



STUDY ON ROLE OF CORPORATE SOCIAL RESPONSIBILITY FOR SUSTAINABLE DEVELOPMENT, POST COVID-19 PANDEMIC

Adita Talreja Asrani

Practising Company Secretary, 4003, Rustomjee Ease Zone Mall, Malad – West, Mumbai: 400 064 Maharashtra,
India

Abstract

The World Business Council for Sustainable Development in its publication, Making Good Business Sense, has stated that Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The paper discusses that for sustainable development of business and the industry, it is a must that the Corporates, actively and benevolently, indulge in CSR activities. Section 35 of the Companies Act, 2013 read with Schedule VII to the Act, gives details about Corporate Social Responsibility. The paper discusses, how CSR was a need but has now become a necessity, post the Covid-19 Pandemic.

The organizations should understand and focus on being sustainable. That is not only the organizations should be economically viable but also have a positive impact on the society.

The Covid-19 Pandemic has been largely disruptive not only in India but for the global economy as well. While coping with the distress that the Pandemic has unleashed, a large number of families have fallen into indebtedness and made distress sale of assets; many families were forced even to reduce food intake leading to nutritional distress. The paper discusses that this is where large corporations, by means of CSR, can help in reviving the economy at a much faster pace.

Key word: Sustainable development, Social Responsibility, Post Covid-19 scenario.

Introduction

Traditionally, CSR was defined much more in terms of a philanthropic model. However, with the changing environment and the impact of Covid Pandemic on the businesses, CSR has now become a necessity. Businesses should focus on helping the Government in reviving the economy by conducting such CSR activities that help the society not only socially and on human grounds but also economically.

The Ministry of Corporate Affairs in its continuous efforts to keep up with the changing business environment vide its General Circular No. 10/2020 and General Circular No. 01/2021 dated March 23, 2020 and January 13, 2021 respectively have clarified that spending CSR funds for Covid-19, its vaccination programmes or carrying out awareness campaigns are eligible CSR activities.

Further, the Companies Act, 2013, has made it mandatory for companies falling under the prescribed limit to conduct CSR activities mentioned in Schedule VII of the Companies Act, 2013 (“the Act”).

Methods of Research

Applied Research

Applied research methodology has been followed for the research to understand the impact of CSR activities on society .

Sample size of 20 respondents have been interviewed from the industry for taking relevant feedback about the CSR activities in the industry.

➤ Research Objective

- To find out how organisations have helped the economy in recovering the stress imposed by the Pandemic and meet the shortfall in equipment and infrastructure needed to fight the infectious outbreak, through CSR.
- Recent amendments in the Companies Act, 2013, with regard to the topic and its impact on the corporations/society.

➤ Primary Method

Primary data has been collected via telephonic interviews with concerned persons of CSR department in few corporates.

➤ Secondary Method

The data has been collected from the sites of respective companies that have contributed in the CSR activities during pandemic period and government websites related to CSR.

Analysis & Findings

Broadly, Schedule VII of the Companies Act, 2013, talks about the following activities, if conducted by the companies shall be considered under the CSR activities-

- i) eradicating hunger, poverty and malnutrition. promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh;

- ii) promoting education, including special education and employment enhancing vocational skills;
- iii) Promoting gender equality, empowering women, setting up hostels/ day cares/ old age homes, and measures for reducing inequalities faced by socially and economically backward groups;
- iv) ensuring environment sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;
- v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance, setting up of public libraries;
- vi) measures for benefits of armed forces veterans, war widows and their dependants;
- vii) training to promote sports;
- viii) contribution to Prime Minister National Relief Fund or any under fund set-up by Central Government for socio-economic development;
- ix) a) Contribution to incubators, research and developments projects in field of science, technology, engineering and medicine.
b) Contribution to public funded universities or national laboratories/ research centres engaged in conducting research in science, medicine aimed at promoting Sustainable Development Goals;
- x) rural development projects;
- xi) slum area development;
- xii) disaster management, including relief, rehabilitation and reconstruction activities.

Thus, all the activities mentioned in the Schedule clearly define and indicate that corporations should have the sense of responsibility towards both, the ecological and social environment in which they operate.

Earlier in the United States, CSR was much defined as a charitable model. The organisations made profits and then donated a certain share for philanthropic causes. On the contrary, the European model is much more focused on operating the core business in a socially responsible way.

Azim Premji University and Foundation

According to Schedule VII of the Companies Act, 2013, promoting education comes under the ambit of CSR activities. With this idea, Azim Premji University was set up by Azim Premji Foundation in Karnataka and Andhra Pradesh in the year 2010. Its vision is to contribute to the realisation of a just, equitable, humane, and sustainable society. It was set out to work in the field of elementary education in

government schools across India. The Foundation hoped to impact the quality of education of India at a deep and institutional level in close partnership with the government.

On April 1, 2020, Azim Premji Foundation and Wipro committed Rs 1,125 crore to contribute towards a nation-wide response to the challenges posed by COVID-19. In June 2021, the Foundation made an additional commitment of Rs 1,000 crore to help India's vaccination program.

Tata Group's response to Covid-19

Under the leadership of Mr Ratan N. Tata, the organisation committed INR 1,500 crore after the first wave of the pandemic, for Covid-19 relief. Tata employees have also contributed towards various response projects. Later, as the pandemic continued, the group companies made additional contributions to the tune of INR 1,000 crores

In order to understand the spread and its threats, the group completed a research pilot with the help of the country's most eminent scientists, that proved the value of a 'Minimum Testing Maximum Intelligence' approach in the Kolar district of Karnataka. This process uncovered evidence of silent transmission among high-risk groups such as health workers and police personnel which enabled the prediction of the spread of the disease at a time when Kolar had no confirmed positive Covid-19 cases.

"One Against Covid"

In an urgent need to deal with an unprecedented health crisis that was over-burdening the nation's health-care system, leaving millions at risk of exposure and adding to the vulnerabilities of India's frontline workers, the Tata Trust launched various initiatives, one of which is "Mission Gaurav". The mission focuses to support, empower and build resilience within the vulnerable migrant households (HHs) to withstand shocks by providing access to government entitlements and schemes, facilitating banking operations, connecting to non-farm-based livelihood opportunities, skill mapping and linkage to available skilling opportunities.

Government Relief

Free rations, cash transfers, MGNREGA, PM-KISAN payments, and pension payments were some of the major support measures announced in 2020 as part of the Pradhan Mantri Garib Kalyan Yojana (PMGKY) and the Atmanirbhar Bharat packages, to combat the effects of the pandemic on vulnerable households.

National CSR Awards

In order to promote and give a national recognition and appreciation to companies that are actively indulged and make a positive impact on the society through their pragmatic and sustainable CSR

activities, Ministry of Corporate Affairs, Government of India has launched National Corporate Social Responsibility Awards.

The objectives of GoI is not only recognition of CSR abiding corporates but by means of healthy competition infuse excellence in CSR activities and ensure spending of entire CSR amount as per the limit prescribed. It is believed that CSR activities, if conducted in a constructive and benevolent way would benefit the marginalised sections of the society and in remote areas of the country as well.

The paper states that Covid-19 Pandemic has offered a great opportunity for businesses to shift towards more genuine and authentic CSR and contribute to urgent global social and economic challenges.

Donation to PM CARES Fund

Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund was established by the Government of India for COVID-19 crisis response as well as to extend any kind of relief to the victims. Later amendments were done within Schedule VII of the Companies Act, 2013, to incorporate contributions made by the corporates to PM CARES as CSR along with the existing Prime Minister's National Relief Fund. The PM CARES Fund received a monumental response from corporate India with almost 60% of the corporates contributing towards the fund.

Conclusion

The paper emphasis that only large corporates cannot be held liable for conducting CSR activities for the benefit of the society. Even when the organisations have formed CSR committees and allocated funds, the society will not be benefitted if the employees of the organisation and the public at large does not help and support the respective organisations. Thus, it is our duty towards the socio and economic community that we live in, that we all take equal responsibility for our actions.

That being said, the companies should also wholesomely indulge in the CSR activities with a mind of giving back to the society and not CSR being a mandatory legal provision to be followed.

Large organisations have dedicated CSR teams that focus on conducting their CSR obligations. However, the paper discusses that the organisation should aim to also get the employees involved and make them feel like they are also contributing to the society.

The main idea behind CSR should be that the business produces an overall positive impact on the society. It covers sustainability, social impact and ethics and if done correctly should be the core of the business. The paper emphasises that, CSR should be a strategy that helps companies conduct business and make money and not just add on extras such as philanthropy.

To sum it all, CSR should be a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

Recommendations:

- Government should take more initiatives for ensuring free rations reach maximum people in need.
- Government should take more initiatives for generation of employment both in Government and Private Sector.

References

- Companies Act, 2013 including amendments and Schedules thereof.
- Literature
 - State of Working India 2021- One year of Covid-19.

- Websites

- <https://csr.gov.in>
- <https://indiacsr.in>
- <https://cse.azimpremjiuniversity.edu.in>
- <https://tata.com>
- <https://tatatrusters.org>

