (1987) reported that 123 companies out of 202 provided some information in their Director's report concerning some areas of social responsibility. Porwal and Sharma (1991) carried out a study of Corporate Social Disclosure by public and private sector Indian companies. He concluded that various types of disclosures were made in environmental aspects, community development and human resource development. The study also suggested that private companies and smaller companies made lesser disclosure than public and larger companies. It also asserted that the rate of return and earning margin had no effect on disclosures. Agarwal (1992) in his study found that most of the social information was disclosed in the Director's report or in a separate form or by way of notes to the accounts or schedule. He also noticed that the most of the information was presented using non quantitative description technique. Vasal (1995) concluded that most disclosures are either in the Director's report or in the supplementary information. Main body of accounts did not rank as dominant section even for a single information item. Hedge, Bloom, and Fuglister (1997) observed that most of the Indian private companies did not make any formal social disclosures because of the lack of mandatory requirements for the same. The case study of Steel Authority of India Limited (SAIL) was undertaken and it was reported that SAIL made extensive HR disclosure. Value added statements were also included in Annual Reports. Raman (2006) undertook a study to look at the Chairman's messages section of Annual Reports of the top 50 companies in India. This study used content analysis to identify the extent and nature of social reporting. Chaudhri and Wang (2007) found that the number of companies with disclosures on internet is noticeably low in India in the top 100 Information Technology companies. Though the study did not attest the lack of CSR activities but it certainly attested lack of proactive CSR communication, simply put the companies carried out CSR activities, but did not disclose them properly. Murthy (2008) examined the corporate social disclosure practices of the top 16 software firms in India. The 2003–2004 Annual Reports were analyzed using content analysis and it was found that the HR was, the most frequently reported followed by community development activities and then, the environmental activities. Ghosh (2015a) observed that with respect to private sector companies in India attitude towards CSR communication is in a confused state where, the business community has shown its responsiveness towards communication of various CSR activities, but the level of importance that was attached to such activities was not uniform across deciles, deciles being characterized by the growth rate of profit. Responsiveness and inspirations to involve in CSR activities and its communication do not seem to show any particular association with growth rate of profit. The association seems to be haphazard, so nothing concrete could be concluded at this stage. Ghosh (2015b) showed through her research that the corporate sector in India is yet to fully recognize the value of open communication about CSR practices to meet the needs of an increasingly transparent marketplace and to help build corporate reputation.

The above studies carried on in the area of CSR reporting in India are based on the fact that the reporting of CSR activities was so far voluntary. But this paper would be different because it will not only contribute to the existing literature but would also enhance the understanding of CSR reporting in the context of selected companies in India in the mandate onset period since CSR reporting became mandatory under the Companies Act of 2013.

3 Objectives

The main objective of this paper is to examine how the companies are addressing CSR reporting issues. Apart from the main objective, the study also intends to look into the following areas:

- Comparative analysis with respect to the field of CSR activities that the companies were involved in and had disclosed in the websites.
- To estimate the extent of information that the companies had communicated with respect to their field of CSR activities that they were responsive to, in the websites.
- Comparative analysis with respect to disclosure of CSR information by the companies through the Sustainability Reports.
- To estimate the extent of information that the companies had reported with respect to their field of CSR activities that they were responsive to, in the Sustainability Reports.
- Comparative analysis with respect to the reporting of CSR information by the companies in the various segments of the Annual Reports.
- To estimate the extent of information that the companies had communicated with respect to their field of CSR activities that they were responsive to, in the various segments of the Annual Reports.

4 Methodology

4.1 Data Source and Study Design

An empirical and analytical study was undertaken for the study for the Financial Year (FY) 2009–2010 till 2013–2014 to give us an overview about CSR reporting for the pre and mandate onset period. The study was based on secondary sources, i.e., by analyzing the corporate official websites of the companies along with the Annual Reports, Sustainability Reports and any other documents related with CSR, which were made available in the public domain by the companies. For the website analysis, only the current website is taken in the absence of previously archived data. Data was then generated from such an analysis using longitudinal Qualitative Document Analysis to show trends as well as absolute CSR levels of Indian companies for the 5 year period. Qualitative Document Analysis, according to Glaser and Strauss (1967) described the meanings, prominence and the theme of messages and emphasized the understanding of the organization, as well as how it was presented. For the purpose of our research, CSR has been defined as corporate discourse and/or programs that constitute responsibility to the environment and responsibility to community development (Besser, 1998). The array of terminology to be used within the broad CSR realm includes CSR, corporate citizenship, stakeholder engagement, community development, social contribution, philanthropy (Waddock, 2004). Two categories have been identified for this study. Detailed exposition of these categories are provided below:

a) Content Category

Through this category we tried to analyze whether the companies had published Sustainability Reports. We also tried to explore which field of activities the companies were involved in and have reported as a part of their CSR involvement in their official websites, Sustainability Reports and the Annual Reports. So the attributes identified under this category were:

- Reporting of CSR activities by the companies by publishing Sustainability Reports.
- The field of activity/activities engaged in by the companies and disclosed in their corporate websites
- The field of activity/activities engaged in by the companies and disclosed in the Sustainability Reports.
- The field of activity/activities engaged in by the companies and disclosed in their Annual Reports for the above mentioned study period.

With respect to the first attribute, specified under this category, we have allotted 1, if the company has published Sustainability Reports, otherwise we have allotted 0.

Regarding the remaining three attributes specified under this category, we first decided on the fields of CSR activities the companies need to be responsive to and report as per Section 135 of the Companies Act of 2013. According to the Companies Act of 2013, CSR activities include: eradicating hunger; poverty and malnutrition; promotion of education; promoting gender equality and empowering women; ensuring environmental sustainability; protection of national heritage, art and culture; measures for the benefit of armed force veterans; training to promote rural sports, nationally recognized sports; contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the state governments for socioeconomic development, and relief; and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; rural development projects and slum development. Based on this, we have divided the CSR activities specified by the act into eight groups namely—education, environment, disaster relief, health, rural upliftment, empowerment, livelihood and drinking water and sanitation.

With respect to the second attribute specified under this category, we have allotted 1, if the company has reported on any of the above specified CSR group in their websites, otherwise we have allotted 0.

With respect to the third attribute specified under this category, we have allotted 1, if the company has reported on any of the above specified CSR group in their Sustainability Reports, otherwise we have allotted 0.

With respect to the fourth attribute specified under this category, we have allotted 1, if the company has reported on any of the above specified CSR group in any of the sections of their Annual Reports, otherwise we have allotted 0.

We had identified seven sections in the Annual Reports of the companies where CSR information was reported. The segments were, Chairman/Chief Executive Officer (CEO) message; Managing Director's message; Letter to the Shareholders; separate section for CSR; Director's report; Management Discussion and Analysis; and Business Responsibility Report.

b) Extent of Information Category

This category enabled us to analyze the extent to which the companies had reported about their responsiveness towards various fields of CSR activities which were divided into eight groups based on Section 135 of the Companies Act of 2013, namely education, environment, disaster relief, health, rural upliftment, empowerment, livelihood and drinking water and sanitation in their corporate websites, Sustainability Reports and Annual Reports. Units of analysis under Qualitative Document Analysis may be number of words, phrases, character, lines, sentences, pages or proportion of pages devoted to different categories of social disclosure (Unerman, 2000).

For this study we used "number of sentences" as the unit for measurement for measuring the extent of information on CSR activities, since sentences provided complete, meaningful and reliable information for further analysis (Milne & Adler, 1999). The measurement in terms of sentences was justified in that; (1) sentences can be counted with more accuracy than words, (2) sentences are used to convey meaning whereas discerning the meaning of individual words in isolation is problematic, (3) sentences overcome the problem of allocation of portions of pages and remove the need to account for the number of words, (4) in addition, sentences are a more natural unit of written English to count than words (Hackston & Milne, 1996, pp. 84–85). Walden and Schwartz (1997) argued that a sentence consider conventional unit of speech and writing, while portion of pages is not.

4.2 Selection of Companies

Top 500 companies were selected from the Economic Times (ET) 500 list published by the Economic Times for the FY 2013–2014 and 2014–2015. Now from the list of 500 most valuable companies for the years 2013–2014 and 2014–2015, the common companies which had succeeded in maintaining its rank and position within the list of "500 most valuable companies" for the 2 years were selected and from this the top 225 companies were considered for the study. From the 225 companies, we excluded banks from the list and finally our select data set consisted of 183 companies. These companies were ranked on the basis of market capitalization. Market capitalization refers to stock price multiplied by the number of outstanding shares. This parameter was chosen to rank companies since it gives us an indication of not only the present, but future prospects of the company as well. The companies were divided into decile groups consisting of 19 companies each for the first three deciles i.e. decile 10, 9 and 8 and 18 companies for the remaining seven deciles, decile 10 being the highest decile and decile 1 being the lowest as per market capitalization. The companies under each deciles group were analyzed on the basis of the study design specified above for the time period 2009–2010 to 2013–2014, i.e. 5 years.

4.3 Method

With respect to the first attribute under the "Content Category," we calculated the proportion of companies who had published Sustainability Reports. With respect to the second attribute under the "Content Category" we calculated the proportion of companies who had reported on any of the specified CSR groups in their websites. With respect to the third attribute under the "Content Category," we calculated the proportion of companies who had reported on any of the specified CSR groups in the Sustainability Reports. With respect to the fourth attribute, under the "Content Category," we calculated the proportion of companies who had reported on any of the specified CSR groups in the various segments of their Annual Reports. Regarding the "Extent of Information Category," we first calculated the number of sentences the companies have dedicated to describe about their responsiveness towards different CSR groups in the corporate websites, in their Sustainability Reports and in the various segments of their Annual Reports. Average sentences were then calculated for the deciles group.

5 Empirical Results (Major Observations)

5.1 Content Category

- From Table 1 (Appendix I) it is quite evident that the proportion of companies that disclosed about the overall CSR activities was the highest amongst the decile 10 group of companies as compared to the other decile groups. The highest and the lowest proportion has been highlighted in the Table 1. Similarly for each individual CSR activity we have highlighted the highest and the lowest proportion of companies. For environment, we observe, that reporting was highest amongst decile 9 group of companies and lowest was amongst decile 2 group of companies. Similarly conclusions with the other CSR activities can be drawn in similar manner. However, it was noticeable that we fail to get a pattern with respect to proportion of companies reporting about various CSR activities across deciles and it appears random.
- From Table 2 (Appendix I) we observe that the proportion of companies that had published Sustainability Reports was the highest amongst decile 10 group of companies for all the years under consideration and the lowest was amongst decile 1 group of companies for all the years. There was an increase in the proportion of companies publishing Sustainability Reports from 2009–2010 to 2013–2014 because there were many companies whose maiden Sustainability Reports was from 2011–2012. The proportion of companies that had reported on all the CSR activities was observed to be the highest amongst decile 10 group of companies for all the 5 years and the least was decile 1 group of companies because of their failure to publish Sustainability Reports. From the Table 2, it was observed that the proportion of companies reporting on the above specified CSR activities in their Sustainability Reports increased from 2009–2010 to 2013–2014. However, disaster relief was the least preferred activity to be reported in the Sustainability Reports by the companies across deciles for the period under consideration.
- With respect to reporting of overall CSR activities in the "Director's report" segment of the Annual Reports we observe from Table 3 (Appendix I) that decile 10 to decile 6 group of companies showed the highest proportion while the lowest was observed amongst decile 1 group of companies for the period under consideration barring for the year 2013–2014 where the lowest was observed amongst decile 8. With respect to the proportion of companies reporting on various specific CSR activities there has not been much significant change from 2009–2010 to 2013–2014, as observed from the table, but proportion of companies reporting on environment, health, education and livelihood was higher as compared to other CSR activities both in the pre as well as the mandate onset period.
- With respect to reporting of overall CSR activities in the "Management Discussion and Analysis" segment of the Annual Reports we observe that no specific pattern could be identified regarding the highest and the lowest proportion of

companies in terms of decile groups (reference to Table 4 in the Appendix I). With respect to proportion of companies reporting on various specific CSR activities there has not been much significant change from 2009–2010 to 2013–2014 although it was noticeable that the proportion of companies reporting on disaster relief was significantly low for all the years as compared to other activities.

- With respect to reporting of overall CSR activities in the "separate section" segment of the Annual Reports, we observe that decile 9 and decile 8 group of companies showed the highest proportion while the lowest was observed amongst the lower deciles for the period under consideration. There was an increase in the proportion of companies reporting on overall CSR activities from 2009–2010 to 2013–2014. With respect to proportion of companies reporting on various specific CSR activities, there has not been much significant change from 2009–2010 to 2013–2014 although it was noticeable in this segment as well, that the proportion of companies reporting on disaster relief was significantly low for all the years as compared to other activities (reference to Table 5 in the Appendix I).
- Business Responsibility Report has been made a mandatory part of an Annual Report under the Companies Act of 2013, hence, for the years 2009–2010 and 2010–2011, the companies did not have such reports. But, it was observed from Table 6, that some companies started including this report as a part of their Annual Report from the year 2011–2012 onwards. Hence, when we analyzed for the years 2011–2012 to 2013–2014 we observed that the proportion of companies including such a report as a part of their Annual Report was highest amongst the companies belonging to decile groups 10–8 while the lowest was amongst decile groups 1 and 2 predominantly. The proportion of companies reporting on various specific CSR activities in this segment significantly increased from 2011–2012 to 2013–2014 for most of the deciles barring deciles 1 and 2 who failed to publish such a report. This increase was because of the fact that "Business Responsibility Report" in the year 2011–2012 was at a very nascent stage but it became an important part of the Annual Report from the year 2012–2013 (reference to Table 6 in the Appendix I).

It is to be noted that we had identified seven sections in the Annual Reports of the companies where CSR information was reported. The segments were, Chairman/ CEO message; Managing Director's message; Letter to the Shareholders; separate section for CSR; Director's report; Management Discussion and Analysis; and Business Responsibility Report. But, since the proportion of companies that have reported on CSR activities was observed to be so negligible in the segments "Chairman/CEO message;" "Managing Director's message;" and "Letter to the Shareholders," we have omitted these segments for further analysis.

5.2 Extent of Information Category

- Average sentences reported by the companies with respect to the various CSR activities was observed to be the highest amongst decile 10 companies barring 'drinking water and sanitation' which was observed to be the highest amongst decile 9 companies. Average sentences reported by the companies on the above specified activities was the lowest amongst decile 2 companies barring 'health and disaster relief' which showed the lowest amongst decile 5 companies (reference to Table 7 in the Appendix I).
- For all the years, under consideration, we observed that the average sentences reported for the above specified, CSR activities was 'nil' for decile 1 because decile 1 group of companies had failed to publish Sustainability Reports. For the years 2009–2010 and 2010–2011 average sentences reported for various CSR activities was the highest amongst decile 10 group of companies. For the years 2011–2012 to 2013–2014, average sentences reported for all CSR activities was the highest amongst higher decile group of companies barring 'disaster relief' where for all the 3 years i.e. 2011–2012 to 2013–2014, average sentences reported was the highest amongst decile 2 group of companies. Environment, followed by education, health and livelihood were the most reported activities both in the pre and mandate onset period. Drinking water and sanitation, rural upliftment, empowerment and disaster relief were the least reported activities both in the pre and mandate onset period (reference to Table 8 in the Appendix I).
- From Table 9 (Appendix I), we observed that no pattern could be established with respect to average sentences reported in the "Directors' Report" segment of the Annual Reports both across deciles as well as years. Environment, education, health and livelihood were the most reported activities both in the pre and mandate onset period. Drinking water and sanitation, rural upliftment, empowerment and disaster relief were the least reported activities both in the pre and mandate onset period.
- From Table 10 (Appendix I), we observe that no pattern can be established with respect to average sentences reported in the "Management Discussion and Analysis" segment of the Annual Reports both across deciles as well as years. Environment, education, health and livelihood were the most reported activities both in the pre and mandate onset period. Drinking water and sanitation, empowerment, rural upliftment and disaster relief were the least reported activities both in the pre and mandate onset period.
- From Table 11 (Appendix I) we observe that no pattern can be established with respect to average sentences reported in the "separate section" segment of the Annual Reports both across deciles as well as years. Environment, education, health and livelihood were the most reported activities both in the pre and mandate onset period. Drinking water and sanitation and disaster relief were the least reported activities both in the pre and mandate onset period.
- Business Responsibility Report has been made a mandatory part of an Annual Report under the Companies Act of 2013. Hence, for the years 2009–2010 and

2010–2011, companies did not have such reports but it was observed, that some companies started including this report as a part of their Annual Report from the year 2011–2012 onwards. Average sentences reported for all the CSR activities in the "Business Responsibility Report" was observed to be highest amongst the companies in the higher deciles. Deciles 1 and 2 however failed to publish Business Responsibility Reports, so sentence count for various specific CSR activities was not possible. Average sentences reported about the various specific CSR activities significantly increased from 2010–2011 to 2013–2014 i.e. from the pre to mandate onset period. However, environment, health and education were the most reported activities and drinking water and sanitation and disaster relief, the least (reference to Table 12 of Appendix I).

It is to be noted that we had identified seven sections in the Annual Reports of the companies where CSR information was reported. The segments were, Chairman/ CEO message; Managing Director's message; Letter to the Shareholders; separate section for CSR; Directors' Report; Management Discussion and Analysis; and Business Responsibility Report. But the average sentences reported by the companies on CSR activities was observed to be so negligible in the segments "Chairman/ CEO message;" "Managing Director's message;" and "Letter to the Shareholders," we have omitted these segments for further analysis.

6 Conclusions

In this paper we have attempted to study CSR reporting made by select companies in their official websites, Sustainability Reports and Annual Reports for a period of 5 FY from 2009–2010 to 2013–2014, i.e. during the pre and mandate onset period. It was observed that companies were more prone towards reporting of CSR activities in their official websites. This may be because the internet represents a new medium for companies to use in communicating with both internal and external stakeholders. It helps in providing much more comprehensive information and enables companies to solicit more feedback from a diverse range of stakeholders. Besides, as per Companies Act of 2013, CSR reporting has been mandated through the websites, which may be another reason for more disclosure of CSR in the company websites. Therefore, average sentences reported in the websites by the companies on the eight CSR activities identified, namely, environment, education, health, livelihood, empowerment, drinking water and sanitation, rural upliftment and disaster relief was comparatively greater as compared to reporting in the Annual Reports.

Although there was an increase in the proportion of companies publishing Sustainability Reports from 2009–2010 to 2013–2014, but still there were companies without Sustainability Reports too. The average sentences reported in the Sustainability Reports was observed to be highly inconsistent. While, reporting on environment, health, education and livelihood was on a higher side, average sentences disclosed for other activities was quite low both in pre as well as during the mandate onset period. Annual Reports provide a high degree of credibility to information disclosed within them (Tilt, 1994). The Annual Report is a statutory document and produced regularly; it represents what is probably the most important document which companies use in construction of its own social imagery (Hines, 1988). The financial image of a company is critical in terms of how companies are seen and judged, the social and environmental factors frequently will produce conflict with financial ambitions of the company and its owners, so the presentation of the financial information and social and environmental information within the same report becomes an important element in demonstrating how the company reconciles these matters (Gray, Kouhy, & Lavers, 1995, p. 82). But surprisingly, in our study, as the results have proved, that the reporting of CSR information was not satisfactory in case of Annual Reports both in the pre and mandate onset period. Besides, we still find that important sections of the Annual Reports like "Chairman/ CEO message," "Managing Director's message" and "Letter to the Shareholders," still do not lay emphasis on reporting of CSR as compared to financial information. The leaders have still not been able to think beyond the domains of financial parameters and take proactive initiatives. Therefore the belief that was built that there would be a significant change in CSR reporting in the mandate onset period failed to meet the expectations. But still, on a positive note, it is just the beginning, so we might get encouraging results in the future years to come.

7 Reflections

Before we conclude, we would like to leave behind a thought in the words of J.R.D Tata, the Chairman of Tata Sons between 1938 and 1991. J. R. D. Tata, at the Anantha Ramakrishna Memorial Lecture in Chennai (India), way back in December 1969, had stated: "Every company has a special continuing responsibility towards the people of the area in which it is located and in which its employees and their families live. In every city, town or village, large or small, there is always need for improvement. Let industry established in the countryside "adopt" the villages in its neighborhood; let some of the time of its managers, its engineers, doctors and skilled specialists be spared to help and advise the people of the villages and to supervise new developments undertaken by cooperative effort between them and the company. Assistance in family planning in the villages would be particularly valuable form of service. None or little of this needs be considered as charity." So whether the new Companies Act of 2013, which talks about mandatory CSR, would change the entire scenario of CSR in India or not, that time would justify, but for any change to take place, it is essential that we need transformational leadership. Transformational leaders are likely to engage in behavior and advocate policies that culminate in CSR. Their own ideas are likely to stimulate followers' thinking regarding how socially responsible outcomes can be achieved, while simultaneously generating adequate returns for shareholders. In addition, followers will admire such leaders since their visions are likely to be based somewhat on values of altruism, justice, and humanistic notions of the greater good (Bass & Steidlmeier, 1999). The end result is that, followers will be inspired to work toward the realization of such visions.

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Part III
The Way Forward

Beyond the Traditional CSR: Towards a Sustainable Agenda

Ahmad Faraz Khan and Asif Akhtar

Abstract Predominantly, Corporate Social Responsibility (CSR) has been approached by organizations in two ways—acting as donors to non-Governmental Organisations (NGOs) engaged in social sector and/or; establishing and funding their own foundations/NGOs. Both these approaches fall short in ensuring sustainability and social impact.

This research presents a conceptual model of new found ways of CSR engagement for organizations. The model connects the phenomenon of CSR to a wider developmental agenda. This research explores links of CSR with sustainable development and social entrepreneurship/intrapreneurship. It further tries to expand the policy discourse on CSR by presenting some fresh propositions.

The model shall contribute to the growing body of literature on CSR especially in the developing world milieu. It uniquely contributes to the policy making discourse, thereby reducing the vagueness regarding CSR implementation, whether voluntary or mandatory (by law).

Keywords Corporate Social Responsibility (CSR) • Sustainable development • Social entrepreneurship • Developing country

1 Traditional CSR

Corporatization of business in India is a recent phenomenon. India's arrival in the world business arena is marked by the recent rise of Indian multi-national corporations. These corporations are relatively young when compared with their American, European and south-eastern counterparts. Rise of India in the world economic landscape is marked by maturity of business and regulation in the country. Social responsibility of business has been debated in India. However, vocalisation of

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concerns found little articulation till recent times. In this parlance, Corporate Social Responsibility (CSR) as a concept is a new found one. Recent reports suggest that most companies in India are either over spending on CSR or they are not even paying attention towards it. In order to make the business doing easy, policy makers wants to bring in clarity with respect to CSR. The policy making process can be aided by understanding the premise on which the present concept of CSR is based. Theories relating to CSR are grouped into four clusters by Garriga and Melé (2004). Firstly, Instrumental theories have a long tradition and have enjoyed a wide acceptance in business so far. As Windsor (2001) has pointed out recently, "a leitmotiv of wealth creation progressively dominates the managerial conception of responsibility" (Windsor 2001, p. 226). The instrumental theories have focused on the maximization of profit to the shareholders, achieving competitive advantage and giving the marketing money to a certain cause which is also known as cause related marketing. CSR helps in wealth creation by achieving economic objectives. One of the main objective of businesses is to maximize profit, apart from that they have to take the interest of the society as an important objective, which means, they have to work according to the interest of the society by maximizing the profit of the shareholders. Secondly, political theories have also added to the debate. These theories give prime importance to the concept of power. Power plays a very important role for the businesses as well as for the society. The more power you have in respect of the society the more responsible you will be for the society and if the responsibility is not fulfilled the way it should had been, then, the power will be taken away and thus the businesses will lose their position in the society.

The concern for local community has extended progressively to a global concern in great part, due to the very intense protests against globalization, mainly since the end of the 1990s. This sense of global corporate citizenship led to the joint statement "Global Corporate Citizenship—the Leadership Challenge for CEOs and Boards", signed by 34 of the world's largest multinational corporations during the World Economic Forum in New York in January 2002. Subsequently, business with local responsibility and, at the same time, being a global actor that places emphasis on business responsibilities in a global context, have been considered as a key issue by some scholars (Tichy et al. 1997; Logsdon and Wood 2002). Thirdly, there are integrative theories. Their premise rests on the theme that the only secret behind a businesses' growth is that how well they integrate their activities with the social demands. The integrative theories focuses on management issues, helping and guiding businesses about responsibility and stake holder's management. Finally, ethical theories talks about being good. To achieve good in the society the businesses should try to do the right things in the ethical way. This theory focuses on giving human rights, which is taken as the basis for CSR in the global market. The concept of sustainable development, on the other hand, merely means seeking to meet the requirements of the present without harming the future, aligns with this view.

These theories of CSR explores the motivations for engagement in CSR programmes by corporations. The aim of this chapter is to broaden the horizon of CSR discourse both from the perspective of individual corporations as well as public policy concerning CSR. At the operational level, two most prominent methods of engagement in CSR is observed. Most of the big corporations have established their own foundations. Their activities are driven by a CSR strategy stemming from, either the vision of the firm or the founder's personal interests. The second prominent and more common approach is donations to Non-Governmental Organizations (NGOs). In both these approaches, CSR remains at the periphery of the organizations. Public relations utility is the prime motive behind CSR programmes. The crux behind this chapter is to explore CSR from a business sustainability point of view for the organizations and larger developmental perspective for the policy makers.

2 CSR and Sustainable Development

Bruntland report of 1987 by World Commission on Environment and Development, first defined sustainable development as 'the development that can meet the needs of the present generations without threatening the ability of future generations to meet their own needs'. Over the years, this definition has been expanded by some and contested by many. However, there is consensus that sustainable development concerns economic growth, environmental protection and social equity. Mooted in this idea is also the concept of CSR. Testament to this is the remark of former United Nations (UN) Secretary-General, Kofi Annan, at an event organized by Business Action for Sustainable Development, 'And more and more we are realizing that it is only by mobilizing the corporate sector that we can make significant progress. The corporate sector has the finances, the technology and the management to make this happen' (quoted by Wade 2005, p. 186). "CSR is not simply a feature of the new global corporation but is also increasingly a feature of new societal governance" (Moon 2007). This new governance paradigm requires understanding development from a larger canvas. As the lexicon of businesses around the world changes, social entrepreneurship is emerging as a rightful alternative of commercial entrepreneurship.

3 CSR and Business Sustainability

The business case for CSR is usually based on the premise that 'a sustainable business is built on reputation'. Intangible returns in the form of brand equity and reputation are the primary movers of CSR. Although, CSR has been linked to positive financial returns also (Husted and Allen 2007). Yet scepticism and doubt surrounds its functionality (Jayne 2004). However, Porter and Kramer (2011) posits, that "the concept of shared value offers corporations the opportunity to utilize their skills, resources, and management capability to lead social progress in ways that even the best-intentioned governmental and social sector organizations can rarely match. It focuses on identifying and expanding the connections between societal and economic progress," thereby, providing businesses the opportunity to earn the respect of society. It is time to bring CSR from the periphery to the pivotal position in the organization. Societal problems presents a chance for social innovation. Organizations geared up for such challenges shall be much more competitive in the long run. It is important to integrate CSR across the value chain in the organization. A change in the mindset and culture is of prime importance for seeking competitiveness through social innovation. In such a scenario, broadening the debate of CSR to include new concepts such as social entrepreneurship/ intrapreneurship makes sense.

3.1 CSR and Corporate Social Entrepreneurship

Social entrepreneurship promotes social change. In this parlance, the social responsibility of firms can be fulfilled by engagement in social entrepreneurship/ intrapreneurship. Companies leverage their resource base to simultaneously create economic and social value, thereby going beyond both traditional business and philanthropy. Corporate social entrepreneurship requires firms to spot opportunities and leverage their internal as well as external resources to innovatively cater to new markets or develop new products/services (Austin et al. 2006). From the point of view of the firm, as customers and shareholders become more demanding, they need to respond with social, ethical and sustainable business models. Moreover, globalization has resulted in extreme competition, irrespective of the geography and industry. In such a scenario, innovation becomes a necessity for sustenance. Business models based on corporate social entrepreneurship shall be more resilient to business cycles and sustainability.

In 2006, Prahalad gave the concept of "Fortune at the Bottom-of-the-pyramid". New business models have evolved around the world to serve the poor or in some cases poorest populations around the world. However, the sanctity of such approach is contested by many researchers. Karnani (2006) calls this theory erroneous and delusional. He argues in favour of treating the poor as producers rather than consumers and raise their real income. Though empirical evidence to support such claims is hard to find, it is prudent to avoid generalizations. A case by case approach is appropriate in such a scenario. Focussing on double or triple bottom-line requires the firms to treat CSR as an integral part of the Corporation's vision and strategy.

The process of corporate social entrepreneurship flows from the leadership through the articulation of vision and strategy. Internalization of social and ethical dimensions in the firm's strategy is the first step in this direction. Secondly, the search for synergy with the economic dimension is critical. Finally, the decision to leverage internal resources or mobilizing external resources needs to be taken. Generally, firms follow a similar process for articulation of their CSR. The scope of CSR activities is wide enough to accommodate social entrepreneurship as well as intrapreneurship. Unlike the traditional approach of outsourcing the social responsibility to a foundation or NGO, this approach is focussed on developing a structure within the firm. A culture of promoting social intrapreneurship shall get a boost with a supportive leadership. Synergy between CSR initiatives and intrapreneurship can lead to mushrooming of social intrapreneurs/entrepreneurs. The central idea is not to segregate social measures from the primary activities, but to create systems within the larger ambit of the business model. A stand-alone CSR initiative is hardly profitable and more often than not proves to be a burden on the resources. However, the success in this respect is dependent on the motivation behind the whole process. Research suggests that the motivations may vary in practice. Some may be more altruistic in nature while others being more utilitarian (Austin et al. 2006). Altruistic motivations may fall short in rigor and disciple required for business. Moreover, a more utilitarian approach can pay rich social and financial dividends.

Firms have a choice of fulfilling their social responsibility via the social enterprise route. Alter (2006) segregates social enterprises into mission centric, mission related and social enterprise unrelated to mission. In mission-centric social enterprises, social activities are central to firm’s mission. In such enterprises, a conscious effort is made to achieve financial sustainability while engaging in social activities. In mission-related social enterprises, social activities may not be at the centre, but synergies are realized from other profit seeking activities of the firm. A cross-subsidy approach is common among such enterprises, where profits from one section of the business is used to subsidize other non-profit sections. In social enterprises unrelated to mission, activities are directed at earning profits to finance social programmes of the firm. Whereas, social programmes rarely have anything to do with the mission of the enterprise.

At the operational level, Alter (2006) identified seven models of social enterprises using the ‘practice-to-theory’ approach (Table 1). The models are suggestive in nature. In practice, combinations with varying degree of complexity may be found.

A Case of Grameen Danone Foods

Established in 2006 as a joint venture between Grameen Group of Bangladesh (founded by Mohammed Yunus) and Groupe Danone of France, Grameen Danone Foods envisioned to reduce poverty by creating business and employment opportunities for local people. The enterprise was established to exploit the local milk producing capacity of Bangladeshi households. Danone’s dairy technology and supply chain expertise added to the synergy. The resultant product, a yoghurt called Shokti Doi contains protein, vitamins, iron, calcium, zinc and other micronutrients aimed to fill nutritional deficits of children in Bangladesh. The yoghurt is produced at an affordable price of 6 Bangladesh Taka (BDT) (=0.06 euros). The whole supply-chain contributes to the social

(continued)

Table 1 Social enterprise models

Operational model	Description
Entrepreneur support model	Its mission centres on facilitating the financial security of its clients by supporting their entrepreneurial activities
Market intermediary model	Its mission focuses on facilitating clients' financial security by helping them develop and sell their products in high-value markets
Employment model	Its mission centres on developing skills and employment opportunities for its clients
Fee-for-service model	Its mission centres on rendering social services to clients in the sector in which it works
Service subsidization model	Business activities and social programmes overlap, sharing costs, assets, operations, income, and often programme attributes
Market linkage model	The social enterprise functions as a broker connecting buyers to producers and vice versa, provides market information, and then charges fees for these service
Organizational support model	The organizational support model is an external model, its business activities are separate from social programmes. It is created as a funding mechanism to cover programme costs and operating expenses of the parent organization

Source: Alter (2006)

gains. Micro-farmers are the primary source of milk for the yoghurt. Sales ladies distribute the yoghurt door-to-door and receive a 10 % provision. In total, Grameen Danone Foods is responsible for the creation of about 1600 jobs within a 30 kilometre (km) radius around the plant. In addition to this, solar energy is used for cleaning the installation, and biodegradable packaging is used to ensure pollution neutrality. The success of such ventures can be gauged in terms of social impact as well as the financial bottom-line.

4 Indian CSR Policy Discourse

Traditionally 'social' has been the domain of the governments in India. However, corporations have been doing philanthropy on different scales depending upon their urge and resources at different times. The initial paternalistic approach of the corporations towards the employees got extended into a trusteeship approach after Independence. The present form of CSR, initially showcased by the public sector enterprises, percolated down to the corporations only after the liberalization reforms of 1992. The boom in the economy during the last decade and rising global concerns about corporate social irresponsibility triggered the debate about public policy on CSR. In this sense, Corporate Social Responsibility is new to the Indian policy discourse. The Companies Act, 2013 provided the much needed articulation to the concerns of public. Schedule VII of the Act, underlines the areas of expenditure for the corporations. Though, the companies falling under the purview of the Act are handful, CSR as envisioned by academics and theorists is demonstrated by a miniscule percentage of businesses across the country. Securities and Exchange Board of India (SEBI), the stock market regulator mandates top 100 listed companies to include 'Business Responsibility Reports' in their annual reports to be displayed on their websites. Through its various notifications and policy documents, the government is trying to inculcate CSR in the Indian corporate culture.

The missing link in this approach is the interweaving of CSR policy with other policies of the government. A more forward looking approach by the policy makers shall include concepts such as social impact assessment, social venture capitalism and social entrepreneurship in this discourse. The policy discourse on CSR can be expanded to include some fresh propositions. The aim of these propositions is to present fresh perspectives for consideration rather than to make assertive statements to be taken as true or false.

1. Government is a social venture capitalist—Public institutions across the country has tremendous resources at its disposal which are under-utilized. Resources in the form of capital as well as physical infrastructure can be harnessed to its full potential if such institutions become social venture capitalists. For instance, the primary school infrastructure across the length and breadth of the country can be leased to for-profit or not-for-profit social enterprises to deliver value and ensure equitable growth. 'Start-up India, Stand-up India' is one such initiative, where the government is trying to create a 'Fund of funds' for boosting investment in social enterprises. Corporations can be made part of such funds through amendment in Schedule VII. Creating a facilitative policy regime which can accelerate the growth and impact of social entrepreneurs shall be a boon for the development of the nation. Cash rich government enterprises can pool their CSR funds to create sector-specific 'Social Venture Funds'. Such an initiative can have multiple benefits of capital growth, knowledge sharing and desired social impact.
2. Government is a social entrepreneur—The original idea behind the establishment of public sector undertakings (PSUs) was to ensure balanced growth of the nation, by making state an entrepreneur. However, the reality of PSUs turned out to be quite different. The idea should not be to create capital intensive corporate behemoths, rather, lean innovative social enterprises focussing on local problems. Section 8 of Companies Act, 2013 permits the establishment of 'Not-profit Organization'. It enjoys numerous exemptions under the Companies law, however, the profit cannot be distributed among the shareholders. Governments/public institutions as one of the shareholders in such an entity can open up a whole new space for social entrepreneurship.
3. Industry associations are social venture capitalist—At present, the laws pertaining to CSR is applicable to a handful of big corporations and listed companies. Social responsibility of others cannot be overlooked. Industry associations such as Confederation of Indian Industry (CII), Associated Chambers of

Commerce of India (ASSOCHAM), Federation of Indian Chambers of Commerce and Industry (FICCI), and National Association of Software and Services Company (NASSCOM) to name a few can initiate ‘CSR funds’ where members and non-members can contribute. The additional benefit of this approach will be the unleashing of network capacity of these associations. Moreover, real knowledge transfer will take place from experienced corporates and professionals to new social enterprises. Such an initiative can go a long way in creating an entrepreneurially powered socially responsible ecosystem for the development.

4. Governments and Industry associations join hands in creating a Social Entrepreneurship Start-up Ecosystem—Sharing the social responsibility by building a social entrepreneurship ecosystem can go a long way in addressing the sustainability challenges. Time and again, India has relied on its entrepreneurship potential to make a mark in the international arena. Government-facilitated ecosystem shall include a platform where international agencies, donors and corporates can interact with nascent social entrepreneurs. Such an ecosystem shall include: database of best-practices; learning and collaboration opportunities; updated information on taxation regime and other laws; incubation facilities; short-term courses; patent protection and credit facilities. Confidence in the developmental sector can be restored by a facilitative legal regime, transparency and entrepreneurial energy.

5 Conclusion

The debate of sustainable development in India is skewed towards the government’s role and its past failures. Lately, the social responsibility of corporations has got attention. Shifting the responsibility from governments to corporations in the wave of minimalist regulation approach, is by no means a solution. It is imperative to expand the horizon. Social entrepreneurship provides a new way of engagement in CSR for both governments and organizations. It is not an addition of verbosity to literature, rather clears the air for practitioners. Thinking from the entrepreneurial mindset seems not only logical, but also practical.

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CSR in India: From Rhetoric to Reality and Beyond

Ananda Das Gupta

Abstract This paper traces the political and bureaucratic influence on Corporate Social Responsibility (CSR) in India since the 1990s to the reality of the CSR mandate outlined in the Companies Act, 2013 to the beyond, where, CSR is perceived to be integrated within the purview of ethical businesses of the future and through responsible business practices. In addition to insightfully documenting this journey, this paper outlines three key perspectives, as brought about by the mandate that can be taken as the foundation of the future of CSR in India.

Keywords CSR mandate • Political climate • Bureaucratic climate • Perspectives • Ethical business • Responsible business practices

1 The Rhetoric

India, since the mid 1990s, had been under constant political upheaval and no single party had achieved absolute majority in the Parliament. This led to the formation of coalition governments, none of which lasted a full term of 5 years, till date. Therefore, a highly cautious, nervous, and speculative investment climate existed in India as the 'Swadeshi' (Indian self-sufficiency) favor often swayed the political parties. The extensive bureaucratic machinery, even after liberalization and reduction in the 'license raj' (rule of the license) in the early 1990s, often required 70–90 clearances from the local, state and national government authorities, for each new industrial set up. In such an unstable political and rigid bureaucratic set-up, businesses had to use caution when dealing with the government and political parties. Even approved proposals could be called for re-investigation in the Parliament. Financial caution related to investment was exercised not only by international businesses, but also by Indian businesses (Gupta 2008, 2010).

However, the Indian business sector had the advantage of being intimately familiar with the Indian situation and often made attempts to proactively engage with the bureaucracy and the political parties. CSR, therefore, was imperative for

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survival and existed to help in dealing with the stakeholders; where, the stakeholder stance could change overnight under political considerations. CSR was thus gaining ground in becoming an important corporate strategy for survival in India (Gupta 2010). No doubt then, CSR in this phase is described as being in a 'confused state' (Sundar 2000).

Later, under the strict implementation of the election guidelines, corporate donation to political parties at the time of election have reduced drastically, but some businesses still undertake activities supported by major political leaders or political parties to influence the bureaucracy and the political climate (Gupta 2008).

However, progressively, businesses keen on CSR also started wanting "some visible benefits" identifying with the issue of 'mutuality' of CSR. Therefore, well-established businesses also started looking at a well-established strategy of 'CSR' to

(a) effectively deal with the instability of the Indian politico-economic climate,
(b) proactively deal with all the other stakeholders and
(c) meet the demands of international customers especially as regards to labour and environment (Gupta 2008).

CSR in the Indian context, then got translated as

(a) 'social service', 'social development' or 'community development' etc. at the local level,
(b) public image building at the local and national level, and
(c) proactive engagement with the political and economic elite at the local, regional or national level (Gupta 2008).

This CSR in India was often motivated, but not mandated. In an environment of tighter financial markets, a tradition of government influence over business, strong family/community business structures, a more intense concern for economic development vis-a-vis the role of the corporation, while being reinforced by the political environment and the ever-present social tensions associated with a high population base and the extreme wealth–poverty gap, as evidenced by the debates during, and results of, the 2004 Indian elections, this CSR had a different focus (Balasubramanian et al. 2005).

2 The Reality

However, this voluntary and sometimes 'strategic' flavor of Indian CSR has recently been blended with a mandatory element in it. With effect from April 2014, India's newly amended Companies Act, 2013 makes it mandatory for certain companies that meets the net profit, net worth, or turnover criteria; private limited or public limited, listed or unlisted, to report on its minimum 2 % spend of the average net profit made during the three immediately preceding financial years (Section 135 of the Companies Act, 2013).

However, mandated CSR has both its proponents and opponents. The proponents believe that the objectives of the corporation should go beyond profits and shareholders and extend to social welfare and all stakeholders. They harp on the company's responsibility to give back to the society in the most sustainable way, or in other words, in their 'social license to operate'. On the other hand, opponents argue that corporations have a well defined role of maximizing shareholder value and therefore should be market driven and left to the discretion of the corporation. Hence, the provision to make CSR spending mandatory is more of an intrusion and it is apparent that by doing so, the government is trying to abdicate itself of its social responsibilities. In fact, they believe that the new imposition takes out the sanctity of CSR, making it more of a forced exercise and more so a new form of tax on profits (Balasubramanian et al. 2005).

This is a debate on normative issues and is difficult to resolve easily. Any economic policy has gainers and losers and a "good" policy tries to balance the gains against the losses. While the new provisions of Section 135 will certainly lead to an increase in the amount of CSR spending by Indian companies manifold compared to their existing level, it does recognize that mandated CSR may impose some economic costs on these companies and its shareholders. Accordingly, in the provisions of section 135, a number of flexibilities are provided to ensure that these CSR costs do not hurt the companies and their shareholders disproportionately to substantially reduce the net social welfare gain.

However, this CSR mandate in India, has opened up three key perspectives, as outlined below:

Firstly, CSR in India is basically a new business strategy to reduce investment risks and maximize profits by taking all the key stake-holders into confidence. The proponents of this perspective often include CSR in their advertising and social marketing initiatives.

The second is an eco-social perspective. The proponents of this perspective are the new generation of corporations and the new-economy entrepreneurs who created a tremendous amount of wealth in a relatively short span of time. They recognize the fact that social and environmental stability and sustainability are two important prerequisites for the sustainability of the market in the long run. They also recognize the fact that increasing poverty can lead to social and political instability. Such socio-political instability can, in turn, be detrimental to business, which operates from a variety of socio-political and cultural backgrounds.

Seen from the eco-social perspective, CSR is both a value and a strategy to ensure the sustainability of business. It is a value because it stresses the fact that business and markets are essentially aimed at the well-being of the society. It is a strategy because it helps to reduce social tensions and facilitate markets.

For the new generation of corporate leaders, optimization (vis-a-vis maximization) of profits is the key. Hence there is a shift from 'accountability to shareholders' to 'accountability to stakeholders' (including employees, consumers and affected communities). There is a growing realization that long-term business success can only be achieved by companies that recognize that the economy is an "open subsystem of the earth's ecosystem, which is finite, non-growing and materially closed" (Herman 1996).

There is a third and growing perspective that shapes the new principles and practice of CSR. This is a rights-based perspective on corporate responsibility. This perspective stresses that consumers, employees, affected communities and shareholders have a right to know about the corporations and their businesses. Corporations are private initiatives, true, but increasingly they are becoming public institutions whose survival depends on the consumers who buy their products and shareholders who invest in their stocks. This perspective stresses accountability, transparency and social and environmental investments as the key aspects of CSR.

3 From the Rhetoric to Reality and Beyond

The great changes of the last two decades have set the scene for a worldwide pattern of social organization. It is based on the institution of public, for-profit and non-profit sectors working separately and together, within the context of the informal relationships that are the basis of family and everyday life.

In the traditional paradigm, most corporate bodies viewed CSR as the extension of a financial input for a humanitarian cause. However, the contemporary context is more complex: "A company that undertakes activities aimed at communities (be they be philanthropic, social investment or commercial initiatives) but does not comply with business basics cannot be termed socially responsible" (Srivastava and Venkateswaran 2000).

The Corporations, therefore, are slowly growing prominence in both being the profit makers as well as conscience keepers. Ethical businesses are thus the businesses of tomorrow that will integrate the social, economical and environmental aspects of CSR within their business model.

Infact, this aspect of ethical business that is expected to emerge from the debate of voluntary versus mandated CSR, can be traced back to the nineteenth-century philanthropists like Robert Owen and the various Quaker-owned businesses. The Quakers "ran successful businesses, made money because they offered honest products and treated their people honestly, gave honest value for money, put back more than they took and told no lies" (Roddick 1999).

Ethical business, therefore, will be the more fundamental, emerging trend on the international scene, focusing on three key parameters, viz.:

1. how a business is conceptualized,
2. how a business is operated,
3. the notion of fair profit.

In an ethical business, the essential thrust will be on social values and business conducted in consonance with the broader social values and the stakeholders' long-term interests.

One other concept that may emerge in the years to come is the transformation of businesses into responsible business practices. BiTC (Business in the Community) also suggests that both business and society benefit from the practice of responsible business as this creates resilient communities, thriving workplaces and a sustainable future (Maureen et al. 2014). It takes into consideration four key groupings, viz.

1. Governance of Responsible Business Practices
2. Employees in the organisation
3. Stakeholder relationships
4. External reporting and monitoring (Geoff et al. 2009).

4 Conclusion

Thus, keeping in view the benefits of CSR, the Government of India has mandated the Companies of specific financial strength to report their CSR spending. The efforts have just begun and like all new things, the country is facing a transition. However, once this settles down, a new socio-economic and business environment will emerge. This is expected to find more of ethical businesses and responsible business practices in operation. Therefore, although mandatory CSR may seem like a burden in the beginning, but it will only urge us to broaden our horizon and strengthen our sustainability. Accepting this shift would help us better prepare for the changes that will nurture and strengthen corporate India.

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Social Enterprise: A CSR Frontier—Case Study of Tata ClassEdge

Sukanya Patwardhan

Abstract Among the many challenges that are faced by an emerging economy, the education system in India is one of them with more than 1.4 million schools and over 230 million enrolments. It is home to one of the largest and complex school education systems in the world along with China.

To combat this pressing issue, the Tata Group has launched Tata ClassEdge in 2011, positioned as a social enterprise, that aims to bring about Information and Communication Technologies (ICT) enabled holistic changes in the areas of Curriculum Support, Teacher Development and Assessment and Analytics in the Indian school education system. This paper, with the case study of Tata ClassEdge puts forward that Social enterprises are a natural progression of CSR for long term, holistic social impact and social change, as opposed to CSR, which are resource dependent.

Keywords Social enterprise • Tata ClassEdge • Social impact • Digital India • Indian schooling system • Information and Communication Technologies (ICT) • Tata Trust

1 Introduction

Corporate Social Responsibility (CSR) is not a new concept in India. Ever since their inception, corporate groups like the Tatas, Birlas, Bajajs and several others have been involved in serving the community. These businesses were mainly founded by people who were connected with India's independence movement from the British rule and envisioned Indian industries to be world class through inclusive development. Their approach to help the society, was, mainly by way of donations and charity and also actively initiating, participating and contributing to initiatives that made a difference to the communities (Evolution of CSR in India 2016).

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However, over the years, CSR evolved to imply maximizing the company's overall impact on the society and stakeholders, that led to comprehensively integrating CSR policies, practices and programs into the business operations and processes within the company. This increasing awareness regarding the manner of doing business and how it impacts societal and environmental well-being is propelling the thinking on 'social responsibility' of a business enterprise. This Social Responsibility is an ethical framework which suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large and not just engage in CSR (Karen et al. 1995). This led to the concept of Social Enterprise, as opposed to CSR, which are resource dependent, especially on time, money and manpower.

2 Social Enterprise

Social enterprises are thus, businesses created to further a social purpose in a financially sustainable way as social and financial returns are not mutually exclusive (NESsT 2015).

A social enterprise, therefore, knows what difference it is trying to make, who it aims to help, and how it is going to go about it. It is guided/inspired by a belief that doing a socially minded business is an opportunity to create a fairer world and doing good to the planet and has a sense of purpose. It has multiple bottom lines i.e. people, planet and profit and is not driven by only making profits.

It generates profits via making social impact as

- customers feel good about purchasing a socially minded product and/or service that has a sense of purpose,
- the ecosystem feels good about supporting the sense of purpose by collaborating and
- employees feel good about what they are doing as they are aligned with the sense of purpose.

Thus, social enterprises are revenue-generating businesses but with a social objective. Whether operated by a non-profit organization or by a for-profit company, a social enterprise has two goals: to achieve social, cultural, community, economic and/or environmental outcomes; and, to earn revenue. On the surface, many social enterprises look, feel, and even operate like traditional businesses. But looking more deeply, one discovers the defining characteristics of the social enterprise, where, 'social impact' is at the focus of business, with income generation playing an important but supporting role.

This leads to certain common characteristics of a social enterprise, viz.

- entrepreneurial approach to addressing social issues and creating positive community change and having clear rules about reinvestment of its profits for its social mission;

Table 1 What a Social Enterprise does and does not

A social enterprise does. . .	A social enterprise does not. . .
Make its money from selling goods and services	Exist to make profits for shareholders
Cover its own costs in the long-term (though like any business, it may need help to get started)	Exist to make its owners very wealthy
Put at least half of any profits back into making a difference	Rely on volunteering, grants or donations to stay afloat in the long-term (though again, it may need this sort of help to get started)
Pay reasonable salaries to its staff	Necessarily pay at par with the market

Source: High Peak Borough Council (2015).

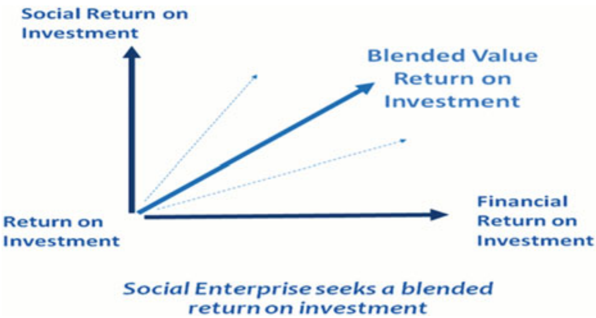

Fig. 1 Social enterprise seeks a blended return on Investment. *Source*: Social Enterprise (2016a)

- business using entrepreneurial methods to accomplish social goals and set up to specifically make a difference in its chosen area;
- revenue-generating business with primarily social objectives, whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners (Social Enterprise UK 2016b).

In essence, a social enterprise has commercial goals and social impact goals which blend well with its sense of purpose, as is evident from Table 1.

According to Jed Emerson, Social Enterprise, however, measures success as a ‘blended value bottom line,’ (Fig. 1) which is not financial or social, but financial **and** social. Thus, it is the simultaneous achievement of both economic and social values (Blended Value 2016).

It is this combination of doing business and doing good that makes social enterprise one of the most exciting and fast growing movements across the world. People prefer to buy from them, work for them, invest in them, and commission services of a social enterprise. More and more charities are considering adopting social enterprise business model as a way of improving the impact of their work (Wikipedia 2016).

Thus, Social Enterprises may be the natural progression of CSR for a Company, that yields a win-win for both the business and society to co-exist. Social

Enterprises may not be big businesses, they may be small yet powerful players making a difference to their customers, as social impact is an important parameter of their business success.

3 Social Impact

The core function of a social enterprise is to create social value. That is the key reason a social enterprise exists. It maximises positive impact of people and planet by running a business enterprise (Epstein and Yuthas 2014).

Social impact is the effect of an activity on the social fabric of the community and well-being of individuals and families. In other words, social impact is the field of inquiry at the intersection of business needs and wider societal concerns that reflects the complex interdependency between these two realities. It is a critical part of contemporary business because without an understanding of this interdependency, neither business nor the society in which it operates can thrive (Aspen Institute 2016).

As large amounts of money flows into the social sector as business leaders want to give back to the society; or for legislated purposes, the investors want accountability and performance excellence that they expect in the for-profit world. They want an evidence that they are making a difference. They want clarity on the objectives and measures of success, as they know that without clear performance measures, organizations usually cannot determine whether they have succeeded or failed (Epstein 2014).

Thus, it is critical for businesses to move beyond CSR to social enterprises that will give them this much needed accountability and measurability of their social impact. Let us take the example of Tata ClassEdge, a social enterprise division of Tata Industries (Appendix J), that was created in 2011 out of Tata Interactive Systems (a global leader in eLearning and simulations, with a legacy of 25 years) with the aim of innovatively using technology to improve learning outcomes for children.

4 Case Study of Tata ClassEdge: A Social Enterprise

4.1 The Role of Technology in the Education Sector

There are major concerns about the quality of the education in developing countries—with surveys (Banerjee et al. 2007) showing low levels of learning even for children who regularly attend school for many years. While much is now known about how to get children into school, much less is known about how to improve school quality in a cost-effective way.

To bridge this gap, the use of information and communication technologies (ICT) is becoming a major consideration as developing countries like India focus on improving the quality of their educational systems. Several countries are determinedly expanding the supply of computers in their educational institutions in the belief that schools will benefit from the use of new technologies and that students need to be exposed to them early in life. However, the study conducted in Columbia at Latin America, revealed the potential limits of ICT interventions aimed at improving the methods that teachers use in the classroom and highlighted the importance of implementation and training, specifically addressing the incorporation of available computers into the educational process and curriculum (Osorio and Linden 2009).

The NMC Technology Outlook (2016) for International Schools in Asia (NMC Technology Outlook 2016) was produced to explore important developments in technology and forecast their potential impact expressly in an Asian context. The expert panel identified nine key trends, nine significant challenges and twelve important developments in educational technology and suggested a major trend in shift from students as consumers to students as co-creators as there is a significant tech-infused lifestyle specially amongst children and teenagers.

Thus, there is a growing emphasis in the classroom on deep learning approaches, defined as the delivery of rich core content to students in innovative ways that allow them to learn and then apply what they have learned. Project-based learning, challenge-based learning, and similar student-centred methods are becoming more pervasive throughout Asia (Deeper Learning 2016).

ICT literacy, by using digital technology, communication tools, and/or networks to access, manage, integrate, evaluate and create information in order to function in a knowledge society, is becoming a critical life skill, more so, for the younger generation as their life is going to be digitally driven (Digital Transformation 2007).

However, technology skills alone, without corresponding cognitive skills and general literacy, will not decrease the gaps defined by a digital divide. There is a great need to provide sustained and creative training opportunities for teachers, so that they learn how to use these new tools effectively (Benton Foundation 2000).

Thus, it is necessary to combine the provision of computers with a pedagogical model targeted towards increased achievement by students. Computers by themselves, do not increase achievement in curricular areas (Cristia et al. 2012).

It has the potential to improve learning outcomes when well integrated into the learning process. Randomised evaluations conducted by researchers affiliated with the Abdul Latif Jameel Poverty Action Lab (J-Pal) have shown large effects on basic literacy and numeracy from carefully designed ICT interventions (Banerjee et al. 2007).

4.2 The Indian School Education System

In these times of transition, the Indian school education system is one of the largest and most complex in the world. The complexity of the system stems from India's need to maintain standard and uniformity, while giving scope for its diverse culture and heritage to grow and flourish across the length and breadth of the country (Indian School Education System 2014).

According to the 2011 census, literacy rate in India was found to be 74.04 %, which is a dramatic increase over the past decade, when it was registered as 64.83 % overall (Literacy in India 2011). Two prominent policies of the Indian government—the Sarva Shiksha Abhiyan (SSA), launched in 2001 and the Right of Children to Free and Compulsory Education (RTE) Act, 2009 have seen education priorities rise amongst households and catalysed improvements in educational performance (HRD Ministry 2016).

According to the provisional statistics of the Eighth All India School Education Survey (AISES) (All India Education Survey 2009) with reference date 30 September, 2009, there are a total of 1,306,992 schools in India as compared to 1,030,996 as per the Seventh AISES with reference date 30 September 2002; an increase of 26.77 %.

Infact, this last decade has seen children and youth in India become increasingly technology-driven, revealing considerable potential and readiness to imbibe and learn using digital media. This led to the envisioning of the Digital India in 2015, an ambitious umbrella program by the Government of India to transform India into a digitally empowered society and knowledge economy.

Digital India, apart from its other objectives, also has a specific focus on Technology for Education; e-Education, that aims to bring about the following:

- All Schools connected with broadband
- Free wifi in all schools
- Digital Literacy program
- Develop pilot Massive Online Open Courses (MOOCs)
- School Books to be e-Books

With Digital India, various states are planning to connect schools through digital network and the future is predicted to see the Indian schooling having a major transformation the way the curricula are taught. However, mere introduction and enablement of internet connections in the schools, supplying e-books and availability of MOOC do not necessarily ensure intended and appropriate learning outcomes.

In a country like India with large population, diversity, mix of students from rural and urban areas and a complex schooling system, a change that makes it imperative is that digital enablement needs to be thought through with a futuristic outlook. To enable this transformation in the education sector, technology companies have to take the lead and help enable a strong ecosystem by providing technology driven educational devices which should be backed by creative and engaging content. This calls for a number of stakeholders across the country to come together and support this initiative and thereby strengthen the education sector in India (Banerjee 2015).

4.3 Tata ClassEdge: A Social Enterprise

Education has been a special focus with the Tata Trust (Appendix K) for over 100 years, starting with the establishment of the J.N. Tata Endowment Scheme for higher education in 1892 (Tata Trust 2016). Hence, it was natural for the Tatas to embrace the new thinking on social enterprise, with the inception of the Tata ClassEdge in 2011 to help the Indian school education to be contemporary in the digital world (Tata Group 2016).

4.3.1 The Dilemma

Of course, they had to combat the dilemmas of the initial questions while developing their products and working as a commercial organization, as follows:

- How realistic is it to introduce more interactive learning approaches for classes 1–10 in India?
- How important is a pedagogical approach that adapts to the level of the child?
- Can a learning outcome be as effective without an appropriate engagement of teacher–student together?
- Can technology help achieve these goals in a cost-effective way?
- Can the product be used as effectively by various segments of Indian schools?

4.3.2 Vision and Mission

In response to these dilemmas, Tata ClassEdge's vision and mission are guided by a strong desire of improving the effectiveness of India's education system and are defined by two core ideas viz. Sustainability and Social Impact, aimed at reducing inequity among students, as well as building a scalable platform to reach out to an ever increasing number of students in the future.

4.3.3 The Product and Solution

Tata ClassEdge believes teachers are central to the teaching-learning experiences in a classroom and that the role of technology is to empower them, not to make them passive or redundant. Infact, the Tata ClassEdge Philosophy is based on "better teachers make better students." Thus, the pedagogical focus of Tata ClassEdge is to support teachers to help students discover things by involving them in learning.

To enable this, Tata ClassEdge has various offerings to create an impactful and cohesive teaching-learning experience and aims to help create an active learning environment, with an effective blend of innovative classroom and outdoor activities, projects and multimedia. Their highly interactive and visually rich multimedia provides effective, short-duration animations and interactivities that help in better retention and easy understanding of concepts. It also uses fun and colourful characters to teach kindergarten and primary school students and has complete curriculum up to Class 10 of Indian schools.

Tata ClassEdge's proprietary instructional framework, Multiple Learning Experiences (MLEx™) model (developed on the premise that when students use multiple senses and are involved in a variety of carefully planned activities, they will be better involved in the learning process and will retain concepts better), makes use of distinct types of activities that promote social and thinking skills in students, including critical thinking, creativity, teamwork, research-orientation and communication skills. More than 50,000 teachers across India have already adopted the Tata ClassEdge way of teaching.

On the other hand, the teachers are empowered with various activities, knowledge, multimedia and skills for developing a session plan thereby enabling co-creating a learning experience by the teacher and students.

Thus, the transition of the traditional view of literacy as the ability to read and write has expanded to encompass understanding digital tools and information. However, ICT literacy (Fig. 2) is not just about using computers, according to Tata ClassEdge, but it is a new dimension of teaching expertise which is transforming the way students learn which needs to be taken to a new level of ICT proficiency (Fig. 3); viz. Cognitive and Technical proficiency.

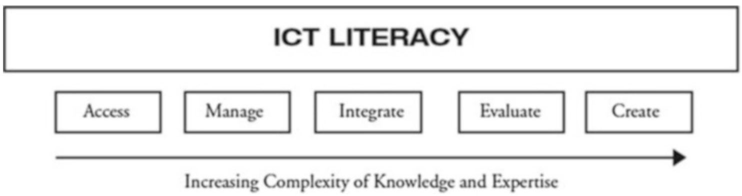

Fig. 2 Five components of ICT literacy. *Source*: Digital Transformation (2007)

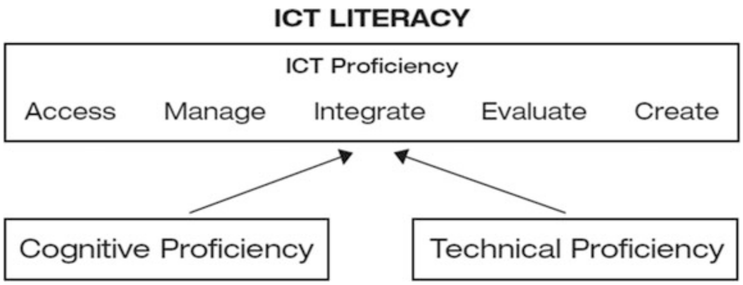

Fig. 3 Foundational skills and knowledge that underlie ICT literacy. *Source*: Digital Transformation (2007)

While, *Cognitive Proficiency* is the desired *foundational skills* of everyday life at school, at home, and at work, demonstrated by literacy, numeracy, problem solving, and spatial/visual literacy; **Technical Proficiency**, on the other hand is the basic components of digital literacy that includes a foundational knowledge of hardware, software applications, networks, and elements of digital technology (Digital Transformation 2007).

ICT Proficiency, through the integration and application of these cognitive and technical skills, enables; that is, allows individuals to maximize the capabilities of technology. At the highest level, ICT proficiencies result in innovation, individual transformation, and societal change.

As a new Social Enterprise, to bring about effectiveness in India's education system, Tata ClassEdge offers the following products (Table 2) in three categories (Tata ClassEdge 2016) as follows:

All products keep the focus on enabling teachers to be better and pedagogies suitable for children in school environment. These three broad categories are explained in brief hereunder:

A. Curriculum Support These products extend curriculum support to teachers across various Boards (Appendix L) through its high quality offerings: ClassEdge, GameEdge, LabEdge and WordsWorth.

ClassEdge is based on a sound pedagogical framework, well-structured lesson plans and high quality digital resources. These products enable teachers to convert classrooms into active learning spaces based on its own MLEx™ Instructional Framework.

GameEdge is designed to make learning a memorable experience. Interactive multimedia games make practising concepts engaging, competitive and fun for students. Teachers can create their own games using the GameEdge templates. Children take naturally to digital games which are visual, immersive and challenging. These games are designed at various levels of difficulty to make practicing concepts more engaging, competitive and fun. Repeated practice using various game formats such as Cricket Challenge, Bee-Line and Blast-A-Stone, make learning subjects like Mathematics, Social Studies, Science and English truly exciting.

LabEdge helps teachers involve students in mathematical, geographic and scientific explorations through virtual labs and simulations, such as Radio Carbon Dating, Projectile Motion, Build an Atom and many more. These labs which cut

Table 2 Various categories and products of TATA ClassEdge

Categories		
Curriculum support	Teacher development	Assessment and analytics
Tata ClassEdge	TeacherEdge	TestEdge
GameEdge	ClassEdge Connect	PlanEdge
LabEdge		
WordsWorth		

across subjects greatly enhance the learning experience and bring the rigour of scientific thinking into classrooms. With a vast array of simulations, virtual labs and interactive tools, teachers can plot line graphs, bar graphs or histograms, or help students manipulate values to see the outcomes.

WordsWorth English Language Lab is a platform where comprehensive and interactive digital content catering to listening and speaking skills is put to use in a stimulating lab environment. In addition, it also focuses on vocabulary and grammar as well as finer nuances of language, like intonation, stress patterns, pace of speech and so on. Keeping the importance of a teacher in mind, WordsWorth English Language Lab sessions ensure teacher-learner interaction in the class. The human touch and expertise that a teacher brings into the classroom combine with the rich content of WordsWorth Language Lab to provide an effective learning experience for the learner.

B. Teacher Development Program TeacherEdge, a proprietary teacher professional development program, helps teachers implement the best of contemporary teaching practices in classrooms. TeacherEdge sessions equip teachers to make use of technology and innovative teaching practices to enhance twenty-first century skills in students.

On the other hand, ClassEdge Connect enables sharing of effective teaching practices and resources by connecting teachers across different campuses within the same group of schools, helping teachers in

- Creation and exchange of teaching resources and ideas.
- Analytics on Tata ClassEdge usage at the school and group levels.
- Compare usage across different schools.

ClassEdge Connect, a first of its kind solution in India, aims to bridge a constant challenge for the management of large group schools to get their teachers spread across different campuses, either within the same state or across states, to share best practices on teaching and learning with each other. They help schools create a *Virtual Academic Network* (VAN), which allows teachers to create and share knowledge resources across schools; provides *centralized reporting* of ICT usage across schools; as well as enables the group management and principals of each school to have real-time access to ICT usage for all classrooms across schools within the group, thereby enhancing collaboration between schools. It creates *Centres of Excellence* (CoE) for different classes and subjects within schools and at a group level.

C. Assessment and Analytics TestEdge, an assessment platform, offers well-framed assessments pitched at the right level of difficulty by simplifying the whole process of question paper creation, thus simplifying assessment needs and academic planning. It has a bank of more than 95,000 questions and helps teachers develop comprehensive assessments with varying difficulty levels for various grades and subjects.

PlanEdge helps in creating an academic plan for the whole year. Teachers are required to plan the curriculum, create timetables and plan both formative and summative assessments. PlanEdge, a cutting-edge academic planning tool, helps the whole process to get automated, efficient and simplified; and allows the teachers to set up the plan once and reuse it year after year, with minor tweaks. It has several features, that includes, an academic plan for the year, plan holidays and school events and create class sections based on school timing, teachers and school infrastructure. It helps in planning the following key aspects:

1. Curriculum
2. Assessment
3. Gradebook
4. Timetable

1. Curriculum Planning helps assign class periods for various subjects for each class, list the lessons to be covered per term, define the learning objectives and assign classroom activities against each objective.
2. Assessment Planning is used to define academic terms based on sections, such as primary, secondary, higher secondary, etc. and plan formative and summative assessments.
3. Gradebook Generation helps record academic performance and co-scholastic observations; generate report card in accordance with the school affiliated board and capture the students' behavioural patterns.
4. Timetable Creator generates automated timetables that help avoid conflicting class periods; assign Tata ClassEdge classrooms optimally based on system-generated timetables and upload manually generated timetables (if required).

Apart from its various products that have the ability to mix and match, to create customised experience for the class as desired by the teacher and students, Tata ClassEdge also hosts Leadership Development program for School Principals and Teacher development programs. These are necessary face-to-face programs to help Principals think of their role as a leader and impart the scientific development inputs for teachers.

Thus, a plethora of Tata ClassEdge products, adopting MLEx™ model (Fig. 4) (The MLEx™ model 2016), uses pedagogies that immerse students in simulated real world experiences and put them in touch with the outside world by various activities, where teachers play a critical role by way of customising the various aspect of the subject taught, using the product to increase engagement and learning outcome in the class.

A school is closely scrutinised before doing business with, to ensure it has requisite infrastructure and capability to use Tata ClassEdge products through the "Know Your Customer" program by the sales staff, as, the objective is not to maximise sale, instead it is about proper usage of the Tata ClassEdge products.

The complete suite of Tata ClassEdge product is Hardware and Software and the school can pick and choose as per their requirement. Once the deal is made, Tata ClassEdge provides an academic co-ordinator for a stipulated period as a part of service contract who is responsible for helping solve any challenges related to the products and be the face of Tata ClassEdge on school campus. Moreover, there is a

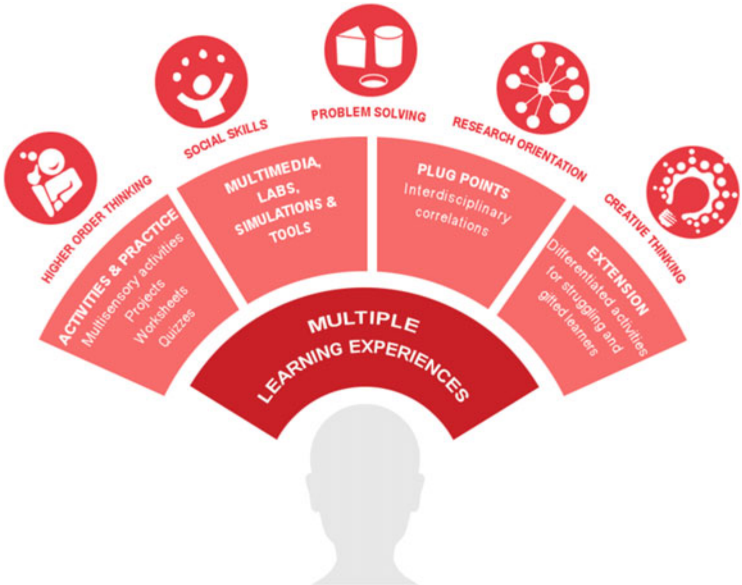

Fig. 4 The Multiple Learning Experiences (MLEx™) model. *Source*: The Multiple Learning Experiences - The MLEx™ model (2016)

team of academic managers, who supervise a set of schools in an area and provide help towards the usage of the product.

5 Social Enterprise as a Future to CSR

Thus, rather than approaching the challenges of the education system in India as a CSR activity, Tata ClassEdge has shown the courage to demonstrate the possibility of running a successful social enterprise, whose Vision 2020 is to help three million students learn better every year by way of increasing usage, offering value for stakeholders and having measurable impact on students.

Tata ClassEdge has several metrics for business excellence adopted from the Tata Business Excellence Model (2016) (Appendix M) and is run like any other business enterprise with a focus on its “Social Objective” in Indian Schools. The endeavour is to help learning in school a robust experience, to strengthen learning outcome by empowering the teachers, and to help create a generation of students, who understand the essence of the concepts taught in the school in the digital world.

To run it as a CSR granted project, may have limited its scope of operation in terms of resources, that includes time, money and manpower. Thus, Tata ClassEdge, as a true social enterprise, has taken its operations to a more holistic level than a piecemeal CSR dependant project.

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Appendix A: Section 135 of the Companies Act, 2013

Section 135 of the Act lays down that:

1. Every company having a net worth of INR 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a turnover of INR 10 billion (approximately 130 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more, or a net profit of INR 50 million (approximately 650 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director;
2. The Board's report shall disclose the composition of the CSR Committee.
3. The Corporate Social Responsibility Committee shall:

   (a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII
   (b) Recommend the amount of expenditure to be incurred on these CSR activities
   (c) Monitor the CSR policy of the Company from time to time.

4. The Board of these Companies shall:

   (a) After taking in account the recommendations made by the CSR Committee, approve the CSR policy for the Company and disclose the contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
   (b) Ensure that the activities are included in their CSR Policy and are actually undertaken by the company.

5. The Board of these companies, shall ensure that the company spends, in every financial year, at least 2 % of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR policy.

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Moreover, the Section 135 also provides a direction to these Companies to give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

However, the law also states that if the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount.

Appendix B: National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG, 2011)

The NVG represents the consolidated perspective of vital stakeholders in India, and accordingly lays down the basic requirements for businesses to function responsibly, thereby ensuring a wholesome and inclusive process of economic growth. The Guidelines provide a distinctively 'Indian' approach and are based on practices and percepts that take into account the realities of Indian business and society as well as global trends and good practices adapted to the Indian context.

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Appendix C: Schedule VII of the Companies Act, 2013

The Schedule VII of the Act helps prioritise the areas of intervention for the most rapid developmental results and has also created the possibility of delivering high impact outcomes while achieving stringent CSR norms and goals.

Schedule VII of the Companies Act, 2013

(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of Sanitation and making available safe drinking water;
(ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for the rejuvenation of river Ganga;
(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(continued)

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(vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) Training to promote rural sports, nationally recognised sports, para Olympic sports and Olympic sports;

(viii) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(ix) Rural development projects;

(x) Slum development.

Appendix D: Guidelines for Central Public Sector Enterprises (CPSE)

The Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises (CPSEs), March, 2010 had a series of insights ranging from the concept, planning, implementation, research, documentation, advocacy, promotion and development, funding, clarifications, baseline survey and documentation to monitoring; as well as detailing on the possible areas of activities under CSR. However, this guideline, over a period of time was replaced by new guidelines on 'CSR and Sustainability,' that came into effect from April 1, 2014.

The main aim of this new guidelines was to integrate the mandate of the Section 135 and Schedule VII of the Companies Act, 2013 and apply them 'to all companies, including CPSEs,' thereby, mandating 'All CPSEs shall have to comply with the provisions of the Act and the CSR Rules' and making 'any amendment notified by the Ministry of Corporate Affairs in the CSR Rules, or in Schedule VII of the Act to also be binding on the CPSEs.' The present guidelines of Department of Public Enterprises (DPE), like the previous one, also intended to 'reinforce the complementarities of CSR and sustainability and to advise the CPSEs not to overlook the larger objective of sustainable development in the conduct of business and in pursuit of CSR agenda.'

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Appendix E: Format for the Annual Report on CSR Activities to Be Included in the Board's Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs.
2. The composition of the CSR Committee.
3. Average net profit of the company for last 3 financial years.
4. Prescribed CSR expenditure (2 % of the amount as in item 3 above)
5. Details of CSR spent during the financial year;

   (a) Total amount to be spent for the financial year;
   (b) Amount unspent, if any;
   (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency[a]
1							
2							
3							
Total							

[a]Give details of the implementing agency

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6. In case the company has failed to spend the 2 % of the average net profit of the last 3 financial years or any part thereof, the company shall provide reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the company.

This document needs to be signed by the:

(i) Chief Executive Officer or Managing Director or Director
(ii) Chairman CSR Committee
(iii) Person specified under clause (d) of sub-section (1) of section 380 of the Act; wherever applicable.

Appendix F: List of Indian Companies in the UN Global Compact (Compact, 2016)

Anandtex International Private Limited	Datamatics Global Services Limited
Ninestars Information Technologies Private Limited	Hexaware Technologies
S. K. Patodia & Associates	Minda SM Technocast
Dalmia Cement (Bharat) Limited	YES BANK Limited
Jindal Steel and Power Limited	PVR Limited
Gemscab Industries Limited	Wipro Limited
CSS Corp	Tata Teleservices Limited
Magppie International Limited	Hindustan Construction Company Limited (HCC)
Mindtree Limited	Vedanta Limited
e-Zest Solutions Limited	Hindustan Platinum Private Limited
Coromandel International Limited	L.G. Balarkrishnan and Bros. Limited
Bharat Petroleum Corporation Limited	M/s Nucon Switchgears Private Limited
Jubilant Foodworks Limited	Mangalore Refinery and Petrochemicals Limited
Infinity Data Center India Private Limited	IOL Netcom Limited
Omnie Solutions (I) Private Limited	Moser Baer India Limited
Tata Asset Management Limited	ITC Limited
Greenlight Planet	Radisson Blu Plaza, Delhi
Rajgreen Amusement Park Private Limited	Sumi Motherson Innovative Engineering Limited
Veegee Industrial Enterprises Private Limited	Central Coalfields Limited
Uptime Infratel Services Private Limited	SAAB Engineering
Elcomponics Sales Private Limited	Stumpp, Schuele and Somappa Private Limited
United Telecoms Limited	Veegee Industrial Enterprises
Deneb & Pollux Tours & Travels Private Limited	Steel Authority of India Limited
Sea Hawk Tour & Travels Private Limited	Multi Commodity Exchange of India Limited

(continued)

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TeamLease Service Private Limited	M/S Rural Electrification Corporation Limited
Infant's Travels Private Limited	National Hydroelectric Power Corporation Limited
Mahindra Satyam	Lanco Infratech Limited
Petronet LNG Limited	Housing and Urban Development Corporation Limited
HCL Technologies Limited	DSM Soft Private Limited
GAIL (India) Limited	Tata Consultancy Services
Rapsri Engineering Industries Limited	Intimate Clothing Private Limited
Power Grid Corporation of India Limited	Linea Fashions (India) Private Limited
Union Quality Plastics Limited	Tata Sponge Iron Limited
Bright AutoPlast Private Limited	The Tinplate Company of India Limited
Ficus Pax Private Limited	Tata Elxsi Limited
Prabhatam Group	Rashtriya Ispat Nigam Limited—Visakhapatnam Steel Plant
Dr. Reddy's Laboratories Limited	Tata Interactive Systems
Jindal Stainless Limited	Trent Limited
Balda Motherson Solution India Limited	TRF Limited
Heritage Hospital	CMC Limited
Sarkar Plywood Private Limited	Nelco Limited
Coal India Limited	TCE Consulting Engineers Limited
Jubilant Life Sciences Limited (formerly Jubilant Organosys Limited)	Hindustan Zinc Limited
National Fertilizers Limited	Tata Power Delhi Distribution Limited
Genpact	Tata Steel Processing And Distribution Limited
Sesa Goa Limited	Krishak Bharati Cooperative Limited
TATA Business Support Services Limited	Hindustan Unilever Limited
Northern Coalfields Limited	BIOCON
Hindustan Sanitaryware and Industries Limited	ABB Limited—India
Tata Metaliks Limited	Comat Technologies (Private) Limited
Tata International Limited	O/E/N India
Balmer Lawrie & Co. Limited	ACC Limited
Central Warehousing Corporation	Heubach Colour Private Limited
Indian Farmers Fertiliser Cooperative	Oil and Natural Gas Corporation
Mishra Dhatu Nigam Limited	Rallis India Limited
Scooters India Limited	Voltas Limited
Bongaigaon Refinery and Petrochemicals Limited	Tata Hitachi Construction Machinery Company Private Limited
Konkan Railway Corporation Limited	Titan Company Limited
Engineering Projects India Limited	Hindalco Industries Limited
Engineers India Limited	Atlas Cycles Limited
Bharat Heavy Electricals Limited—BHEL	Indo Gulf Fertilisers Limited
Infosys Limited	Tata Chemicals

(continued)

IDFC Limited	Tata Motors Limited
Housing Development Finance Corporation	Tata Power Company Limited
Air India	Tata Tea
Hindustan Petroleum Corp. Limited	Apollo Hospitals
MMTC	NTPC Limited
National Buildings Construction Corporation Limited	Oil India Limited
NMDC Limited	Excel Industries Limited
Hindustan Paper Corporation Limited	The Indian Hotels Company Limited
Indian Oil Corporation Limited	Mahindra & Mahindra Limited
Tata Steel	Chennai Petroleum Corporation Limited
The Shipping Corporation of India Limited	Satluj Jal Vidyut Nigam Limited (SJVN)
Bharat Aluminium Company Limited (BALCO)	Power Finance Corporation Limited

Appendix G: The Right of Children to Free and Compulsory Education Act (RTE Act), 2010

The title of the RTE Act, 2010 incorporates the words ‘free and compulsory’. ‘Free education’ means that no child, other than a child who has been admitted by his or her parents to a school which is not supported by the appropriate Government, shall be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing elementary education. ‘Compulsory education’ casts an obligation on the appropriate Government and local authorities to provide and ensure admission, attendance and completion of elementary education by all children in the 6–14 age group. With this, India has moved forward to a rights based framework that casts a legal obligation on the Central and State Governments to implement this fundamental child right as enshrined in the Article 21A of the Indian Constitution, in accordance with the provisions of the RTE Act. (MHRD, 2016. Department of School Education and Literacy. Ministry of Human Resource Development. Government of India. http://mhrd.gov.in/rte. Accessed 21 March 2016.)

The section 12(1)(c) of the Act provides that unaided schools and specified category schools shall admit atleast 25 % of the strength of class 1, children belonging to the weaker section and children belonging to disadvantaged group from the neighbourhood and provide them free and compulsory education till completion of elementary education. Further, where the school admits children at pre-primary level, such admissions shall be made at that level. (Guidelines, 2010. F. No.—1-15/2010-EE-4. Government of India. Ministry of Human Resource Development. Department for School Education and Literacy. http://mhrd.gov.in/sites/upload_files/mhrd/files/upload_document/RTE_2.pdf. Accessed 21 March 2016.)

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Appendix H: Ten Point Social Charter

Excerpts from Prime Minister of India, Manmohan Singh's address at CII's (Confederation of Indian Industries) National Conference and Annual Session on "Inclusive Growth: Challenges for Corporate India" on May 24th 2007 where he spoke about the Ten Point Social Charter for Corporate India.

First, have a healthy respect for your workers and invest in their welfare. In their health and their children's education, give them pension and provident fund benefits, and so on. Unless workers feel they are cared for at work, we can never evolve a national consensus in favour of much needed more flexible labour laws aimed at ensuring that our firms remain globally competitive.

Two, corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is not an imported western management notion. It is a part of our cultural heritage. Mahatma Gandhi called it trusteeship. . .

Three, industry must be pro-active in offering employment to the less privileged, at all levels of the job ladder. The representation companies give to Scheduled Castes, Scheduled Tribes, other Backward Classes, Minorities and Women, in their workforce and staff must increase. I am, therefore, encouraged by CII's Report on Affirmative Action. I commend your example. I hope it will be widely emulated. . .

Four, resist excessive remuneration to promoters and senior executives and discourage conspicuous consumption. In a country with extreme poverty, industry needs to be moderate in the emoluments levels it adopts. Rising income and wealth inequalities, if not matched by a corresponding rise of incomes across the nation, can lead to social unrest. The electronic media carries the lifestyles of the rich and famous into every village and every slum. Media often highlights the vulgar display of their wealth. An area of great concern is the level of ostentatious expenditure on weddings and other family events. Such vulgarity insults the poverty of the less privileged, it is socially wasteful and it plants seeds of resentment in the minds of the have-nots.

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Five, invest in people and in their skills. Offer scholarships to promising young people. Fill young people with hope in their future. High rates of growth mean nothing for those who are unable to find employment. We must invest in skill-building and education to make our youth employable. Here too, I appreciate the CII's initiative in upgrading ITIs (Industrial Training Institutes). This is a very good beginning, but there is more to be done. Indian Industry must allocate sufficient resources to skill development, either managing ITIs or setting up a network of Greenfield Skill Development Centres across the country. CII's current efforts need to be multiplied a 1000 times and Indian companies need to allocate resources for this vital work of building the capabilities of India's youth.

Six, desist from non-competitive behaviour. The operation of cartels by groups of companies to keep prices high must end. It is unacceptable to obstruct the forces of competition from having freer play. It is even more distressing in a country where the poor are severely affected by rising commodity prices. Cartels are a crime and go against the grain of an open economy. Even profit maximization should be within the bounds of decency and greed! If a liberalized economy has to succeed, we must give full play to competitive forces and the private sector should show some self-restraint in this regard.

Seven, invest in environment-friendly technologies. India's growth must be enhanced and, yet, our environment and ecology must be protected and safeguarded for our future generations. Industry has an enormous role to play in this regard. Evidence shows that many of our companies are becoming increasingly environment friendly. Our track record in resource use is good, but must improve further. Conservation of natural resources is a national mission. Industry can and must provide leadership on this front. As a country of a billion plus people, with a scarcity of natural resources on a per capita basis, we cannot afford the wasteful lifestyles of the Western world. Conspicuous consumption must be reduced not just because it is socially undesirable at our level of development but also because it is environmentally unsustainable.

Eight, promote enterprise and innovation, within your firms and outside. If our industry has to make the leap to the next stage of development, it must be far more innovative and enterprising. The success story of the last two decades has been the emergence of a large number of first generation enterprise. As industry aims to master increasingly complex technologies and becomes organizationally more complex, it must try to maintain its competitive edge by investing in R&D (Research and Development) and innovation and promotion of enterprise. While government can do its bit, the larger burden is on industry.

Nine, fight corruption at all levels. The cancer of corruption is eating into the vitals of our body politic. For every recipient of a bribe there is a benefactor and beneficiary. Corruption need not be the grease that oils the wheels of progress. There are many successful companies today that have refused to yield to this temptation. I commend them. Others must follow. Businessmen who enter politics should erect a Chinese wall between their political activities and their businesses. CII should develop Codes of Conduct for their members with respect to business practices and for control of corruption.

Ten, promote socially responsible media and finance socially responsible advertising. Through your advertisement budgets and your investments in media you can encourage socially responsible media to grow and to flourish. You can promote socially relevant messages and causes.

These are ten areas in which industry leadership can go a long way to ensure that our growth process is both inclusive and broad-based. This is not an exhaustive list. Corporate India can add to it, and adopt their own Social Charter for inclusive growth. The objective of such a Social Charter would also be to encourage a culture of saving and investment. A culture of caring, sharing and belonging.

Appendix I: Tables of 'Reporting of CSR Activities in India' by Dr. Sumona Ghosh

Table 1 Proportion of companies who have disclosed overall CSR activities in the websites and proportion of companies who had reported on any of the specified CSR groups in their websites for the period 2009–2010 to 2013–2014

Deciles	Website (overall) (%)	Website environment (%)	Website health (%)	Website education (%)	Website livelihood (%)	Website empowerment (%)	Website drinking water and sanitation (%)	Website rural upliftment (%)	Website disaster relief (%)
D10	**100**	74	79	79	53	53	**68**	**58**	42
D9	95	**84**	74	79	**68**	53	26	42	21
D8	84	58	79	74	63	**21**	37	47	32
D7	78	67	72	67	56	33	28	44	**50**
D6	**72**	61	72	67	50	33	28	39	22
D5	83	56	44	61	50	39	28	28	22
D4	94	67	**83**	**89**	50	**56**	44	50	28
D3	83	61	67	61	39	33	**17**	33	28
D2	**72**	**44**	61	67	**33**	22	22	**22**	**17**
D1	83	56	**56**	**56**	39	33	28	50	28

Source: Author's own compilation from the websites

N. Mitra, R. Schmidpeter (eds.), *Corporate Social Responsibility in India*, CSR, Sustainability, Ethics & Governance, DOI 10.1007/978-3-319-41781-3

Table 2 Proportion of companies who have published Sustainability Reports and proportion of companies who had reported on any of the specified CSR groups in the Sustainability Reports for the period 2009–2010 to 2013–2014

Year	Decile	Sustainability report published (%)	Environment: sustainability report (%)	Health: sustainability report (%)	Education: sustainability report (%)	Livelihood: sustainability report (%)	Empowerment: sustainability report (%)	Drinking water and sanitation: sustainability report (%)	Rural upliftment: sustainability report (%)	Disaster relief: sustainability report (%)
2009–2010	D10	**53**	**53**	**42**	**53**	**32**	**26**	**16**	**32**	**21**
	D9	26	26	26	21	21	5	11	21	11
	D8	11	11	5	5	5	5	**0**	5	**0**
	D7	11	11	11	11	11	6	6	6	6
	D6	6	6	6	6	6	6	6	**0**	**0**
	D5	6	6	6	6	6	6	6	**0**	**0**
	D4	6	6	6	6	6	6	6	**0**	**0**
	D3	6	6	6	6	6	**0**	**0**	**0**	**0**
	D2	11	11	11	11	11	6	**0**	11	6
	D1	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2010–2011	D10	**53**	**53**	**42**	**53**	**42**	**21**	**21**	**26**	**16**
	D9	26	21	21	16	16	16	11	21	5
	D8	16	16	16	16	16	16	5	11	**0**
	D7	11	11	11	11	11	11	11	11	**0**
	D6	22	22	22	22	22	17	11	17	6
	D5	6	6	**0**	**0**	6	6	**0**	6	**0**
	D4	6	6	6	6	6	6	**0**	0	6
	D3	6	6	6	6	6	**0**	**0**	**0**	**0**
	D2	11	11	11	11	6	6	6	11	11
	D1	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2011–2012	D10	**68**	**68**	**58**	**68**	**58**	**37**	**26**	**47**	**21**
	D9	26	21	21	21	16	16	11	16	**0**
	D8	26	26	26	26	21	21	16	26	**0**
	D7	17	17	17	17	11	11	6	11	**0**
	D6	17	17	17	17	17	17	11	11	**0**
	D5	17	17	11	6	17	6	11	11	**0**

	D4	6	6	6	6	6	6	**0**	**0**	**0**
	D3	6	6	6	6	**0**	**0**	6	**0**	**0**
	D2	11	11	11	11	11	6	6	11	6
	D1	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2012–2013	D10	**68**	**68**	**63**	**68**	**47**	**42**	**42**	**32**	**11**
	D9	26	26	26	26	21	11	16	16	**0**
	D8	26	26	26	26	26	21	16	16	**0**
	D7	22	22	22	22	22	17	11	11	**0**
	D6	44	44	39	33	22	22	28	39	**6**
	D5	17	17	17	11	11	6	17	11	**0**
	D4	6	6	6	6	6	6	**0**	**0**	**0**
	D3	11	11	11	11	6	6	6	**0**	**0**
	D2	11	11	11	11	6	6	11	11	6
	D1	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2013–2014	D10	**58**	**58**	**42**	**58**	**47**	**32**	**21**	**42**	**26**
	D9	26	26	21	26	26	21	16	21	5
	D8	26	26	26	26	26	26	11	16	5
	D7	33	33	33	28	28	22	17	17	11
	D6	39	39	39	33	22	17	22	22	11
	D5	11	11	11	11	6	6	6	11	6
	D4	17	17	17	17	11	11	11	6	**0**
	D3	6	6	6	6	**0**	6	6	**0**	**0**
	D2	11	11	11	6	11	11	6	11	11
	D1	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: Author's own compilation from the Sustainability Reports

Table 3 Proportion of companies who have disclosed overall CSR activities in the "Directors' Reports" and proportion of companies who had reported on any of the specified CSR groups in the "Directors' Reports" for the period 2009–2010 to 2013–2014

Year	Decile	Directors report (overall)	Environment: directors report	Health: directors report	Education: directors report	Livelihood: directors report	Empowerment: directors report	Drinking water and sanitation: directors report	Rural upliftment: directors report	Disaster relief: directors report
2009–2010	D10	32	21	11	21	5	11	0	5	0
	D9	37	32	16	16	11	5	5	5	5
	D8	32	26	16	11	11	0	0	5	5
	D7	28	22	17	17	6	0	0	11	0
	D6	**44**	33	22	11	11	11	6	11	0
	D5	22	17	0	6	6	6	0	0	6
	D4	28	22	11	0	0	6	6	6	6
	D3	33	17	0	11	6	0	0	0	6
	D2	17	17	17	11	11	0	0	11	0
	D1	**11**	0	6	11	0	0	0	0	0
2010–2011	D10	**47**	42	26	21	16	11	5	16	11
	D9	**47**	37	11	21	16	16	5	5	0
	D8	37	32	16	16	11	0	0	11	0
	D7	44	28	17	22	11	0	0	11	6
	D6	39	33	22	22	6	6	0	11	0
	D5	28	22	0	6	6	6	0	6	0
	D4	28	17	17	6	6	6	0	0	0
	D3	28	17	0	6	6	0	0	0	6
	D2	22	17	17	11	11	0	6	11	0
	D1	**17**	11	11	17	6	0	11	0	6

2011–2012	D10	42	37	32	26	21	5	5	11	5
	D9	53	42	16	21	21	11	0	0	5
	D8	42	32	16	16	11	5	0	11	0
	D7	39	28	6	17	17	6	0	6	0
	D6	**61**	44	39	33	11	6	6	11	11
	D5	44	28	11	6	17	6	0	11	0
	D4	33	11	22	28	6	6	0	6	0
	D3	39	28	11	22	6	0	0	6	0
	D2	28	22	11	11	11	0	6	11	0
	D1	**17**	11	11	6	11	0	6	0	0
2012–2013	D10	42	42	16	21	21	16	11	11	0
	D9	42	32	21	21	16	5	5	5	0
	D8	37	26	26	11	11	11	5	11	11
	D7	39	33	17	22	6	6	0	6	0
	D6	**50**	44	28	28	11	6	0	17	0
	D5	39	22	6	17	17	11	6	11	6
	D4	33	11	22	17	17	6	0	11	0
	D3	39	33	17	22	11	11	6	6	11
	D2	28	17	11	11	17	0	6	11	0
	D1	**11**	11	6	6	6	0	0	0	6

(continued)

Table 3 (continued)

Year	Decile	Directors report (overall)	Environment: directors report	Health: directors report	Education: directors report	Livelihood: directors report	Empowerment: directors report	Drinking water and sanitation: directors report	Rural upliftment: directors report	Disaster relief: directors report
2013–2014	D10	42	42	11	16	16	11	16	11	11
	D9	**53**	42	21	21	26	11	5	5	16
	D8	**16**	16	16	11	11	0	0	5	0
	D7	39	33	22	22	11	0	0	17	17
	D6	33	33	22	22	11	6	6	28	6
	D5	33	28	6	17	17	0	0	6	6
	D4	33	17	22	22	11	6	0	11	0
	D3	44	33	17	22	11	6	6	6	6
	D2	28	17	11	11	17	6	0	11	6
	D1	17	17	11	11	11	0	0	0	0

Source: Author's own compilation from the Annual Reports

Table 4 Proportion of companies who have disclosed overall CSR activities in the "Management Discussion and Analysis" segment and proportion of companies who had reported on any of the specified CSR groups in the "Management Discussion and Analysis" segment for the period 2009–2010 to 2013–2014

Year	Decile	Management discussion and analysis (overall) (%)	Environment: management discussion and analysis (%)	Health: management discussion and analysis (%)	Education: management discussion and analysis (%)	Livelihood: management discussion and analysis (%)	Empowerment: management discussion and analysis (%)	Drinking water and sanitation: management discussion and analysis (%)	Rural upliftment: management discussion and analysis (%)	Disaster relief: management discussion and analysis (%)
2009–2010	D10	26	16	5	0	11	11	0	11	0
	D9	**16**	16	16	5	11	5	5	11	0
	D8	37	16	26	16	0	0	5	0	0
	D7	28	11	17	22	17	11	0	28	11
	D6	28	11	28	11	11	6	11	0	0
	D5	**50**	50	33	33	17	11	22	6	6
	D4	28	22	11	11	6	6	6	6	0
	D3	28	28	22	6	0	6	0	17	0
	D2	28	22	11	6	11	0	0	6	11
	D1	28	28	6	11	11	11	0	11	0
2010–2011	D10	26	26	11	5	16	11	11	11	0
	D9	21	16	11	0	5	0	0	0	0
	D8	32	21	16	26	0	11	0	5	5
	D7	33	11	17	28	6	6	6	22	0
	D6	33	22	17	6	6	6	6	6	6
	D5	**50**	39	33	28	28	11	22	6	17
	D4	**17**	17	17	17	11	0	6	11	0
	D3	28	28	22	6	6	0	6	17	0
	D2	**17**	11	0	6	11	0	6	6	0
	D1	39	39	17	17	11	11	6	6	11

(continued)

Table 4 (continued)

Year	Decile	Management discussion and analysis (overall) (%)	Environment: management discussion and analysis (%)	Health: management discussion and analysis (%)	Education: management discussion and analysis (%)	Livelihood: management discussion and analysis (%)	Empowerment: management discussion and analysis (%)	Drinking water and sanitation: management discussion and analysis (%)	Rural upliftment: management discussion and analysis (%)	Disaster relief: management discussion and analysis (%)
2011–2012	D10	32	32	11	5	16	11	5	11	0
	D9	21	11	16	16	16	5	0	16	11
	D8	32	21	16	21	16	5	5	16	0
	D7	**50**	28	22	28	22	6	6	17	0
	D6	33	33	22	22	11	11	6	6	6
	D5	44	39	33	28	17	11	6	11	6
	D4	**17**	11	17	17	6	6	0	6	0
	D3	22	17	17	11	6	6	0	11	0
	D2	22	17	6	11	6	0	6	6	0
	D1	44	39	17	17	11	17	6	6	0
2012–2013	D10	**21**	16	16	0	21	16	0	5	0
	D9	26	26	5	5	5	5	0	5	5
	D8	26	16	21	26	11	11	5	16	5
	D7	**44**	17	33	28	22	6	6	22	0
	D6	39	33	28	28	22	11	11	6	0
	D5	39	39	22	28	17	6	6	11	0
	D4	22	17	22	22	11	11	6	17	0
	D3	22	22	11	11	6	17	6	11	0
	D2	28	17	17	17	6	0	11	6	6
	D1	39	39	17	17	11	11	6	6	11

2013–2014	D10	21	16	11	11	11	16	5	11	5
	D9	21	21	11	5	5	5	5	11	0
	D8	32	21	21	26	16	5	5	11	5
	D7	**44**	28	22	28	28	11	11	11	0
	D6	**44**	28	28	28	22	17	11	6	6
	D5	**44**	44	28	28	17	11	17	6	17
	D4	28	28	17	17	17	17	6	6	0
	D3	**11**	11	6	6	6	11	6	6	0
	D2	17	11	11	11	6	0	11	11	0
	D1	39	33	11	17	6	11	6	6	0

Source: Author's own compilation from the Annual Reports

Table 5 Proportion of companies who have disclosed overall CSR activities in the "Separate Section" segment and proportion of companies who had reported on any of the specified CSR groups in the "Separate Section" segment for the period 2009–2010 to 2013–2014

Year	Decile	Separate section (overall) (%)	Environment: separate section (%)	Health: separate section (%)	Education: separate section (%)	Livelihood: separate section (%)	Empowerment: separate section (%)	Drinking water and sanitation: separate section (%)	Rural upliftment: separate section (%)	Disaster relief: separate section (%)
2009–2010	D10	32	32	21	26	21	11	0	21	21
	D9	**53**	47	32	32	32	11	11	16	16
	D8	37	26	32	37	16	16	16	26	5
	D7	11	11	6	6	6	0	6	6	0
	D6	11	11	11	11	11	6	6	6	6
	D5	22	11	6	11	11	11	0	0	6
	D4	39	28	28	22	17	22	6	17	0
	D3	**6**	6	6	6	0	6	0	0	0
	D2	17	17	17	11	6	6	6	6	0
	D1	22	6	17	17	6	6	6	17	0
2010–2011	D10	26	26	21	21	16	5	5	5	11
	D9	**53**	47	37	32	26	26	16	16	5
	D8	47	42	37	32	16	11	11	21	5
	D7	22	22	11	17	17	6	6	17	0
	D6	39	22	33	22	22	17	0	11	0
	D5	**17**	6	11	17	11	6	11	11	0
	D4	33	17	33	33	11	22	11	11	6
	D3	22	17	17	17	11	11	6	0	0
	D2	28	17	22	28	6	6	6	0	6
	D1	22	6	17	17	6	6	6	11	0

2011–2012	D10	37	32	32	32	32	5	11	16	11
	D9	**58**	58	37	26	32	21	16	26	11
	D8	53	42	37	32	26	32	11	21	5
	D7	28	28	17	17	11	6	11	11	6
	D6	44	33	39	33	17	11	22	22	0
	D5	**17**	0	6	17	6	6	6	0	0
	D4	33	11	28	28	22	17	11	11	0
	D3	22	11	22	17	17	6	6	0	0
	D2	39	22	33	33	17	11	0	11	6
	D1	22	11	22	17	11	11	6	11	0
2012–2013	D10	42	32	32	32	32	5	5	11	21
	D9	42	42	32	21	21	16	16	11	5
	D8	**53**	37	32	26	26	16	5	21	0
	D7	33	28	17	22	22	6	11	17	0
	D6	50	33	33	28	22	11	11	17	6
	D5	28	6	17	22	17	0	6	6	0
	D4	39	17	33	39	28	33	11	17	6
	D3	**17**	17	17	17	11	11	6	6	6
	D2	44	28	33	33	22	11	0	11	6
	D1	39	22	22	28	33	11	6	6	6
2013–2014	D10	47	32	42	37	32	21	26	16	32
	D9	**53**	42	47	42	32	21	16	32	11
	D8	47	37	26	32	16	5	11	16	0
	D7	33	33	28	22	28	22	11	17	11
	D6	50	28	44	33	17	6	6	17	11
	D5	28	11	11	22	28	0	17	11	6
	D4	33	22	28	33	22	22	11	11	0
	D3	28	17	22	17	11	11	11	11	6
	D2	33	28	28	22	22	17	11	17	11
	D1	**22**	6	11	22	17	11	6	0	0

Source: Author's own compilation from the Annual Reports

Table 6 Proportion of companies who have disclosed overall CSR activities in the "Business Responsibility Report" segment and proportion of companies who had reported on any of the specified CSR groups in the "Business Responsibility Report" segment for the period 2009–2010 to 2013–2014

Year	Decile	Business responsibility report (overall) (%)	Environment: business responsibility report (%)	Health: business responsibility report (%)	Education: business responsibility report (%)	Livelihood: business responsibility report (%)	Empowerment: business responsibility report (%)	Drinking water and sanitation: business responsibility report (%)	Rural upliftment: business responsibility report (%)	Disaster relief: business responsibility report (%)
2009–2010	D10-D1	0	0	0	0	0	0	0	0	0
2010–2011	D10-D1	0	0	0	0	0	0	0	0	0
2011–2012	D10	**11**	11	5	11	5	5	0	5	5
	D9	5	5	5	5	5	5	5	5	0
	D8	**11**	11	5	5	5	0	0	11	0
	D7	6	6	0	0	0	0	0	6	0
	D6	6	6	0	0	0	0	0	0	0
	D5	6	6	6	6	6	0	0	0	0
	D4-D1	**0**	0	0	0	0	0	0	0	0
2012–2013	D10	63	58	32	37	32	11	11	11	5
	D9	**84**	84	63	53	47	26	26	32	0
	D8	53	53	37	32	11	16	0	26	11
	D7	44	44	17	28	28	11	0	28	0
	D6	44	44	28	22	22	6	0	17	6
	D5	39	39	39	39	28	11	17	28	6
	D4	17	17	17	17	11	6	6	17	6
	D3	11	11	11	11	0	11	0	6	0
	D2-D1	**0**	0	0	0	0	0	0	0	0
2013–2014	D10	74	68	37	53	47	21	16	26	11
	D9	**84**	84	47	42	47	11	21	26	5
	D8	47	42	26	26	16	16	5	5	16
	D7	44	44	22	22	28	6	0	17	0
	D6	50	44	33	28	17	17	6	17	11
	D5	33	33	33	28	28	6	0	22	17
	D4	22	22	22	22	22	17	6	17	0
	D3	11	11	11	11	11	6	0	6	6
	D2-D1	**0**	0	0	0	0	0	0	0	0

Source: Author's own compilation from the Annual Reports

Table 7 Average sentences reported by the companies on various CSR activities in the corporate websites for the period 2009–2010 to 2013–2014

Decile	Website environment	Website health	Website education	Website livelihood	Website empowerment	Website drinking water and sanitation	Website rural upliftment	Website disaster relief
D10	**118.53**	**79.42**	**122.49**	**136.05**	**33.63**	17.21	**36.65**	**27.26**
D9	49.11	52.00	61.53	50.11	16.51	**17.89**	14.89	1.95
D8	39.16	36.47	26.37	27.26	8.58	11.79	9.58	3.05
D7	59.33	40.06	41.33	52.56	25.72	11.50	18.19	4.06
D6	66.94	60.44	37.22	28.06	4.44	5.94	24.64	3.28
D5	73.89	**13.72**	33.61	13.68	12.82	6.56	12.50	**1.00**
D4	69.22	49.19	75.76	52.97	16.30	12.84	17.01	4.17
D3	49.78	23.06	46.67	24.61	16.78	10.83	22.83	8.44
D2	**24.39**	17.06	**16.83**	**9.67**	**2.84**	**2.67**	**2.83**	8.06
D1	31.77	67.00	33.59	51.47	19.56	8.00	13.28	3.44

Source: Author's own compilation from the websites

Table 8 Average sentences reported by the companies on various CSR activities in the Sustainability Reports for the period 2009–2010 to 2013–2014

Year	Decile	Environment: sustainability report	Health: sustainability report	Education: sustainability report	Livelihood: sustainability report	Empowerment: sustainability report	Drinking water and sanitation: sustainability report	Rural upliftment: sustainability report	Disaster relief: sustainability report
2009–2010	D10	**170.79**	**18.63**	**23.95**	**13.74**	**4.00**	**2.95**	**6.16**	**3.84**
	D9	68.68	7.89	9.42	3.53	0.16	1.11	1.84	0.47
	D8	35.84	4.37	1.26	3.53	0.74	0.00	0.58	0.00
	D7	50.94	7.33	7.06	5.61	1.78	0.78	4.39	1.61
	D6	6.67	4.22	3.00	2.39	0.67	0.22	0.00	0.00
	D5	9.39	0.67	0.33	0.67	0.17	0.11	0.00	0.00
	D4	22.17	5.17	2.06	1.67	1.11	1.33	0.00	0.00
	D3	12.67	0.44	0.22	2.00	0.00	0.00	0.00	0.00
	D2	27.67	4.83	2.33	4.50	0.06	0.00	0.83	4.89
	D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
2010–2011	D10	**195.63**	**15.95**	**19.74**	**14.89**	**4.37**	**2.11**	**4.05**	**3.37**
	D9	67.05	6.32	16.37	8.63	3.89	0.79	4.63	0.16
	D8	29.79	2.53	3.79	5.74	2.47	0.74	3.37	0.00
	D7	18.72	3.44	5.33	5.22	1.89	0.94	0.33	0.00
	D6	59.06	4.94	4.78	5.28	1.50	1.11	3.00	0.06
	D5	9.78	0.00	0.00	1.72	2.00	0.00	0.17	0.00
	D4	41.56	1.83	1.11	0.72	1.33	0.00	0.00	0.06
	D3	12.67	0.44	0.22	2.00	0.00	0.00	0.00	0.00
	D2	31.50	5.72	1.50	4.11	0.39	0.67	3.44	3.00
	D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

2011–2012	D10	**232.00**	**18.89**	**29.89**	12.58	**6.84**	**6.00**	**8.74**	2.68
	D9	63.21	8.63	10.95	**34.05**	4.47	2.68	5.00	0.00
	D8	55.11	9.89	8.84	12.26	2.58	2.58	5.00	0.00
	D7	40.17	7.17	5.72	3.22	5.83	0.33	0.83	0.00
	D6	76.94	5.56	4.22	3.67	2.22	0.67	2.33	0.00
	D5	30.00	3.67	1.00	2.94	2.00	1.50	1.83	0.00
	D4	16.44	3.39	1.22	0.50	0.67	0.00	0.00	0.00
	D3	9.78	0.78	1.61	0.00	0.00	0.11	0.00	0.00
	D2	28.17	4.72	2.78	3.50	0.39	1.28	1.22	**5.78**
	D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
2012–2013	D10	**229.11**	**20.05**	**44.42**	**15.00**	**4.21**	**6.37**	3.79	1.47
	D9	67.89	11.11	10.79	7.68	1.47	3.11	3.11	0.00
	D8	78.74	6.21	7.95	12.68	3.21	2.32	4.89	0.00
	D7	61.00	4.78	6.11	5.33	0.83	0.61	1.94	0.00
	D6	111.67	13.33	16.83	10.67	4.50	3.72	**8.89**	0.50
	D5	37.00	11.61	2.11	8.94	6.56	3.56	1.83	0.00
	D4	17.89	2.39	2.89	1.22	1.06	0.00	0.00	0.00
	D3	18.00	3.22	4.28	1.22	1.50	0.11	0.00	0.00
	D2	36.17	6.11	2.33	4.61	0.89	2.00	0.94	**3.11**
	D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

(continued)

Table 8 (continued)

Year	Decile	Environment: sustainability report	Health: sustainability report	Education: sustainability report	Livelihood: sustainability report	Empowerment: sustainability report	Drinking water and sanitation: sustainability report	Rural upliftment: sustainability report	Disaster relief: sustainability report
2013–2014	D10	**196.37**	**17.16**	**35.58**	19.84	**6.42**	2.74	**5.79**	5.53
	D9	66.95	11.05	17.84	11.26	3.47	4.63	3.00	0.63
	D8	69.21	9.74	8.68	11.42	4.79	0.89	3.53	0.47
	D7	49.39	10.44	18.39	**25.33**	3.33	**5.11**	1.33	3.17
	D6	123.39	17.39	11.83	13.28	5.94	2.67	3.61	0.83
	D5	29.89	1.06	1.61	2.56	2.94	1.22	0.61	0.44
	D4	37.78	5.28	9.33	4.61	3.00	0.78	0.61	0.00
	D3	9.28	1.17	3.94	0.00	1.50	1.06	0.00	0.00
	D2	26.06	2.44	2.72	7.33	1.22	0.17	0.94	**5.78**
	D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: Author’s own compilation from the Sustainability Reports

Table 9 Average sentences reported by the companies on various CSR activities in the “Directors’ Report” segment of the Annual Report for the period 2009–2010 to 2013–2014

Year	Decile	Environment: director’s report	Health: director’s report	Education: director’s report	Livelihood: director’s report	Empowerment: director’s report	Drinking water and sanitation: director’s report	Rural upliftment: director’s report	Disaster relief: director’s report
2009–2010	D10	9.63	1.26	1.11	0.63	**0.79**	**0.00**	0.32	**0.00**
	D9	7.47	1.63	**2.26**	0.74	0.42	**0.42**	0.26	**0.47**
	D8	**9.84**	1.84	0.79	**2.68**	**0.00**	**0.00**	0.37	0.16
	D7	6.33	0.94	1.72	0.72	**0.00**	**0.00**	0.56	**0.00**
	D6	4.94	**3.56**	0.28	0.39	0.67	0.17	**1.22**	**0.00**
	D5	3.44	**0.00**	0.56	1.22	0.44	**0.00**	**0.00**	0.33
	D4	3.83	0.67	**0.00**	**0.00**	0.06	0.17	0.17	0.06
	D3	4.17	**0.00**	0.50	0.61	**0.00**	**0.00**	**0.00**	0.17
	D2	4.00	1.28	0.39	0.94	**0.00**	**0.00**	0.56	**0.00**
	D1	**0.00**	0.44	0.72	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
2010–2011	D10	**17.47**	1.84	1.47	1.21	**1.21**	0.05	1.42	**0.95**
	D9	6.79	1.89	**2.05**	1.42	**1.21**	0.53	0.11	**0.00**
	D8	15.21	**3.26**	**2.05**	**3.53**	**0.00**	**0.00**	0.68	**0.00**
	D7	5.89	1.06	1.94	1.00	**0.00**	**0.00**	0.56	0.28
	D6	7.67	2.56	1.50	**0.06**	0.06	**0.00**	**3.06**	**0.00**
	D5	5.50	**0.00**	**0.17**	1.61	0.72	**0.00**	0.17	**0.00**
	D4	3.83	0.50	0.28	0.22	0.11	**0.00**	**0.00**	**0.00**
	D3	5.78	**0.00**	**0.17**	0.61	**0.00**	**0.00**	**0.00**	0.11
	D2	3.00	1.33	0.56	1.67	**0.00**	**0.72**	1.28	**0.00**
	D1	**0.50**	0.78	1.22	0.94	**0.00**	0.33	**0.00**	0.56

(continued)

Table 9 (continued)

Year	Decile	Environment: director's report	Health: director's report	Education: director's report	Livelihood: director's report	Empowerment: director's report	Drinking water and sanitation: director's report	Rural upliftment: director's report	Disaster relief: director's report
2011–2012	D10	10.32	3.11	3.16	1.26	0.16	0.21	1.21	**0.26**
	D9	9.89	1.47	1.84	2.63	0.63	**0.00**	**0.00**	**0.26**
	D8	**10.47**	4.21	2.53	**4.11**	0.16	**0.00**	1.05	**0.00**
	D7	5.06	0.67	**4.00**	1.17	0.17	**0.00**	0.28	**0.00**
	D6	6.61	**4.28**	2.44	0.72	0.06	0.56	1.44	0.22
	D5	5.33	**0.39**	**0.17**	1.72	**0.83**	**0.00**	0.61	**0.00**
	D4	2.00	1.17	1.61	**0.17**	0.39	**0.00**	0.17	**0.00**
	D3	6.61	**0.39**	1.22	0.78	**0.00**	**0.00**	0.06	**0.00**
	D2	3.56	1.11	1.06	1.67	**0.00**	0.39	1.06	**0.00**
	D1	**0.94**	0.83	0.83	2.78	**0.00**	**0.72**	**0.00**	**0.00**
2012–2013	D10	**21.74**	2.47	3.58	3.21	**1.79**	0.79	1.89	**0.00**
	D9	6.00	2.53	**4.84**	0.84	0.21	0.21	0.11	**0.00**
	D8	16.74	**4.05**	1.32	4.05	0.63	0.11	1.89	**0.79**
	D7	7.17	1.67	2.44	**0.61**	0.06	**0.00**	0.72	**0.00**
	D6	9.56	3.22	1.94	0.72	0.28	**0.00**	**2.33**	**0.00**
	D5	4.28	0.67	1.44	2.11	0.56	**0.94**	0.78	0.06
	D4	5.89	0.78	**0.72**	0.78	0.33	**0.00**	0.39	**0.00**
	D3	9.33	1.33	1.72	1.83	0.17	0.06	0.50	0.17
	D2	3.78	1.28	1.67	**4.17**	**0.00**	0.72	0.67	**0.00**
	D1	**1.11**	**0.61**	**0.72**	3.33	**0.00**	**0.00**	**0.00**	0.61

2013–2014	D10	**22.37**	2.05	2.00	**4.84**	**1.37**	0.53	1.11	0.26
	D9	8.53	2.16	**4.37**	2.74	0.74	**0.63**	0.05	0.63
	D8	10.37	2.21	3.11	1.84	**0.00**	**0.00**	0.37	**0.00**
	D7	10.06	1.61	3.28	**0.89**	**0.00**	**0.00**	1.22	**1.00**
	D6	7.94	**2.39**	1.94	1.39	0.22	0.22	**4.22**	0.17
	D5	3.44	0.72	1.39	1.50	**0.00**	**0.00**	0.28	0.61
	D4	8.83	1.94	2.78	2.22	0.28	**0.00**	1.33	**0.00**
	D3	9.61	**0.61**	1.72	1.89	0.11	0.06	0.67	0.11
	D2	3.83	1.00	2.06	2.83	0.44	**0.00**	0.94	0.39
	D1	**1.11**	0.83	**0.83**	2.72	**0.00**	**0.00**	**0.00**	**0.00**

Source: Author's own compilation from the Annual Reports

Table 10 Average sentences reported by the companies on various CSR activities in the “Management Discussion and Analysis” segment of the Annual Report for the period 2009–2010 to 2013–2014

Year	Decile	Environment: management discussion and analysis	Health: management discussion and analysis	Education: management discussion and analysis	Livelihood: management discussion and analysis	Empowerment: management discussion and analysis	Drinking water and sanitation: management discussion and analysis	Rural upliftment: management discussion and analysis	Disaster relief: management discussion and analysis
2009–2010	D10	5.58	**0.32**	**0.00**	**2.47**	1.84	**0.00**	0.74	**0.00**
	D9	5.26	0.79	0.89	1.21	1.21	**0.05**	**0.21**	**0.00**
	D8	4.00	1.95	0.68	**0.00**	**0.00**	0.11	**0.00**	**0.00**
	D7	**2.89**	0.78	1.33	2.67	0.39	**0.00**	1.61	0.44
	D6	4.06	2.28	**5.39**	0.83	**0.11**	0.67	**0.00**	**0.00**
	D5	8.33	**2.67**	2.61	1.61	1.89	0.56	0.39	**0.22**
	D4	**8.72**	1.39	1.67	0.11	1.06	0.56	0.72	**0.00**
	D3	6.28	1.06	0.06	**0.00**	0.17	**0.00**	1.28	**0.00**
	D2	3.61	1.11	1.06	2.33	**0.00**	**0.00**	0.72	0.78
	D1	7.17	0.56	1.72	1.22	0.67	**0.00**	0.50	**0.00**
2010–2011	D10	**10.74**	0.42	0.47	1.74	0.95	0.74	0.42	0.00
	D9	**2.63**	0.26	**0.00**	0.21	**0.00**	**0.00**	**0.00**	**0.00**
	D8	8.58	0.89	2.16	**0.00**	1.47	**0.00**	0.32	0.32
	D7	6.06	1.61	**2.56**	2.33	0.44	0.17	1.89	**0.00**
	D6	2.94	**3.39**	0.44	0.61	0.44	0.22	**0.11**	0.44
	D5	8.17	2.78	**2.56**	**2.94**	**0.28**	0.33	0.28	0.17
	D4	7.61	2.50	2.33	2.06	**0.00**	0.17	0.61	**0.00**
	D3	5.06	0.78	0.11	0.06	**0.00**	**0.11**	1.06	**0.00**
	D2	3.72	**0.00**	0.50	1.83	**0.00**	0.28	1.00	**0.00**
	D1	8.28	5.50	2.22	0.50	0.44	0.33	0.22	**0.11**

2011–2012	D10	8.00	0.42	0.47	2.68	1.05	0.16	0.32	**0.00**
	D9	3.53	1.00	0.84	1.47	0.32	**0.00**	0.84	0.42
	D8	**9.74**	1.84	2.32	1.63	1.79	**1.11**	**2.21**	**0.00**
	D7	7.78	2.44	2.94	**5.06**	0.67	0.06	1.50	**0.00**
	D6	**2.83**	**6.61**	2.00	**0.17**	0.33	0.28	**0.06**	0.22
	D5	5.00	1.89	2.33	4.17	0.56	0.11	0.72	**0.06**
	D4	6.83	1.78	**3.72**	0.33	0.61	**0.00**	1.61	**0.00**
	D3	3.22	0.61	**0.33**	0.67	**0.11**	**0.00**	1.33	**0.00**
	D2	5.61	**0.22**	1.06	1.11	**0.00**	0.22	1.33	**0.00**
	D1	9.28	1.61	1.11	0.61	1.67	0.17	0.28	**0.00**
2012–2013	D10	5.79	1.53	**0.00**	**4.58**	2.42	**0.00**	0.53	**0.00**
	D9	4.00	0.95	1.11	1.53	0.53	**0.00**	0.58	0.68
	D8	**12.16**	**4.00**	3.37	2.53	2.11	**0.74**	**2.53**	0.21
	D7	6.72	3.44	3.61	2.72	0.50	0.17	2.28	**0.00**
	D6	3.00	2.06	2.17	1.67	0.61	0.56	**0.06**	**0.00**
	D5	4.06	1.83	1.89	1.00	0.22	0.17	0.39	**0.00**
	D4	11.50	3.67	**3.83**	1.50	**2.50**	0.11	1.33	**0.00**
	D3	2.22	0.89	0.61	**0.11**	0.22	0.17	0.50	**0.00**
	D2	**1.56**	**0.72**	1.89	0.83	**0.00**	0.28	0.22	**0.06**
	D1	9.39	1.11	2.17	0.28	1.72	0.22	**0.06**	0.17
2013–2014	D10	3.63	0.79	0.53	4.05	1.63	**0.05**	0.42	0.21
	D9	7.05	**0.42**	0.63	0.58	0.26	0.21	1.11	**0.00**
	D8	9.11	2.21	2.00	1.16	1.21	**0.63**	0.89	0.21
	D7	5.78	**3.06**	**4.83**	**4.22**	0.72	0.33	**2.11**	**0.00**
	D6	2.50	2.06	3.06	3.06	1.00	0.61	**0.06**	**0.06**
	D5	4.33	1.83	2.00	1.83	1.00	0.44	0.11	1.67
	D4	**12.17**	2.17	4.06	2.50	**2.39**	0.56	0.50	**0.00**
	D3	**0.83**	0.50	**0.11**	0.11	0.17	0.22	0.33	**0.00**
	D2	2.72	1.94	1.61	0.56	**0.00**	0.50	1.17	**0.00**
	D1	8.89	1.11	0.72	**0.06**	1.67	0.22	**0.06**	**0.00**

Source: Author's own compilation from the Annual Reports

Table 11 Average sentences reported by the companies on various CSR activities in the "Separate Section" segment of the Annual Report for the period 2009–2010 to 2013–2014

Year	Decile	Environment: separate section	Health: separate section	Education: separate section	Livelihood: separate section	Empowerment: separate section	Drinking water and sanitation: separate section	Rural upliftment: separate section	Disaster relief: separate section
2009–2010	D10	13.68	3.95	**9.53**	1.89	0.58	**0.00**	1.63	**1.47**
	D9	**28.63**	**7.16**	8.89	**7.21**	0.58	0.26	1.32	1.05
	D8	11.58	5.47	6.11	2.95	1.53	**0.95**	**2.26**	0.84
	D7	3.11	1.06	0.83	1.00	**0.00**	0.39	0.67	**0.00**
	D6	3.39	2.44	1.06	1.17	0.39	0.67	1.00	0.33
	D5	0.56	**0.39**	3.06	0.89	1.33	**0.00**	**0.00**	0.39
	D4	7.06	2.44	3.94	0.94	**1.67**	0.39	0.61	**0.00**
	D3	0.33	0.56	**0.67**	**0.00**	0.44	**0.00**	**0.00**	**0.00**
	D2	3.67	3.83	1.28	0.78	0.44	0.33	0.33	**0.00**
	D1	**0.22**	1.89	2.11	0.61	0.50	0.17	1.33	**0.00**
2010–2011	D10	10.16	4.37	6.63	3.53	0.26	0.32	0.63	0.47
	D9	**27.00**	**11.37**	**8.37**	6.47	3.74	0.84	3.47	0.58
	D8	14.42	7.58	**8.37**	3.50	0.63	0.37	2.16	**2.00**
	D7	5.94	2.83	1.89	1.33	**0.17**	0.22	**4.11**	**0.00**
	D6	7.67	5.83	2.17	**3.67**	1.83	**0.00**	1.56	**0.00**
	D5	**0.22**	**0.44**	2.83	0.83	0.28	0.33	1.06	**0.00**
	D4	3.56	6.44	7.61	**0.67**	**4.06**	0.83	2.67	0.17
	D3	0.56	0.61	**0.78**	1.06	0.61	**0.06**	**0.00**	**0.00**
	D2	3.72	2.78	5.44	2.28	0.39	0.17	**0.00**	0.94
	D1	0.44	2.83	4.78	**0.67**	0.50	0.17	0.94	**0.00**

2011–2012	D10	10.84	6.00	6.58	3.89	2.42	1.00	**2.84**	0.58
	D9	**20.42**	8.21	**12.84**	**9.74**	2.79	0.74	2.47	0.89
	D8	18.95	**9.26**	9.37	3.26	3.16	0.42	2.42	**0.37**
	D7	12.44	3.33	3.56	1.78	1.22	**1.11**	2.17	0.28
	D6	17.83	5.61	3.22	1.22	0.78	0.78	2.28	**0.00**
	D5	**0.00**	**0.33**	2.78	**0.94**	**0.39**	0.39	**0.00**	**0.00**
	D4	4.22	4.83	9.72	1.28	2.39	0.50	1.72	**0.00**
	D3	0.78	2.83	1.94	3.56	0.39	0.22	**0.00**	**0.00**
	D2	7.89	5.28	5.89	3.33	1.00	**0.00**	0.44	1.67
	D1	7.72	2.61	**1.89**	3.33	**3.44**	0.17	0.67	**0.00**
2012–2013	D10	12.74	8.79	**14.21**	2.68	4.89	0.21	1.16	1.63
	D9	**25.79**	5.89	4.84	1.79	2.21	1.63	1.32	0.58
	D8	9.26	7.11	5.89	2.37	0.79	0.26	**3.05**	**0.00**
	D7	12.11	2.83	2.44	2.17	0.78	0.50	2.72	**0.00**
	D6	15.39	**10.94**	3.06	1.72	0.56	0.78	1.06	0.11
	D5	14.11	**0.89**	4.28	1.83	**0.00**	0.22	**0.17**	**0.00**
	D4	4.67	6.22	6.33	**2.94**	**8.17**	**3.83**	1.89	1.00
	D3	**2.50**	3.44	5.22	**1.00**	1.67	0.72	0.61	0.50
	D2	10.06	5.89	5.22	4.61	0.78	**0.00**	1.06	**1.89**
	D1	7.11	1.39	**4.17**	5.50	0.94	0.28	1.17	0.61
2013–2014	D10	9.16	**10.42**	9.95	4.26	1.53	**1.42**	**4.79**	**2.26**
	D9	14.05	10.37	12.21	7.05	2.53	1.16	4.32	1.11
	D8	10.89	8.26	8.37	2.37	0.63	0.95	4.16	**0.00**
	D7	13.56	5.83	**2.83**	**8.06**	1.44	0.50	2.28	0.33
	D6	11.50	7.44	4.78	2.78	1.89	0.44	1.00	1.17
	D5	11.67	2.56	5.33	3.67	**0.00**	1.17	0.50	0.94
	D4	**19.33**	5.83	**12.22**	5.72	**4.06**	0.67	1.17	**0.00**
	D3	**1.33**	2.11	4.39	**1.33**	1.06	0.72	0.39	0.06
	D2	7.22	4.89	4.94	2.33	1.28	1.22	1.06	1.39
	D1	1.94	**1.56**	5.17	6.61	1.11	**0.22**	**0.00**	**0.00**

Source: Author's own compilation from the Annual Reports

Table 12 Average sentences reported by the companies on various CSR activities in the "Business Responsibility Report" segment of the Annual Report for the period 2009–2010 to 2013–2014

Year	Decile	Environment: business responsibility report	Health: business responsibility report	Education: business responsibility report	Livelihood: business responsibility report	Empowerment: business responsibility report	Drinking water and sanitation: business responsibility report	Rural upliftment: business responsibility report	Disaster relief: business responsibility report
2009–2010	D10-D1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010–2011	D10-D1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011–2012	D10	10.32	0.11	3.00	**4.42**	1.05	**0.00**	0.95	**0.16**
	D9	**19.37**	**10.42**	**3.58**	2.53	**1.53**	**0.32**	**1.37**	**0.00**
	D8	2.47	1.11	0.42	1.84	0.00	0.00	0.84	**0.00**
	D7	3.44	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	1.50	**0.00**
	D6	1.39	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	D5	1.89	0.94	0.44	0.78	**0.00**	**0.00**	**0.00**	**0.00**
	D4-D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
2012–2013	D10	35.21	3.05	2.79	5.74	1.00	0.53	1.16	0.05
	D9	**44.37**	**8.74**	**6.00**	**10.00**	**1.74**	**3.00**	4.16	**0.00**
	D8	19.37	1.74	3.42	2.37	1.26	**0.00**	2.89	**0.58**
	D7	15.50	0.83	2.72	2.28	0.11	**0.00**	**4.78**	**0.00**
	D6	13.00	4.44	1.94	2.33	0.56	**0.00**	1.28	0.33
	D5	19.50	4.33	5.22	7.78	1.06	1.83	1.67	0.06
	D4	7.78	1.33	1.50	1.06	0.17	0.06	0.44	0.06
	D3	6.44	1.44	1.00	**0.00**	0.44	**0.00**	1.22	**0.00**
	D2-D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

2013–2014	D10	49.32	4.79	12.74	9.32	1.63	0.53	1.74	0.79
	D9	**60.16**	**12.16**	**47.68**	**12.53**	0.89	**4.21**	**2.84**	0.32
	D8	17.26	5.37	5.95	3.79	**2.42**	0.42	0.53	**0.89**
	D7	12.11	1.56	3.50	3.83	0.22	**0.00**	1.78	**0.00**
	D6	15.94	6.78	1.72	1.72	0.94	0.06	0.78	0.67
	D5	14.83	2.39	3.00	11.33	1.28	**0.00**	1.44	0.78
	D4	16.94	1.94	2.22	5.89	1.44	0.11	1.61	**0.00**
	D3	9.67	1.06	6.83	1.83	0.44	**0.00**	1.22	0.44
	D2-D1	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: Author’s own compilation from the Annual Reports

Appendix J: Tata Group

Founded by Jamsetji Tata in 1868, the Tata group is a global enterprise, headquartered in India, comprising over 100 independent operating companies. The group operates in more than 100 countries across six continents.

Tata Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture. In 2014–2015, the revenue of Tata companies, taken together, was United States dollar (USD) 108.78 billion. These companies collectively employ over 600,000 people.

Each Tata company or enterprise operates independently under the guidance and supervision of its own Board of Directors and shareholders. There are 29 publicly-listed Tata enterprises with a combined market capitalisation of about USD134 billion (as on March 31, 2015). Tata companies with significant scale include Tata Steel, Tata Motors, Tata Consultancy Services, Tata Power, Tata Chemicals, Tata Global Beverages, Tata Teleservices, Titan, Tata Communications and Indian Hotels. Brand Finance, a United Kingdom (UK)-based consultancy firm, has valued Tata's multi-brand portfolio at over USD23 billion in 2015.

Going forward, Tata companies are building multinational businesses that seek to differentiate themselves through customer-centricity, innovation, entrepreneurship, trustworthiness and values-driven business operations, while balancing the interests of diverse stakeholders including shareholders, employees and civil society.

Tata's Vision 2025 Revolves Around Being 'By 2025, 25 % of the world's population will experience the Tata commitment to improving the quality of life of customers and communities. As a result, Tata will be amongst the 25 most admired corporate and employer brands globally, with a market capitalisation comparable to the 25 most valuable companies in the world.' In keeping with this vision, is its mission statement, that is 'To improve the quality of life of the

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communities we serve globally through long-term stakeholder value creation based on Leadership with Trust.'

Source: Tata Group. (2016). http://www.tata.com/aboutus/index/About-us

Appendix K: Tata Trusts

India has an old tradition of philanthropy, passed down the ages by kings, noblemen and rich merchants. Jamsetji Tata, the Founder of the Tata group, gave new meaning to this term. In his words: “There is one kind of charity common enough among us. . . It is that patchwork philanthropy which clothes the ragged, feeds the poor, and heals the sick. I am far from decrying the noble spirit which seeks to help a poor or suffering fellow being. However, what advances a nation or a community is not so much to prop up its weakest and most helpless members, but to lift up the best and the most gifted, so as to make them of the greatest service to the country.”

The Tata founders bequeathed most of their personal wealth to the many trusts they created for the greater good of India and its people. Today, the Tata Trusts controls 66 % of the shares of Tata Sons, the holding Tata company. The wealth that accrues from this asset supports an assortment of causes, institutions and individuals in a wide variety of areas, that include, but not limit to endowed institutions for science and technology, medical research, social studies and the performing arts. The trusts also provide aid and assistance to non-government organisations working in the areas of education, health care and livelihoods. Tata companies themselves undertake a wide range of social welfare activities, especially at the locations of their operations, as also deploy sustainable business practices.

Source: Tata Trust. (2016). http://www.tatatrusts.org/

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Appendix L: The National Council of Educational Research and Training (NCERT)

Education in India falls under the control of The National Council of Educational Research and Training (NCERT). It is an apex resource organisation set up by the Government of India, with headquarters at New Delhi, to assist and advise the Central and State Governments on academic matters related to school education. The NCERT provides support and technical assistance to a number of schools in India and oversees many aspects of enforcement of education policies. The objective of NCERT is to assist and advise the Ministry of Education and Social Welfare in the implementation of its policies and major programs in the field of education, particularly school education. Its functions include Research, Development, Training, Extension, Publication and Dissemination and Exchange Programs. The NCERT also drafts, publishes and recommends school text books (from Class 1–12) of various subjects based on the recommendations of knowledgeable faculty in the subject.

The Council of Boards of School Education in India (COBSE) is a voluntary association of all the Boards of School Education in India. It works in close collaboration with Ministry of Human Resource Development (Government of India), other national level apex educational organisations and agencies like the National Council of Educational Research and Training (NCERT), National University of Educational Planning and Administration (NUEPA) and National Council of Teacher Education (NCTE).

In India, the various curriculum bodies governing school education system are:

- Central Board of Secondary Education (CBSE)
- Council of Indian School Certificate Examinations (CISCE)
- State Government Boards
- National Institute of Open Schooling (NIOS)
- International Baccalaureate Organisation (IBO)
- Cambridge International Examinations (CIE)

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Appendix M: Tata Business Excellence Model (TBEM)

The TBEM methodology has been moulded to deliver strategic direction and drive business improvements. It contains elements that enable companies following its directives to capture the best of global business processes and practices. The model has retained its relevance due to the dynamism built into its core. This translates into an ability to evolve and stay in step with ever-changing business performance parameters.

The TBEM matrix is used for the organisational self-assessment of Tata companies, recognition and awards, and for providing feedback to applicants. In addition, TBEM plays three important supportive roles in strengthening the competitiveness of Tata companies:

– It helps improve business excellence practices, capabilities and results.
– It facilitates communication with a common language of excellence across all Tata group companies and sharing of best practices among Tata companies.
– It serves as a working tool for understanding and managing performance, for providing planning guidance, and for identifying learning opportunities.

The TBEM methodology comprises a set of questions that applicant Tata companies have to answer. Its main objectives are to enhance value for all stakeholders and contribute to marketplace success; maximise enterprise-wide effectiveness and capabilities; and deliver organisational and personal learning.

The core values and concepts of TBEM are embodied in seven categories:

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Measurement, Analysis and Knowledge Management
5. Workforce Focus
6. Operations Focus
7. Business Results

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Source: Tata Business Excellence Model. (2016). http://www.tatabex.com/APageNew.aspx?pid=XVcwbG0KHrqA/8bD6TGCl8pJ8INC0CgA&SectionId=md1wfHfhXtItw7RbwLnRGC6R/VVSL6un

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