



Cover Page



## CORPORATE SOCIAL RESPONSIBILITY AND INCLUSIVE GROWTH: PATHWAYS TO SUSTAINABLE SOCIO-ECONOMIC CHANGE

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### Abstract:

Corporate Social Responsibility (CSR) has emerged as an important supplementary mechanism that mobilizes private-sector resources for public welfare. Between 2015 and 2023, corporate expenditure on CSR increased substantially and supported thousands of projects across sectors. This paper examines the role of Corporate Social Responsibility (CSR) in promoting social transformation and inclusive economic development in India between 2015 and 2023. Since the implementation of Section 135 of the Companies Act, 2013, CSR has become an institutionalized mechanism through which corporations contribute to education, healthcare, skill development, environmental sustainability, women’s empowerment, and rural development. Drawing upon secondary data from government reports, the Ministry of Corporate Affairs, National CSR Portal, company reports, and scholarly literature, the study evaluates expenditure trends and developmental outcomes. The findings indicate that CSR expenditure increased substantially during the period and contributed significantly to human capital formation, livelihood enhancement, and social inclusion. However, challenges such as regional disparities, inadequate impact assessment, and implementation constraints continue to limit effectiveness. The study concludes that CSR has emerged as an important complement to public policy and can play a critical role in achieving inclusive and sustainable development in India.

**Keywords:** Corporate Social Responsibility, Inclusive Economy, Social Change, Sustainable Development, India, CSR Expenditure.

### Introduction:

India faces numerous developmental challenges including poverty, unemployment, educational inequalities, healthcare deficits, environmental degradation, and regional disparities. Government interventions alone are often insufficient to address these challenges comprehensively. CSR is the responsibility to develop the policies that combine the practices into Company’s daily business activities and reporting periodically on the progress made towards implementing these practices. A Company’s value in the Corporate world does not only depend on its balance sheet but the activities taken up as a part of its CSR to various causes.

The growing institutionalization of CSR has raised important questions regarding its contribution to social change and inclusive economic development. This study seeks to address these questions by examining CSR expenditure trends, sectoral priorities, developmental outcomes, and policy implications.

Corporate Social Responsibility (CSR) refers to the commitment of business organizations to operate in an ethical, socially responsible, and environmentally sustainable manner while contributing to economic development and improving the quality of life of employees, local communities, and society at large. The concept extends beyond the traditional objective of profit maximization and emphasizes the responsibility of corporations towards various stakeholders, including employees, consumers, investors, communities, and the environment. In the Indian context, CSR gained significant prominence with the enactment of Section 135 of the Companies Act, 2013, which made India the first country in the world to mandate CSR expenditure for eligible companies. Under this framework, corporations are required to allocate a portion of their profits towards activities such as education, healthcare, environmental sustainability, gender equality, rural development, poverty alleviation, and skill development. Contemporary perspectives view CSR not merely



Cover Page



as philanthropy but as a strategic approach that integrates social and environmental concerns into business operations. By aligning corporate objectives with societal needs, CSR contributes to sustainable development, enhances stakeholder trust, strengthens corporate reputation, and creates long-term value for both businesses and society.

According to the Companies Act, eligible companies are required to spend at least 2% of their average net profits from the preceding three years on CSR activities. These activities include education, healthcare, environmental sustainability, gender equality, rural development, poverty alleviation, skill development, and other socially beneficial initiatives.

India's developmental challenges such as poverty, unemployment, educational inequality, health disparities, environmental degradation, and regional imbalance necessitate collaborative efforts among government, businesses, and civil society. CSR has emerged as a crucial complement to public welfare programs, contributing significantly to social transformation and inclusive economic growth.

CSR initiatives have supported educational infrastructure, scholarships, healthcare facilities, sanitation programs, skill development centers, Women empowerment projects, environmental conservation, and rural development interventions. These programs have improved human development outcomes and expanded opportunities for marginalized populations. CSR contributes to an inclusive economy by improving access to education, healthcare, employment opportunities, financial inclusion, and sustainable livelihoods. Investments in human capital and community development help reduce socio-economic inequalities and support long-term growth.

Measurement and evaluation of socio-economic programs and their impact on business is a continuous process. While corporations are starting to recognize that the social outcomes of business investments are as important as the business outcomes of social investments, neither assumption is easy to prove. CSR is a process that aims to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

### Review of Literature:

Mishra and Suar (2010) found a positive association between CSR activities and organizational reputation and stakeholder trust. Bihari and Pradhan (2011) argued that CSR was increasingly being integrated into business strategy rather than remaining confined to philanthropic initiatives. Studies conducted after the implementation of mandatory CSR indicate significant growth in social investments, particularly in education and healthcare.

The concept of Corporate Social Responsibility (CSR) has evolved significantly over the past few decades from a philanthropic and charitable activity to a strategic approach that integrates social, environmental, and economic objectives into corporate decision-making.

The relationship between CSR and socio-economic development gained prominence through the work of Porter and Kramer (2006), who introduced the concept of "Creating Shared Value" (CSV). According to their perspective, corporations can simultaneously achieve economic success and social progress by aligning business objectives with societal needs. They argued that CSR should not be treated merely as a cost or obligation but as a strategic investment capable of generating competitive advantages while addressing social challenges.

The significance of CSR in developing economies has been further highlighted by Visser (2010), who argued that corporations in emerging nations often play a developmental role that extends beyond conventional business responsibilities. In countries characterized by socio-economic inequalities and governance challenges, CSR serves as an



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

important mechanism for supplementing government efforts in delivering social services and promoting community development.

Visser contended that CSR in developing countries tends to focus more strongly on poverty alleviation, education, health, and livelihood generation compared to developed economies, where environmental and ethical concerns often dominate CSR agendas. This observation is particularly applicable to India, where CSR initiatives frequently target fundamental developmental challenges.

Mishra and Suar (2010) examined the relationship between CSR and organizational performance in India and found that socially responsible firms tend to enjoy stronger stakeholder relationships, enhanced corporate reputation, and improved organizational effectiveness. Their findings suggest that CSR creates value not only for society but also for businesses by fostering trust and legitimacy among stakeholders.

Bihari and Pradhan (2011) analyzed CSR practices in Indian banking institutions and concluded that CSR initiatives positively influence organizational image and stakeholder confidence. Their study emphasized that corporations increasingly view CSR as a strategic component of business operations rather than merely a philanthropic activity.

### Objectives:

1. To examine the growth of CSR expenditure in India from 2015 to 2023.
2. To analyze the role of CSR in promoting social change.
3. To evaluate CSR contributions toward an inclusive economy.
4. To identify major sectors benefiting from CSR initiatives.

### Research Methodology:

The study adopts a descriptive and analytical research design based on secondary data. Information has been collected from the Ministry of Corporate Affairs, National CSR Portal, annual CSR reports of leading corporations, government publications, and peer-reviewed academic literature. Trend analysis is used to examine expenditure patterns, while qualitative interpretation is employed to assess social and economic outcomes. The study period covers 2015–2023, corresponding to the post-implementation phase of mandatory CSR in India.

The present study adopts a descriptive and analytical research design to examine the role of Corporate Social Responsibility (CSR) initiatives in generating social change and promoting an inclusive economy in India during the period 2015–2023. The research primarily relies on secondary data collected from authentic and credible sources, including reports published by the Ministry of Corporate Affairs (MCA), the National CSR Portal, annual CSR reports of leading Indian corporations, government publications, NITI Aayog reports, reports of the Securities and Exchange Board of India (SEBI), publications of international organizations, and peer-reviewed academic journals. Secondary data were used to analyze trends in CSR expenditure, sector-wise allocation of funds, policy developments, and the socio-economic outcomes associated with CSR interventions across India.

The collected data were analyzed using trend analysis, comparative analysis, and interpretative methods. Trend analysis was employed to examine changes in CSR expenditure and sectoral priorities over time, while comparative analysis was used to assess the contributions of different CSR initiatives toward social and economic development. The interpretative approach facilitated an understanding of how CSR investments have contributed to education, healthcare, skill development, women’s empowerment, environmental sustainability, rural development, and livelihood generation. Through the integration of quantitative data and qualitative evidence, the study seeks to provide a comprehensive



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

assessment of the contribution of CSR initiatives toward fostering social change and advancing the objective of an inclusive economy in India.

### CSR Expenditure Trends in India (2015–2023)

CSR expenditure has increased consistently since the introduction of mandatory CSR provisions. Available data indicate that annual CSR spending increased from approximately Rs.10,065 crore in 2015–16 to more than Rs.30,932 crore in 2022–23 and approximately Rs.34,909 crore in 2023–24. This remarkable increase reflects greater corporate compliance, rising profitability, stronger governance mechanisms, and increased awareness regarding social responsibility. The expansion of CSR expenditure has significantly enhanced the financial resources available for developmental interventions and has positioned CSR as an important contributor to social investment in India.

**Table 1: CSR Expenditure from 2015-21**

Financial Year	CSR Expenditure (Rs. Crore)
2015-16	10,065
2016-17	13,465
2017-18	17,098
2018-19	17,098
2019-20	20,539
2020-21	24,966

(Source: National CSR Portal.)

The above Table 1 reveals a significant increase in CSR expenditure in India during the study period. CSR spending increased from approximately Rs. 10,065 crore in 2015–16 to over Rs. 30,932 crore in 2022–23, reflecting stronger corporate participation and compliance with mandatory CSR provisions. The steady growth indicates that CSR has become an important mechanism for financing social development and promoting inclusive economic growth across various sectors.

**Table 2: Companies Reporting CSR**

Year	Companies Reporting CSR	Reporting CSR
2019-20	22,985	35,461
2020-21	20,840	39,456
2021-22	20,234	44,938
2022-23	26,377	54,570
2023-24	27,188	59,633

Source: National CSR Portal.



Cover Page



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The above Table 2 demonstrates a substantial increase in the number of CSR projects implemented by Indian companies over the years. Although the number of reporting companies fluctuated, the total number of CSR projects expanded significantly, indicating greater outreach and diversification of development initiatives. The trend suggests that corporations are increasingly engaging in community development, education, healthcare, and livelihood generation activities to create broader social impact.

**Table 3: Sector-wise Share of CSR Spending**

Sector	Share of CSR Spending (%)
Education	33
Healthcare & Nutrition	28
Rural Development	12
Environment Sustainability	8
Skill Development	7
Gender Equality	4
Others	8

In the above Table 3 we can observe that education and healthcare receive the largest share of CSR expenditure in India, accounting for more than half of the total spending. This reflects corporate prioritization of human capital development and social welfare. Investments in rural development, environmental sustainability, skill development, and gender equality further demonstrate the growing role of CSR in promoting inclusive and sustainable socio-economic development.

**CSR Activities towards Socio-economic Empowerment by Multi National Companies:**

The introduction of mandatory CSR under the Companies Act, 2013 significantly increased corporate contributions to social and economic development. CSR spending increased from approximately Rs.10,000 crore in the initial years to nearly Rs.35,000 crore by 2023–24. Investments in education, healthcare, skill development, women’s empowerment, rural development and environmental sustainability have strengthened human capital, improved productivity, enhanced employability and promoted inclusive economic growth. CSR has increasingly become a complementary mechanism supporting government development efforts.

Access to primary healthcare, awareness of basic hygiene, and treatment of underprivileged patients beg attention. The Infosys Foundation advances healthcare by augmenting existing healthcare infrastructure. Since its inception in 1996, the Infosys Foundation has constructed hospital wards, built dharmashalas (rest houses), and provided medical equipment to various hospitals across India. The Foundation has also donated medicines in addition to organizing health camps in rural India. The Infosys Foundation has donated more than INR 50 crore to expand the capacity of hospitals across India and is involved in several healthcare programs.

Project Shakti empowered over 70,000 Shakti Entrepreneurs (Shakti Ammas) who reached out to over 4 million households across 1,65,000 villages, by the end of 2014. These Shakti Ammas are complemented by 48,000 Shaktimaans, who are typically the husbands or brothers of the Shakti Ammas. They sell our products on bicycles in surrounding villages, covering a larger area than Shakti Ammas can cover on foot.



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

### SAIL:

In all SAIL Plants, Mahila Samitis have been formed since inception. The members of the Samities are spouses of the employees. Spouses of MDs, EDs etc are also a member of Mahila Samities. A lot of work is being done for the society by these Samities. The various activities being performed by the samities includes :

### Education Development:

#### Castrol India

- Computer education in local school – provision of computers and related accessories which enabled the Rakholi Government School to start a computer section for the children
- Education for differently abled children – providing financial support to the school run by the local Red Cross Society for differently abled children Establishing higher education facilities: the equipping of the Silvassa Pharmacy college set up with the vision of increasing employability of local youth.

#### Project Ujjwal by L&T:

L&T’s innovative approach to education is reflected in its UJJWAL learning centres for underprivileged children. They run study classes for school children and school dropouts. The study class approach is participatory –subject discussion through story method, role play, drama, Q&A sessions – and enhances interactive learning. Whereas the Balwadi is a pre-school centre with a lively teaching environment, the play-way method predominantly uses rhymes, singing, games and conversations. The teachers are drawn from the community and trained in teaching and learning methods. The methodology comprises songs, mathematics

#### Rural Development:

##### Infosys:

The well-being of people living in rural areas ensures sustainable development. The Infosys Foundation works with local administration to achieve community development goals. We construct roads, provide drainage systems and electricity, and rehabilitate flood-affected victims in rural areas. The Foundation has donated more than INR 40 crore for rural development and livelihood projects such as awareness campaigns on hygiene, sanitation, vocational training and entrepreneurship.

#### Livelihood Enhancement:

The World Bank claims that supporting smallholder farming is the best way to stimulate economic development and reduce poverty. They have continued to work with a number of smallholder farmers across India to drive sustainable farm practices and enable the farmers to become more competitive. We have supported and encouraged farmers to adopt advanced technologies for better yields with regular training programmes and field-monitoring.

#### Sustainable Development:

##### ITC:

ITC promotes sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII) through the CII-ITC Centre of Excellence for Sustainable Development, in order to have a multiplier impact.

##### Dabur India:



Cover Page



DOI: http://ijmer.in.doi./2024/13.5.20.3.8

Dabur India’s commitment to good governance, ethical conduct and social responsibility is core to our way of doing business, and is strongly aligned with our drive to create and increase value for all stakeholders.

Tata Steel:

**Community Participation:**

Castrol India:

It Supports local NGOs – who primarily work for welfare of tribals and areas of adult education, health and self employment.

ITC in order to carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates.

Indian multinational corporations such as Tata Steel, Reliance Industries, Infosys, Wipro, HDFC Bank and HCL Technologies have used CSR initiatives to promote inclusive economic development. Through partnerships with NGOs and independent foundations, these corporations have invested in education, healthcare, livelihood generation, skill development, women’s empowerment, financial inclusion, rural development and environmental sustainability. Their initiatives have contributed to human capital formation, poverty reduction, social inclusion and equitable growth.

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**Table 4: CSR Programmes by various Companies contributing to Social Change and Community Participation**

Name of the Company	Objectives	Description
Infosys	1)Access to health care 2)Vision for blind-free India 3)To help the youth to achieve their potential 4)Education to primary school-going children	Augmenting existing health care infrastructure The Foundation has built dharmashalas and provide medical equipment to various hospitals Provided medical equipment to hospitals Primary education among under privileged children through global partnerships.  The Infosys Foundation works with local administration to achieve community development goals. Agastya and Infosys Foundation have together created higher standards of education for the country’s underprivileged by providing them with training workshops, mobile labs, and a hands-on educational methodology.



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

ITC	<p>1)Supporting Rural Development          2)Preventive health care          3)Creating Livelihood          4)Skill-building and vocational training</p>	<ul style="list-style-type: none"> <li>Enhancing environmental and natural capital;</li> <li>supporting rural development; promoting education;</li> <li>providing preventive healthcare,</li> <li>providing sanitation and drinking water;</li> <li>Creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;</li> </ul>
L&T	<p>Integrated Community Development</p>	<p>“Building India’s Social Infrastructure”          The objective of the project is to pursue holistic social development at identified water stressed locations which are most needy, through interventions in four distinct areas : Water &amp; Sanitation, Education, Health &amp; Skill Development.          This project is launched in Maharashtra, Rajasthan, and Tamil Nadu. It lays emphasis on providing safe drinking water, raising the ground water level, improving hygiene and sanitation, soil and water conservation, improving the education &amp; health status and facilitating better livelihood generation through skill training in these identified communities.</p>
Hindustan Unilever Ltd.	<p>1)To create small women entrepreneurs          2) Improve livelihoods of small holder farmers</p>	<p>Expanding opportunities in our value chain          Project Shakti empowered over 70,000 Shakti Entrepreneurs (Shakti Ammas) who reached out to over 4 million households across 1,65,000 villages, by the end of 2014. They sell our products on bicycles in surrounding villages, covering a larger area than Shakti Ammas can cover on foot.          The Institute of Competitiveness in India recognised our Shakti initiative for 'creating shared value' and awarded us the prestigious 'Porter Prize' in 2014.</p>
Dabur India	<p>Sustainable development</p>	<ul style="list-style-type: none"> <li>Dabur’s CSR initiatives are driven through Sustainable Development Society or SUNDESH, an outcome of the vision of Dabur India Ltd founder Dr. S.K Burman. Sustainable Development Society (SUNDESH) is sworn to the mission of ensuring <b>overall socio-economic development of the rural &amp; urban poor on a sustainable basis</b>, through different participatory and need-based initiatives. It aims to reach out to</li> </ul>



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

		<p>the weaker and more vulnerable sections -- such as women and children, illiterate and unemployed – of the society.</p> <p>Children’s literacy,</p> <ul style="list-style-type: none"> <li>• Improving healthcare services,</li> <li>• Skill development, and environment,.</li> </ul>
BHEL	Inclusive India To provide training to develop skilled work force	<p>BHEL has given training and also donated the equipment for imparting skill-sets of varied nature. It has imparted training to develop skilled workforce for the nation through the support to ITIs. Projects have been undertaken in the following areas:</p> <ul style="list-style-type: none"> <li>• Vocational training</li> <li>• Providing technical education in rural areas</li> <li>• Environmental awareness programs</li> <li>• Short hand training centres</li> <li>• Training on computers</li> <li>• Awareness on curbing Child Labour</li> <li>• Imparting training to the ITIs</li> </ul>
Tata Steel	Sustainable Livelihoods	<p>Tata Steel undertakes various agriculture development initiatives. The Company works with locals in the rural and semi-urban areas to harness the available skills and resources and improve agricultural productivity of their lands.</p> <p>The primary objectives of these interventions are improvement of productivity and crop yield, dry land farming, wasteland development and horticulture, enhancing irrigation facilities, and enhancing capacities of rural communities through skill-based trainings in farming techniques. Some of the major initiatives taken by Tata Steel in this direction are:</p> <ul style="list-style-type: none"> <li>• Also, this year, 152 irrigation structures including lift irrigation facilities, creation/renovation of ponds, etc. have been created in Jharkhand and Odisha.</li> </ul>
Wipro	Sustainable health care	<p>Wipro Cares supports partners in delivering preventive and curative healthcare services to the unprivileged communities across 75 villages in Maharashtra, Karnataka, Andhra Pradesh and Uttarakhand. Through our healthcare projects more than 75,000 people get access to affordable and good quality primary healthcare.</p> <p>We aim to provide sustainable healthcare, and be the catalyst in the</p>



Cover Page



DOI: http://ijmer.in.doi./2024/13.5.20.3.8

		<p>overall development of the community. Our strategy, therefore, is to do holistic work in healthcare for the communities around our factories. The services provided are:</p> <ul style="list-style-type: none"> <li>• Primary healthcare,</li> <li>• Nutritional guidance,</li> <li>• Personal hygiene,</li> <li>• Community hygiene, and Counseling.</li> </ul>
SAIL	Environmental conservation Health and Medical care	<p>By partnering creatively with small, local entrepreneurs, NGOs, state government and the centre, SAIL has ensured that the benefits arising out of its activities actually reach the grassroots level and not merely remain on paper. Under Peripheral Development various activities are being undertaken around the plants/units upto a radius of 16 kms. Several socio-economic surveys reveal considerable benefits emanating from SAIL's efforts.</p> <p>Access To Water Facilities</p> <p>Nearly 40% of the households in India still do not have access to potable water. Also, millions of Indians suffer from water-borne disease like hepatitis, choleric fever, etc. Recognising this, SAIL has been consistently providing potable water to the people of its township and those living in nearby areas. SAIL constructs 157 water infrastructure every year for people living in far-flung areas. In 2009-10, 439 such facilities were created providing potable water to 1,63,311 people.</p> <p>Creating Sustainable Incomes</p> <p>A sense of hope for future is most important for leading a good life. And at the very center of this hope is having a sustained income -to pay for the basic necessities of life, to invest in the future.</p> <p>SAIL's endeavours in the area of CSR are targeted to adding value for enriching lives and ensuring a strong future for the beneficiaries. Imparting them with skills that help them lead a better life and sustain their respective generations is a key focus towards creating communities that are in complete control of the time to come. Development of such families through workshops and skill enhancement training programmes has been a major entrepreneurial gesture of the company.</p> <p><b>Ancillary Development</b></p> <p>Good suppliers are intangible assets to any organization. Ancillary industries are not only suppliers of materials but are also extremely important source of information with regard to market conditions, price trends and the general industrial climate.</p> <p><b>Women Upliftment</b></p> <p>In all SAIL Plants, Mahila Samities have been formed since inception. The members of the Samities are spouses of the employees. Spouses of MDs, EDs etc are also a member of Mahila Samities. A lot of work is being done for the society by these Samities. The various activities being</p>



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

		<p>performed by the samities includes :</p> <ul style="list-style-type: none"> <li>• Women empowerment and development</li> <li>• Community welfare activities</li> <li>• Assistance during natural calamities</li> <li>• Manufacturing products for general use in plants</li> <li>• providing assistance to women belonging to economically weaker section etc</li> <li>• providing vocational training to women</li> <li>• facilitating access to education for needy girl children.</li> </ul>
<p>Dr. Reddy's Labs</p>	<p>Livelihood Enhancement</p>	<p>Dr. Reddy's Laboraries works with young people, farmers, and disabled people in urban and rural India to enhance their employability. Improving a person's ability to earn a livelihood translates into an enhanced income, better health and better quality of life for the community and a nation. Dr. Reddy's runs a number of programs in line with this objective:</p> <p><b>LABS – Livelihood Advancement Business School</b></p> <p>The LABS program targets youth between the ages of 18 and 30, who have limited opportunities and inadequate skill sets. To enable participating youth to gain a foothold in today's competitive job market, LABS equips them with job-specific skills, soft skills, Basic English, computer skills and placement linkages.</p> <p><b>Rural livelihoods – LABS for Farmers</b></p> <p>Along with urban livelihoods, Dr. Reddy's Foundation also runs programs that help farmers enhance their income. Called LABS-F (LABS for Farmers), this program uses technology and methodology interventions with farmers to increase productivity, decrease input cost and increase their income.</p> <p><b>Skilling Rural Youth</b></p> <p>Skilling Rural Youth program is part of our rural program for enhancing rural employment generation. This is a 10-day capacity building program that focuses on soft skills and linking youth with local employment opportunities</p> <p><b>Social change Agents</b></p> <p>The crusade for bringing about social change can rarely be run alone. Enabling like-minded people who are working on similar themes and equipping them with the right tools is an effective way to achieve a common objective. The Acumen India Fellows Program and CSIM – H are examples of such an initiative.</p> <p>In 2014, with support from Dr. Reddy's, Acumen launched its first India-focused Leadership Program – the Acumen India Fellows Program. The group included twenty social change leaders from across India who were creating impact through affordable education programs, innovative mobile healthcare technologies, inclusive credit solutions, inspiring slum soccer programs, and liberating programs for rural farmers.</p>



Cover Page



DOI: http://ijmer.in.doi./2024/13.5.20.3.8

Aditya Birla Group	To contribute to the social and economic development of the communities in which they operate	<p><b>Our Focus areas</b></p> <p>Their rural development activities span five key areas and our single-minded goal here is to help build model villages that can stand on their own feet. Their focus areas are healthcare, education, sustainable livelihood, infrastructure and espousing social causes.</p> <p>This Company’s focus is on the all-round development of the communities around our plants located mostly in distant rural areas and tribal belts.</p> <p>Their partners in development are government bodies, district authorities, village panchayats and the end beneficiaries — the villagers. The Government has, in their 5-year plans, special funds earmarked for human development and we recourse to many of these.</p>
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Source: Various Company Websites

Challenges in Implementing CSR Initiatives in India:

Despite the significant expansion of Corporate Social Responsibility (CSR) initiatives in India since the enactment of the Companies Act, 2013, several structural and operational challenges continue to limit their effectiveness in promoting inclusive development. One of the most prominent challenges is the unequal geographical distribution of CSR expenditure.

Another significant challenge relates to the compliance-oriented approach adopted by many corporations. Although mandatory CSR provisions have increased corporate spending on social initiatives, some organizations continue to perceive CSR primarily as a statutory obligation rather than a strategic instrument for social transformation. As a result, CSR activities are often designed to fulfill expenditure requirements rather than achieve measurable developmental outcomes. Such an approach may lead to fragmented interventions, short-term projects, and limited innovation, thereby reducing the long-term impact of CSR initiatives on communities and beneficiaries.

The absence of robust impact assessment mechanisms also presents a major obstacle to effective CSR implementation. While companies are required to disclose CSR expenditures, the evaluation of social outcomes and long-term developmental impacts remains relatively weak. In many cases, organizations focus on reporting financial inputs and project outputs rather than assessing whether interventions have improved educational attainment, healthcare access, employment opportunities, or community well-being.

The effectiveness of CSR initiatives is further constrained by the limited institutional capacity of many implementing agencies and non-governmental organizations (NGOs). Although NGOs play a critical role in delivering CSR programmes at the grassroots level, many organizations face challenges related to inadequate funding, shortage of skilled personnel, weak governance structures, and limited technical expertise.

Insufficient community participation represents another important challenge. Many CSR programmes are conceptualized and implemented using a top-down approach, with limited involvement of local stakeholders in identifying priorities and designing interventions. As a result, projects may not adequately address the specific needs and aspirations of beneficiary communities. The lack of community ownership often reduces the sustainability of projects and limits their ability to generate meaningful social change over the long term.



Cover Page



DOI: <http://ijmer.in.doi./2024/13.5.20.3.8>

## Suggestions for Enhancing the Effectiveness of CSR Initiatives:

To maximize the developmental impact of CSR and strengthen its contribution toward an inclusive economy, a more strategic and outcome-oriented approach is required. First, policymakers should encourage a more equitable distribution of CSR resources by incentivizing investments in aspirational districts, rural areas, tribal regions, and other underserved locations. Such measures would help reduce regional disparities and ensure that CSR contributes more effectively to balanced and inclusive development across the country.

Secondly, corporations should move beyond a compliance-driven perspective and integrate CSR into their long-term business strategies. By aligning CSR initiatives with organizational competencies and societal needs, companies can create sustainable value for both businesses and communities. Strategic CSR has the potential to generate measurable social outcomes while simultaneously enhancing stakeholder trust, corporate reputation, and long-term competitiveness.

The greater emphasis should be placed on impact assessment and evidence-based decision-making. Standardized frameworks for monitoring and evaluation should be adopted to measure the effectiveness, efficiency, and sustainability of CSR interventions. Independent social audits, third-party evaluations, and data-driven assessment tools can provide valuable insights into project outcomes and facilitate continuous improvement in programme design and implementation.

Strengthening the institutional capacity of NGOs and implementing agencies is equally important. Corporations should invest in training, technical assistance, and organizational development programmes that enhance the ability of partner organizations to manage and scale development projects effectively. Stronger corporate–NGO partnerships can improve project delivery, increase accountability, and promote sustainable community development.

In addition, greater community participation should be encouraged throughout the project lifecycle. Engaging local stakeholders in needs assessment, planning, implementation, and evaluation processes can improve the relevance and effectiveness of CSR interventions. Participatory approaches foster community ownership, enhance accountability, and increase the likelihood of long-term sustainability.

CSR initiatives should be increasingly aligned with national development priorities and the Sustainable Development Goals (SDGs). Greater emphasis on education, healthcare, skill development, environmental sustainability, women's empowerment, and livelihood generation can strengthen the contribution of CSR to inclusive economic growth by focusing on long-term developmental outcomes rather than short-term outputs, corporations can play a transformative role in advancing social equity, reducing inequalities, and fostering sustainable development in India.

## Conclusion:

The period between 2015 and 2023 represents a transformative phase in the evolution of Corporate Social Responsibility in India. CSR has moved beyond philanthropy and emerged as a strategic mechanism for generating social change and promoting inclusive economic development. Rising expenditure levels, stronger regulatory frameworks, and growing corporate participation have expanded opportunities in education, healthcare, skill development, environmental sustainability, and livelihood generation. Although challenges relating to implementation and impact assessment remain, CSR has demonstrated substantial potential as a catalyst for sustainable and inclusive growth. Future policy efforts should focus on strengthening accountability, promoting innovation, and ensuring equitable distribution of CSR resources. Through collaborative partnerships among corporations, governments, and civil society organizations, CSR can play a central role in achieving India's developmental aspirations and advancing the vision of an inclusive economy.

The importance of human development in achieving inclusive growth, arguing that investments in education and health are essential for broad-based economic participation. CSR initiatives that focus on skill development, livelihood



Cover Page



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generation, financial inclusion, and women's empowerment contribute directly to these objectives by expanding access to opportunities among marginalized populations. In India, CSR investments in vocational training, entrepreneurship development, self-help groups, and digital literacy programs have increasingly supported economic inclusion and social mobility.

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