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CORPORATE SOCIAL RESPONSIBILITY AND THE SUSTAINABLE AGRICULTURE DEVELOPMENT IN INDIA

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Corporate sustainability, sustainable business, corporate conscience, corporate citizenship, conscious capitalism, triple bottom line, or responsible business are other terms for corporate social responsibility. The notion of CSR became popular in the 1960s and early 1970s. CSR is defined as "the continuing commitment by business to behave ethically and contributes to sustainable economic development while improving the quality of life of the workforce and their families, as well as the local community and society" by the World Business Council for Sustainable Development (WBCSD). ISO 26000 is the internationally recognised CSR standard.

Corporate social responsibility activities are sometimes incompatible with enterprises' economic objectives, although firms should invest in socially responsible activities on occasion (Mackey & Mackey, 2007). Managers are expected to maximize shareholder wealth (Friedman, 1962), and to do so, they must engage in every available activity. Though it was not previously required, due to the negative environmental impact of economic activities and disruption in social life caused by corporate operational reasons, Indian laws now require firms to engage in CSR activities (MCA, 2013) to discharge their responsibility towards society and the environment in which these firms operate.

According to economists and the Indian government, the farm industry in India is in trouble (Iyer, 2018). Nonetheless, the agriculture industry employs the highest number of people in India in terms of jobs and livelihood. According to World Bank data, agriculture still provides a living for more than half of Indian families. This fact alone indicates agriculture's importance to the Indian economy. However, agriculture's share of GDP has dropped over time, decreasing to 20.20% in 2020-21 from around 50% when the country gained independence.

There are several reasons for India's farm sector distress, but some of the most important are high risk in the agriculture sector, low income from agricultural produce, and a lack of agriculture infrastructure (Joshi, 2018). And, given the breadth and complexity of India's agriculture industry, it appears impossible for government agencies to solve all problems sooner. This necessitates some unconventional solutions. In this pursuit, the mandated CSR fund could be extremely important for India's agricultural expansion to remain sustainable. The expenditure on CSR is increasing as a result of the CSR mandate under the Companies Act 2013.

Companies in India are already allocating a portion of their CSR budgets to a variety of fields and causes, including a few in agriculture, healthcare, education, gender equality, poverty alleviation, rural development, art and culture, sanitation, and support for various government initiatives. In contrast to the education and healthcare sectors, CSR projects in the agriculture industry are both few and small in scope. Agriculture was regarded as the most respectable job in an agrarian society and contributed the most to India's GDP (Naoroji, 1901). However, invasion in general and British occupation in particular altered India's whole economic environment.

CSR Scenario in India

- India is one of the greatest economies in the world and is becoming a more significant force in the new world order.
- However, the majority of those who live in absolute poverty and the majority of malnourished children reside there.

What becomes apparent is a picture of unequal benefit distribution from growth, which many felt to be the main driver of societal unrest.

Steps Taken in India

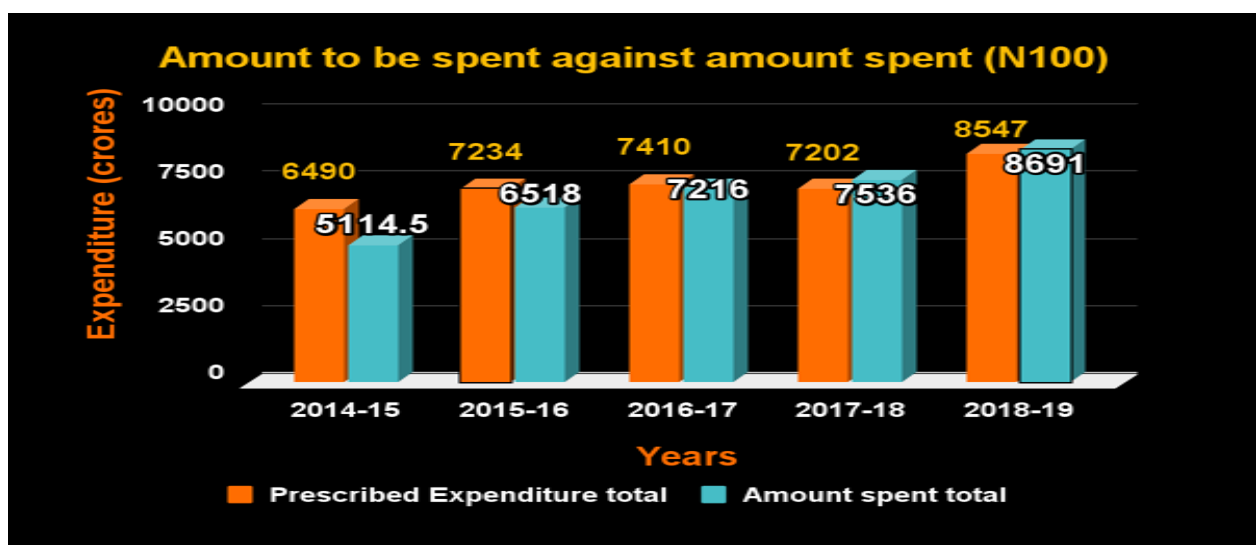
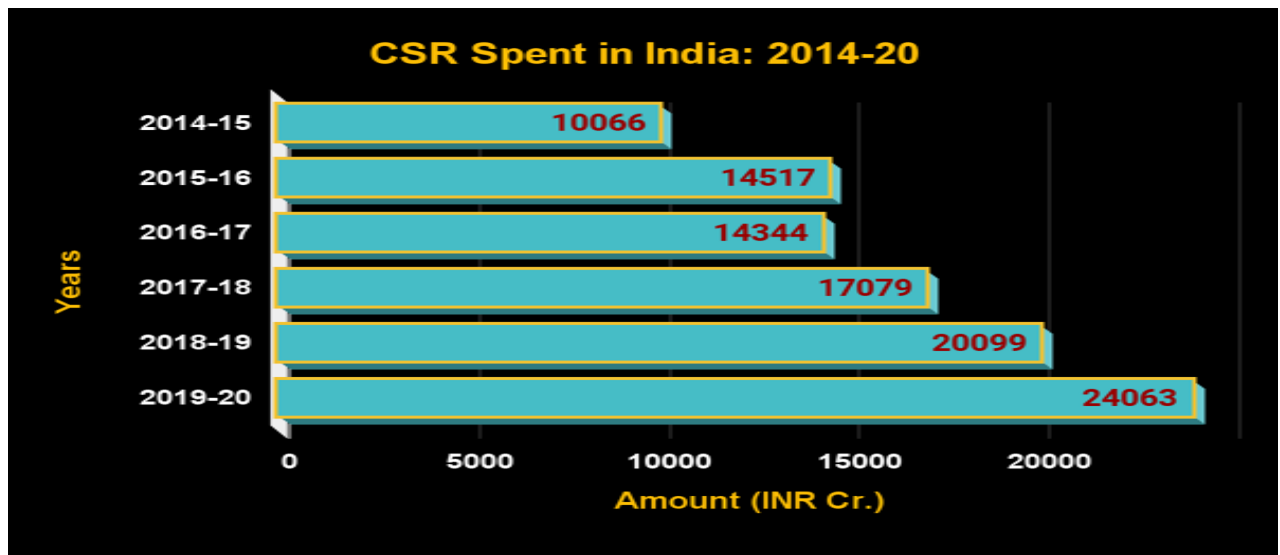
- ❑ Both the government and regulators have reacted to this dissatisfaction.
- ❑ The Companies Act, 2013 went into effect on April 1st, 2014, making India the first nation in the world to make Corporate Social Responsibility (CSR) mandatory.
- ❑ The National Voluntary Guidelines for Social, Environmental, and Economic Responsibilities of Business, or NVGs, published by the Ministry of Corporate

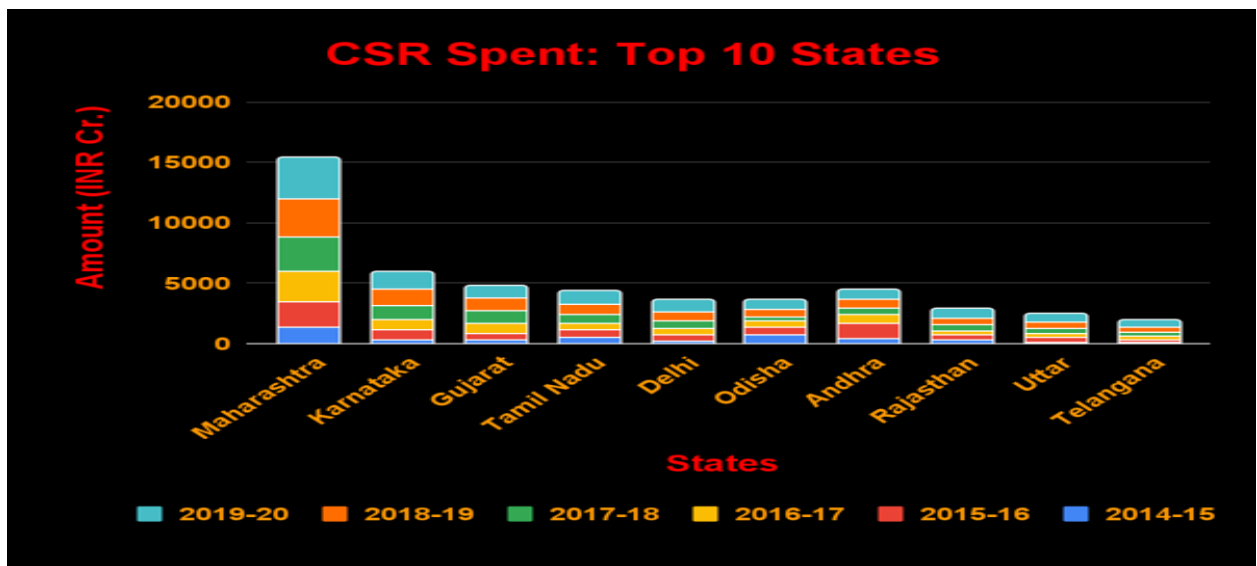
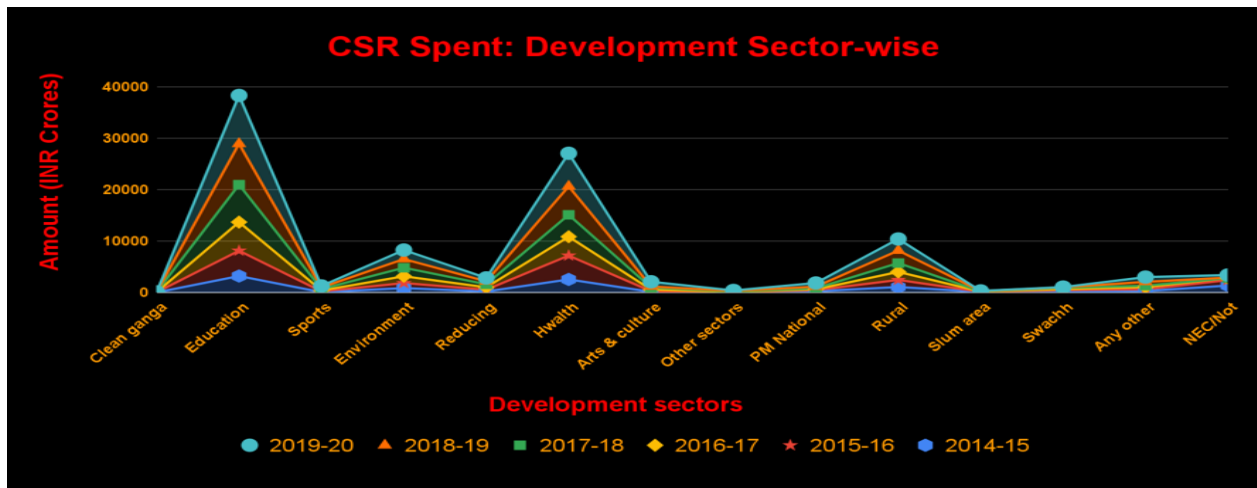
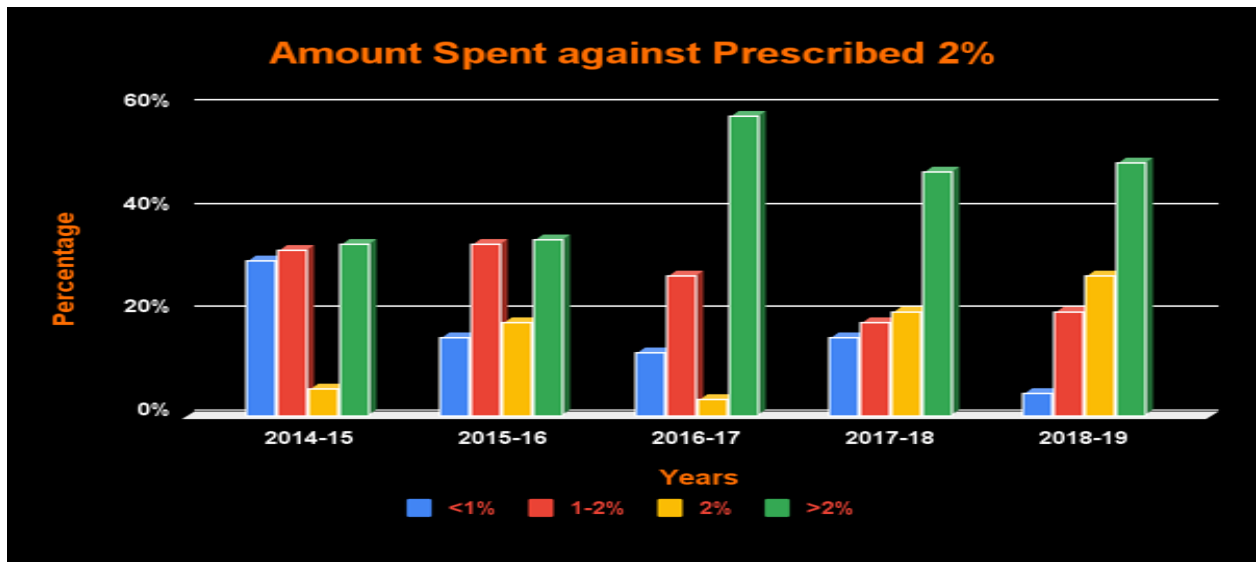
Affairs (together with the Business Responsibility Reports required by the SEBI for the top 100 businesses).

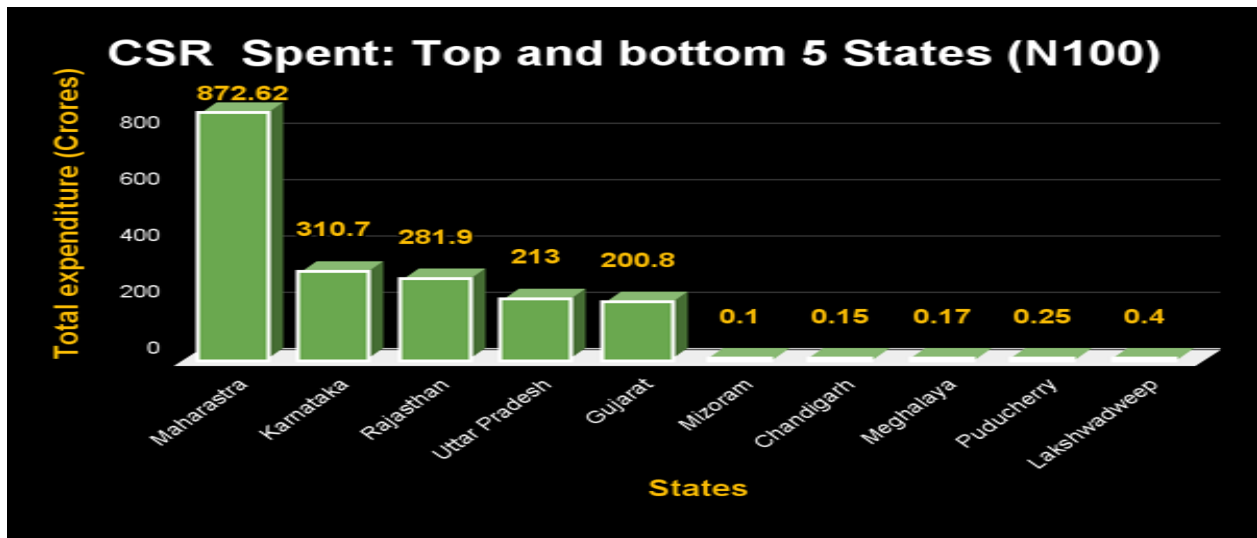
- ❑ The CSR clause within the Companies Act, 2013

CSR since 2014 in India

CSR statistics have been compiled at the national level for the entire nation of India using the National CSR Data of the Ministry of Corporate Affairs, GOI, and India's CSR Reporting Survey Reports, which gather information from the 100 largest listed Indian origin firms by market capitalization (the N100). The information was collected and looked at between 2015 and 2020.







CSR and India

- India's trend in CSR spending amply demonstrates their desire to support societal progress. From 2014–15 to 2019–20, Indian businesses spent a total of INR 1,00,168 crores.
- 76% of enterprises (N100) have invested 2% or more in 2019–20, a startling 100% growth over the previous five years.
- The majority of the money spent on CSR went towards rural development, healthcare and sanitation, and education and skill development.
- Both public sector organisations and private sector businesses concentrated on going above and above the mandated obligation of investing 2% of average profit on CSR.
- Maharashtra dominated the pie among the states in terms of both the quantity and the number of projects.

CSR and Sustainable Agriculture Development in India

- Compared to other sectors, the agriculture sector's growth is two to four times more successful at boosting the incomes of the poorest people (World Bank, 2015).
- The success of agriculture is crucial for India because it provides the food security of its 1.3 billion-plus and expanding population.

- There are around 90.2 million agricultural households in rural India, making up about 57.8% of all estimated rural families there. (NSSO 2013). The contribution of agriculture to India's overall GDP is 16.5%.
- A significant difficulty facing Indian agriculture today is how to sustainably provide a better nutrition to a growing population while minimising environmental effect.

Why Invest in Agriculture for CSR Activities?

Investing in agricultural development will provide a comparatively higher return on overcoming poverty and tackle many other issues in the process. A big investment in agriculture is required to address the current challenges and achieve 4% technology led agricultural growth. No single organisation, whether in the public or private sector, can handle these difficulties.

These issues open up opportunities for a pluralistic eco-system to include different actors and service providers, including corporations, private agribusiness firms, NGOs, and FPOs, who can contribute more manpower, knowledge, skills, and expertise while also leveraging CSR funds for the benefit of farmers and the industry as a whole. No matter how much money they invest in CSR, corporations can help India's agriculture thrive.

CSR Investment in Indian Agriculture

- Agriculture has not yet received the attention of India's CSR because it is covered by 13 items in Schedule VII.
- e-Choupal by ITC (ITC, 2000) and the Jai Kisan Kirishi Samrat Award (Zuari, 1985) were the country's first corporate social responsibility (CSR) efforts in the agricultural industry.
- However, despite the fact that the agriculture sector has a large potential for investment, many studies have found that very little CSR funding has been spent there by the firms.
- CSR can be viewed as "Creating Shared Value," where business helps agriculture advance and the agriculture sector helps business grow and prosper.
- Data on CSR from 11 Indian firms and ICRISAT were gathered in order to qualitatively analyse the impact of CSR on the failing agriculture industry.

- Since CSR activities can overlap with government initiatives, there are no reliable techniques to verify the stated impact of CSR investment in the agriculture sector.

CSR Projects in Agriculture by Different Companies

- **Indian Tobacco Company (ITC)**- E-Choupal, Choupal Pradarshan Khet, Choupal Saagar
- **Mahindra & Mahindra**- Mahindra agri village, Krishi mitra, Seed the rise, Wardha Farmer Family project, Integrated watershed development project
- **Zuari Agro-chemicals Ltd**- Jai Kisaan Krishi Salahkar, Jai Kisaan Sangam, The Krishi Samrat Award, Hello Jai Kisan, Adventz Agri Innovation Centre and Agricultural Development Laboratory
- **Vedanta**- Dairy Development project, Jeevika Samridhhi, Barmer Unnati, Land & Water Management project
- **Pepsico**- Citrus project, Replenishing water conserving the world's most precious asset: Water PepsiCo Solid Waste Management Programme
- **HDFC Bank**- Assistance to the farmer
- **Tata Group**- mKRISHI, Samriddhi
- **Container Corporation of India Ltd** - Assistance to apple growing farmers
- **Adani Ports & SEZ Ltd.**- Farmer Support programme, Improving Agricultural condition
- **Numaligarh Refinery Ltd**- Farmers First
- **Hindustan Unilever Limited**- Project moo0

Conclusion & Suggestions

- ❑ CSR initiatives in the agricultural industry address a wide range of challenges, including market ecosystems, seed management, soil management, organic farming, rainwater gathering, solar pump introduction, and organic farming.
- ❑ Considering India's agriculture profile and small land holding pattern, sustainable agricultural growth is already difficult to achieve. However, coordinated agricultural development efforts through CSR intervention as well as government schemes may be a tool in addressing infrastructure and skilling bottlenecks and overlap in schemes.

- ❑ Making CSR expenditure required in the agricultural industry and pooling CSR funds to construct and run larger supply chain and other agricultural infrastructure projects can accomplish all of this.

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