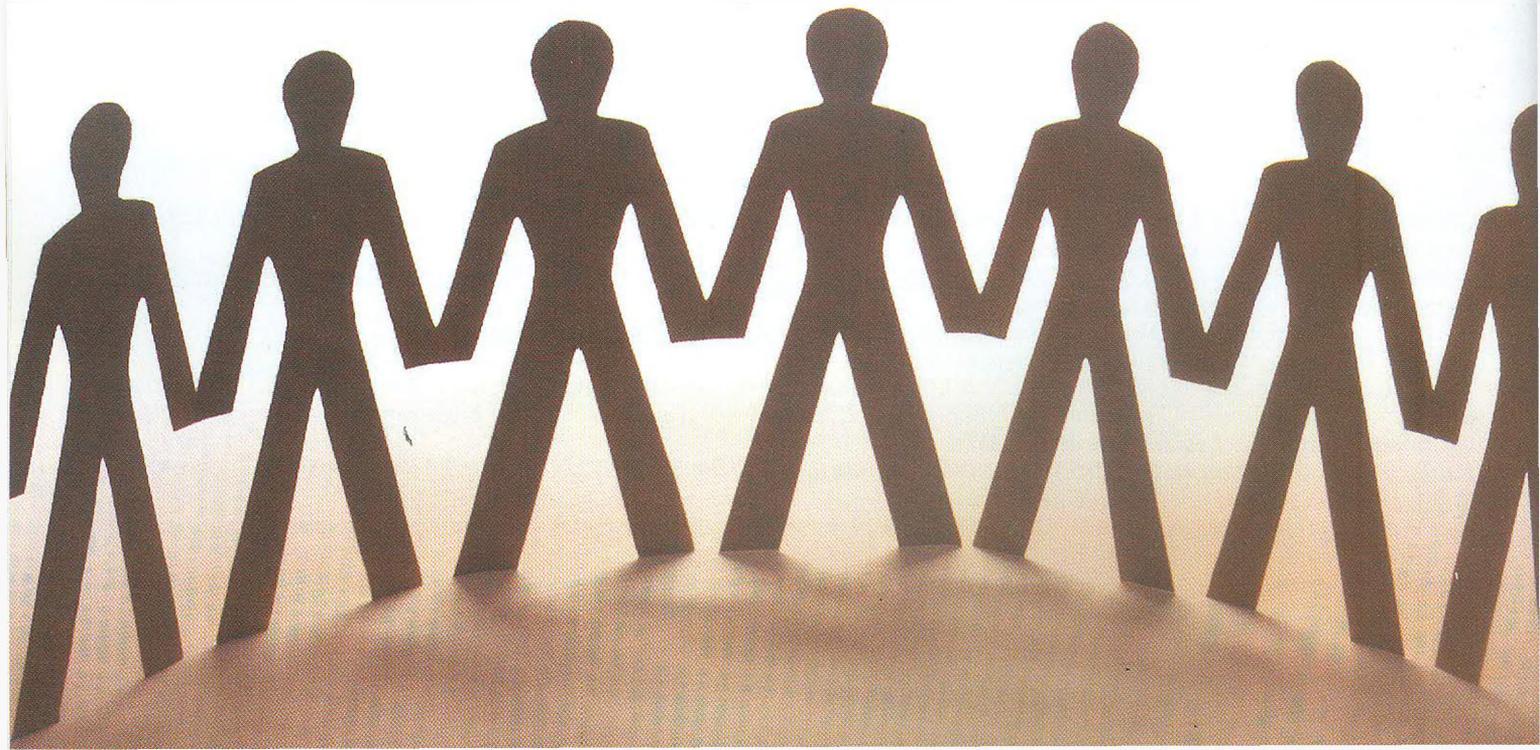


ABSTRACT

Corporate nowadays wage war on two fronts. Not only do they need to keep their investors and shareholders happy and their profits healthy, they also need to fulfill their often-ignored role as an active player in the society. Corporate social responsibility once seen as a luxury at best and an afterthought at worst is changing rapidly. With economic liberalization and globalization, the role of the State and Business has undergone a great change. The private enterprises are set to play an increasing pivotal role in shaping the economic, political and social agenda for the new international order. Corporate can no longer remain isolated from the society around them. Their responsibility towards the society is becoming integral part of the business plan. Some corporations have caught on; major groups such as the Birla Group, the Tata Group, the Jindal Group and ITC, and individual companies and banks such as ICICI, have earned recognition by their support of sustainable development, in their own ethical business practices as well as in a trickle-down effect on the community around them. It has become imperative for corporate to be sensitive to the needs of the society and the environment in which they operate and build an empathizing relationship for a mutually sustainable existence. They should explore building relationship and partnerships with government bodies and NGO's to drive environmental sustainability and a strong civil society. The authors have tried to highlight the progresses made by Indian corporate houses in this direction.

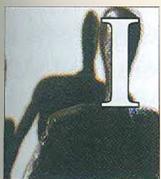
Corporate



Social Responsibility

Indian Context

· Kalyan Kumar De, Dr. S.K. Tayal



INTRODUCTION

Corporate Social Responsibility (CSR) is the alignment of business operations with social values. It takes into account the interests of stakeholders in the company's business policies and actions.

CSR focuses on the social, environmental, and financial success of a company - the so-called triple bottom line - with the aim to achieve social development while achieving business success. Companies now perform in

non-financial arenas such as human rights, business ethics, environmental policies, corporate contributions, community development, corporate governance, and workplace issues. Social and environmental performances are considered side by side with financial performance. From local economic development concerns to international human rights policies, companies are being held accountable for their actions and their impact. Companies are also more transparent in disclosing and communicating their policies and practices as these impact employees, communities, and the environment.

In the new global economy, companies that are responsive to the demands of all of their stakeholders are arguably better positioned to achieve long-term financial success. It is no longer optional for a company to communicate its environmental and social impacts; such information is pertinent in an information-driven economy, and improved communication has become critical for sustainable business growth. CSR is the point of convergence of various initiatives aimed at ensuring socio-economic development of the community which would be livelihood oriented as a whole in a credible & sustainable manner.

An overview of CSR Theories

Within the discussion about CSR, there are three schools of practice:

Neo-liberal, state-centred and 'third sector' schools of thought. The neo-liberal school stresses the role of market incentives in encouraging corporate responsibility by company responsiveness to customer preferences for responsible behaviour in product and input allocation decisions. The state-centred school denies the role of the 'invisible hand' as providing for the optimal amount of social attention by firms and argues for active state intervention. The 'third sector' school stresses the important role of NGOs and public-private partnerships in ensuring that social objectives are addressed better than actions undertaken by dysfunctional firms alone.

Neo-Liberal School: Role of Incentives and Insurance

Neo-liberal advocates of CSR operate on the assumption that the adoption of CSR policies by business is rational profitable in the long run (if not in short run) because these policies attract product demand and factors of production such as labour and capital. The decision to engage in CSR is different from philanthropy because the corporate sector benefits from investing in long-term sustainable community development (their source of product demand as well as labour and capital supply) rather than simply reaping the simple tax advantages of philanthropic donations. In a simplified version of this view, in all markets, the firm is inspired by both incentive and insurance. Advocates of the neo-liberal model (such as the World Bank) cite company programmes such as those of Daimler-Chrysler, Do Pont, Shell and DHL.

State-Centred School: Role of Co-operation & Regulation

Advocates of state-centred (or state-led) CSR believe that national and international policy makers should actively promote the creation and enforcement of CSR obligations on companies. National policy makers should intervene for a number of reasons-mostly related to the potential

public goods nature of CSR work. First, CSR creates positive externalities-in terms of higher consumer welfare, environmental protection and employee satisfaction that individual companies may not be able to appropriate or internalize in their investment decisions. Second, government should initiate the process of corporate responsibility in an industrial setting as part of its regulatory and tax framework-given the first-mover type problems (in the form of higher operating costs for individual companies). Rather than certification as a branding strategy as mentioned above, CSR compliance serves as a method of solving 'collective action problems'. Market-enhancing solutions to these externalities are proposed-such as tax incentives, subsidization of CSR programmes, environmental, labour and product standards, competition policy, community reinvestment and other regulations. Third, government is often required to facilitate rather than regulate. Examples of such facilitation include 'talking up' CSR, establishing rewards for CSR programmes and establishing high-level CSR governmental posts-such as in the UK.

Third Sector: The Role of Non-Profit and For-profit NGOs

Rather than company-led or government-led initiatives, many commentators see the third sector (NGOs and civil society broadly defined) as the motor of CSR. Given the overall rise in the importance of the third sector, in general, their representation in the CSR discourse is reflexive of this overall trend. There are commonalities between these organizations. First, in some sense, they 'represent civil society'. Namely, they seek to influence policy making without being part of the government or strongly attached to the industrial business sector. Second, they fulfill an educational role informing consumers, business and policymakers. Third, they often work in collaboration with government and /or business. These organizations may be divided into non-profit NGOs, and for-profit NGOs.



ENEFITS OF CSR

'There are many reasons why it pays for companies, both big business and SME (small and medium enterprises) to be socially responsible and be conscious about the interest of the key stakeholders' (World Bank article 2004). The benefits of CSR are as under:

- **Improved Financial Performance** Business and Investment communities have long debated whether there is a positive correlation between social

responsible business practices and better financial performance. Although it is impossible to give a final answer to this dilemma, various surveys and several academic studies have proved the positive correlation.

- **Enhanced Brand Image and Reputation** Branding and customer reputation become more critical in globalized economies, putting additional pressure on careful selection of strategic partners and participants in the global supply and distribution channels. With e-economy, brand loyalty and reputation become even more important. This is the single most important and advantageous way for the manufacturers to strengthen their position towards e-based retails.
- **Increased Sales and Customer Loyalty** A number of surveys have concluded a larger and growing market for the products and services produced by socially responsible companies. While businesses must first satisfy customers' key buying criteria such as price, quality, appearance, taste, availability, safety and convenience-studies also show a growing desire to buy based on other value-based criteria, such as "sweatshop-free" and child-labour-free clothing, smaller environmental impact, and absence of genetically-modified materials and ingredients.
- **More Efficient Operations** Utilization of CSR framework in corporate business strategy can result in high efficiency in operations, for instance improved efficiency in the use of energy and natural resources; reduced waste such as reducing emissions of gases; and selling recycling materials. Business operation also benefits from better human resources. In the human resource arena, work-life programmes that result in reduced absenteeism and increased retention of employees often save companies money through increased productivity and by a reduction in hiring and training costs. For example, companies that improve working conditions and labour practices among their offshore suppliers often experience a decrease in defective or un-saleable merchandise.
- **Increased Ability to Attract and Retain Employees** Greater job mobility means that attracting and retaining a committed and skilled workforce is vital to business success and there is powerful evidence that a strong track record on social responsibility can help this.
- **Co-operation with Local Communities** Increasingly dynamic marketplaces mean that company's success depends crucially on responding to the needs of the

communities or cultures in which it operates. Co-operations with local communities help in tailoring products and services to indigenous markets; make easier to use local expertise, distribution channels, production facilities thus reducing the cost of new investments, and increased loyalty of employees.

- **Government Support** Many governments give financial incentives for sound CSR initiatives, including environmentally friendly innovations. Companies that demonstrate they are engaging in practices that satisfy and go beyond regulatory compliance requirements are being less scrutiny and freer reign by both national and local government entities.
- **Creating New Business Opportunities** Open and productive two-way communication with stakeholders not only improves the company's reputation but also opens up new business opportunities. Close co-operation with key stakeholders and communities and responding to CSR constraints by revising business practices and strategies and accepting triple bottom line concepts also provide opportunities through innovation, creative thinking, better relations with key stakeholders, and introduction of new products and markets. Creative thinking is highly stimulated by addressing issues of CSR and taking consideration the ecological and social costs. Facing and solving CSR challenges can put additional creative pressures on businesses. When competitors adopt less costly but not socially responsible and ethically sound solutions, the CSR responsive company should take advantage of the new challenge and try to create and explore innovative, creative alternatives and seek new solutions. Creativity is one of the vital ingredients for building sustainable competitive advantage.
- **Avoiding Crisis Due to CSR Misconduct** Ignoring CSR can be very costly because the company might lose reputation, market-share, and stock price. Reputational risk should be considered as a set of threats that affect the long-term trust placed in the organization by its stakeholders. This included risks not only to products, but goes beyond to company itself, and industry.

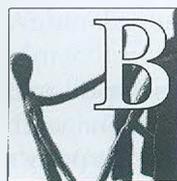
Reputational risk is largely about perception (different from traditional risks). Perception can differ for different stakeholders. For example, environmental risk affects companies through three channels: a) in the market place: loss of customers, b) in courts: threat to company balance sheets, and c) in the regulation

area: new regulations can increase operating costs.

- **Forging of Partnerships** Sound CSR practices help companies attract and retain quality investors and business partners.

The benefits can be classified in four broader categories:

- Increased shareholder value
- Lower cost of capital
- Access to Socially Responsible Investment Fund
- Reducing Risks by Bringing Best Practices to Business Partners



BUILDING POLITICAL CAPITAL

Addressing CSR issues provides a chance to build political capital: to improve the relationship with government and political leaders and officials, to influence regulations, to reshape public institutions on which the company depends, and to improve public image.



CSR TOOLS

Companies interested in advancing corporate social responsibility and in improving their social and environmental performance as part of their business have a wide range of tools available for application.

- Tools can vary widely in terms of *objectives, scope, costs, and level of formality, partnerships, extent of stakeholder involvement*, and many other characteristics.
- Tools can be applied to one or more of the *planning, implementation, checking, and improvement facets of corporate operations*.

The tools reflect activity at the domestic and international levels as well as initiatives by both the private and public sectors like NTPC. In some cases the tools may be focused on one element of CSR such as environmental protection and in others may be more comprehensive such as the Global Reporting Initiative.

For purposes, CSR tools are clustered into the four following groups:

- Principles, Guidelines, Codes of Conduct
- Approaches For Developing Management Systems
- Indicators, Measuring, Reporting, and Benchmarking
- Other (e.g. Training and Education, Awards of

Recognition, Promotion and Communication, Facilitating Forums etc)

MODELS EXPERIMENTED IN INDIA

1. Micro-credit and enterprise programme

Providing loans to establish micro businesses in order to induce self-sufficiency and sustainable development. A model is suggested for various financial institutions.

2. Raise funds for co-operative banking

Model Examples: Citibank India community partners extend micro-credit to low-income women in urban areas. They have successfully organized women's collectives and channeled financial resources to those women who are otherwise left out.

3. Stakeholder involvement

a) **Payroll Contribution:** Giving financial resources through Involving employees. In this companies deduct a minor amount from the salaries of their employees who volunteer under the scheme. The money so collected is used to support a cause directly or indirectly. Employee salary contribution deducted monthly as a percentage / fixed amount. Money donated annually before taxation.

Model Examples: American Bank has a semi-permanent partnership with SOS Children's Villages, where they invite employees to contribute a certain amount from their salaries.

b) **Consumers Donation:** Here the interested consumers can make donation through their company.

- Online donation through website
- Inviting to donate directly through mail for a cause
- Donated on a transactional basis as in the case of credit cards, billing of bills etc. Co Branding for a cause

Model Examples: ICICI launched a social development portal, www.icicicommunities.org. The portal comprises a medium for online donation and resource centres on education and infant mortality prevention. Besides, a trading zone to local communities enabling them to access the global retail market is envisioned.

4. Cause Related Marketing

Cause marketing is a sales-driven, promotional tactic that is centered on boosting profits, enhancing brand image

and publicity. Cause-related marketing campaigns vary in their scope and design, the types of non-profit partners, and the nature of the relationships between companies and their marketing partners. In the most common type of relationship, a company might donate a portion of each purchase made by its customers during a specific period of time to the non-profit entity. CRM benefits the buyer of the product because they feel a part of purchase is going for a good cause.

There could be two forms of associations:

a) **Temporary:** The company ties up with the NGO for a short span of time.

Model Examples: Thomson Electric in 1997 under a scheme gave certain amount to CRY a NGO for each set sold.

b) **Ongoing:** Here the tie-up is for a relatively long period of time, more or less semi-permanent tie up.

Model Examples:

- a. Jet Airways. From 1997, has been able to raise a considerable amount of money for 'Save the Children India'
- b. Proctor & Gamble's initiative with UNICEF
- c. Inter-Continental Hotels: Round up for children with UNICEF

Organizing events and joining forces with non-profit organizations to create volunteer opportunities for employees lets corporations present a human face in the community while providing needed services. This is primarily focused on non-productive work hours or holidays, which would not affect the productivity or working hours of organizations. Weekend volunteerism is promoted.

Area Related Volunteerism

The Citibank India Community Support Program stands out in the financial services industry in India as highly effective and sustaining combining active employee participation and cause related advocacy.

5. Volunteering

Business houses have a vast resource in the form of its employees who have knowledge, skills, which when shared and contributed to other Not for Profit Organizations, can help them in various fields to build their capacity and enhance their skills in a variety of fields

from hard to soft, technical to competitive.

Capacity building may be described as enhancing, developing skills, knowledge and other things required by one to leverage their full potential. The areas where the corporate can help the NGOs are:

- Planning
- Marketing
- Fund raising
- Managing and logistics
- Channelising
- Documenting
- Monitoring and Evaluating
- Marketing Advisory
- Advocacy
- Employee communication
- Housing Advisory
- Cause related marketing
- Technology
- Financial Advisory
- Tax and Regulatory Advisory

6. Creating ancillary units / preferential buying

Companies can initiate ancillary units for a variety of purposes. The main aim here is to:

- Set up units to hire disadvantaged people to provide them with livelihood.
- Create units forward or backward in the supply chain.
- Train people according to company standards.
- Regularly audit and monitor performance.
- Outsource where possible
- Purchase from NGOs and various other disadvantaged groups not compromising on quality including stationary and canteen food over and above the business centric supply chain.

Model Examples: HMT watches has tied up with Amar Jyoti a NGO, which works with disabled children in New Delhi. HMT gave training to repair the watches and enlisted the equipment, which was required to do the same. British Council and Action Aid provided this equipment. In few months full-fledged repair unit was opened which gave employment to many. Now Amar Jyoti is handling almost 25 per cent of the watch repair work in and around Delhi.

7. Match the gift / leverage grant

In this the donor donates half the money of the required

for the project so identified and the other half is to be generated by the recipient. Many foundations such as Ted Turner's United Nations foundation, IMFs various projects, etc. are all practicing the same. This helps in ensuring that the recipient doesn't become over-dependent.

8. Provision for employment

To have a respectable and sustainable life, it is important to be independent, a regular source of income which provides this sustainability and corporate can easily make sure the same by having:

- **Provisions and reservations:** Reserving Seats for disadvantage candidates not compromising on the work quality.
- **Equal opportunity recruitment policies:** In most of the countries it is mandatory to have that and a few companies in India are practicing it too. All the employees here are treated alike and have to undergo the same general unbiased selection procedure.

Special employment programmes through outsourcing from various co-operatives, NGOs etc., by having ancillary units and training the people, engage disadvantaged people where possible in activities where there are not enough skills required.

There are various benefits associated, which have been concluded with time such as:

- Improved workplace diversity
- Retention and low labour turnover
- Improved community and consumer relations

Model examples :

Coke has tied up with Indian oil and Cancer Patients Association, a good example to illustrate how partnerships can create synergies to make a difference. Coke provides the kiosks and the equipment, which are located at oil stations and are run by cancer patients.

9. Sponsorships of Events

Various events like exhibitions, fares, festivals etc. are organized to raise funds for a cause. Companies can participate and sponsor such events covering partly the cost incurred. They can also extend their support to various awareness campaigns.

This way the organizer gets some monetary relief and the corporate partner gets recognition by being linked to the social cause.

10. Philanthropy

The most traditional form of CSR, which many corporate still indulge into. It's aimed at providing support in cash or kinds through grants, donations, charities etc.



PERSPECTIVES ON CSR IN THE INDIAN CORPORATE SECTOR

• Tata Group

"The wealth gathered by Jamsedji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation. The whole of that wealth is held in trust for the people and used exclusively for their benefit. The cycle is thus complete; what came from people has gone back to the people many times over." -J.R.D. Tata

This has formed the framework on which the philosophy of Tata Motors' Corporate Social Responsibility is based.... the philosophy of '*giving back to the community*'.

'Tata Group is generating employment opportunities through social initiatives' (Datta 2004). According to Kishore Chaukar, Chairman, Tata Council of Community Initiatives and Managing Director, Tata Industries, "The Tata Group has always endeavored in some pioneering initiatives under community development."

Tata Tea has implemented a project, Aranya, at one of its largest tea estates and processing operations. It trains and employs handicapped youngsters in extracting natural dyes from the natural resources at Munnar in Kerala. Established in 1994, the project forms a part of the activities of Srishti, Tata Tea's umbrella welfare center in the region. Srishti embraces a wide variety of undertakings aimed at making the disabled productive and self-reliant. The youngsters at Aranya learn and implement the art of using leaves, roots, barks, seeds, sawdust and tea waste to dye yarns. Aranya arranges for training in institutions such as Weavers Studio, Kolkata (for natural dyeing, printing and batik work) and in Auroville, Pondicherry, and Chiang Mai, Thailand. Helping the project with their expertise are people like Darshan Shaw of Weavers Studio and Gurappa Chetty of Paramparik Karigar.

Tata Motors encourages self-sufficiency with the aim of improving the confidence, morale and lives of its employees and their dependents. Like, relatives of its employees in Pune have been encouraged to form various

industrial co-operatives engaged in activities like recycling of scrap wood into crates and furniture, welding, steel scrap baling, battery cable assembly etc. The Tata Motors Grihini Social Welfare Society caters to employees' women dependents. The women make a variety of products like pickles and uniforms to electrical cable harnesses. Tata Kishan Kendra is a one-stop-shop for agri-inputs. The Shiksha Prasar Kendra implements Tata Motors education programme. It provides financial assistance to schools and institutions. It has been funding the infrastructure development projects of various schools, while sponsoring programmes that enhance education standards. Tata Motors' concern does not stop at the vehicles it makes. It extends to where and how it makes them...it extends to the environment. The commitment to a cleaner environment and to creating a sustainable balance between industry and nature continues. Tata Motors has led Indian automobile industry's anti-pollution efforts through a series of initiatives in effluence and emission control.

• Jindal Group

"We have endeavoured to provide employability rather than directly giving employment. We provide an enabling environment so that the initiatives are sustainable rather than one time charity. We treat community development at par with business development and that is the reason that we commissioned a community need assessment study to a reputed national consulting firm in 1996, the year when our Jindal Vijaya Nagar Steel plant went into operation," says a spokesperson of Jindal Vijaya Nagar Steel. The group facilitates all its social initiatives under Jindal South West Foundation.

JWS operates in the following areas:

- a. Health & Education
 - b. Community Initiatives
 - c. Sports Initiatives
 - d. Art, Culture & Heritage Initiatives
- **Health Initiatives:** The foundation runs the Jindal Sanjeevani Hospital, providing the best secondary and tertiary health care at Vijaynagar, in District Bellary, Karnataka. It is fully equipped with state of the art operation theatre and modern diagnostic departments. The foundation organizes artificial limb camps, create employment opportunities for physically handicapped, organizing free camps, which include Cancer and AIDS awareness programmes.
 - **Education Initiatives:** The foundation runs three English Medium schools with subsidized monthly

fees. In association with Azim Premji Foundation, it plans to achieve quality in the provision of elementary education to children by creating an excitement in the schools. It has instituted Computer Aided Learning Centres, which imparts education to children in the most innovative and creative way through computers in the villages of Bellary in Karnataka. It also plans to provide teaching aids in government primary schools in the whole of Bellary district. The Jindal South West Foundation manages the Shramsadhna Vocational Training Centre in association with Father Angel's Community Polytechnic, in a Mumbai suburb. It provides skill development, career guidance and creates awareness of modern methods of agriculture and animal husbandry. It also has the Akanksha Vocational Training center at Vidyanagar, which provides training to rural girls in tailoring and cutting. The foundation runs Jindal South West Community Advancement scheme wherein scholarships are granted to employee's children pursuing technical courses and to students in rural and backwards areas of Maharashtra and Karnataka.

- **Community Initiatives:** The foundation endeavours to enhance the infrastructure in non-mainstream areas so as to make a difference to the people living in that region. It has built concrete roads, which have significantly reduced the dust pollution levels of the surrounding village, especially in Bellary, Hospet, Toranagallu and Sandur, Districts of Karnataka. It has concreted the gateway to the historical Hampi, World Heritage site. The foundation has also contributed towards building the Rangasharda Theatre and the ashram of Sri Sri Ravishankar at Bangalore and has donated land for an ayurvedic ashram in Vasind. It has initiated the clean Bellary project where it has introduced a mechanized garbage disposal system for the first time in the Bellary district. It has contributed for streetlights and drinking water facilities at Vasind village.
- **Art & Culture Initiatives:** The foundation runs the Jindal Arts & Creative Interaction Center, which encourages creative interaction between the arts, organizes film premiers, promotes art awareness through its 'Art in Public Spaces' schemes and generate debates, workshops and panel discussions. The foundation publishes a visual arts magazine "ART India -The Art News magazine of India". It has established the Friends of JJ School of Arts Trust to restore the buildings of the historic art school and its surrounds and add value its school curriculum.

- **Heritage Initiative:** The foundation's endeavour is to formulate a comprehensive and holistic master plan for the management of the unique ruins of the Vijayanagar Empire. It supports the Hampi Utsav where local and national level artists participate in dance, music and other art forms. It has drawn up the master plan for the conservation of the Chandramuleshwara temple, which will be the first conservation project.
- **Sports Initiatives:** The Jindal Squash Academy in Vasind has been set up to promote excellence in sports and give exposure to rural youth. This academy has nurtured talent of international repute. Young sportsmen from this academy have represented India at the Asian Junior championships. It also houses a badminton academy, which regularly organizes state level badminton tournaments in Karnataka. The swimming academy has trained swimmers who now regularly participate and win at the national levels. Its ladies hockey team has won the under-17 Karnataka State Hockey Championship title at the recently held championship at Davanagere, Karnataka.

• ITC

A view elaborated by ITC's Adviser (Social Development) A Ambasta: "philanthropic social projects are not sustainable in the long run. Such activity should ideally converge with a sustainable business practice of the corporate." Otherwise, he argues, the corporate house would lose interest after a certain period." ITC's model of harvesting paper pulp through local farmers was a successful model of convergence. Cigarettes to hotel major ITC are adding 700 hectares of land annually to its pulp-harvesting programme. ITC's target is to bring 40,000 hectares of land under this programme by 2010. It has already crossed the target of land mobilization in 2004 by more than 20 per cent. Incidentally, ITC has large exposure in the paper industry following the merger of ITC Bhadrachalam with it. The 4,000 farmers under this harvesting programme can earn around Rs.1.10-1.20 lakh per annum in Bhadrachalam and other areas, from only 1.5 acres of land.

• Birla Group

Perhaps the most telling example of how companies can make a difference comes from the AV Birla group. The top five group companies, Grasim, Hindalco, Indian Rayon, Indal and Indo Gulf fertilizers, together had 44,366 employees on the rolls at the end of March 2004. But through community development programmes, these

companies were able to provide at least 17,900 families with livelihood opportunities. Indal had a workforce of 6,207 but its farm-based livelihood schemes provided direct earning opportunities to 7,000 village families in and around Muri and Lohardaga in Jharkhand.

Clearly, companies are making a difference to the communities around their factories. An AV Birla group spokesperson says, "The Aditya Birla group companies have strong tradition of promoting employment around the target group's own needs." For instance, Hindalco conducts round the year training camps in the repair and maintenance of diesel pump sets, electrical and electronic goods repairs, hand pumps, cycles, beep keeping, tailoring and knitting. Its Aditya Birla Rural technology Park at Muirpur block in Sonebhadra district of UP is aimed at building the capacity of rural people to undertake integrated rural development activities, which will provide sustainable employment to rural communities.

• ICICI Bank

ICICI Bank articulates the banking sector's new focus on corporate conscience: The banking sector has to focus on the sector "if any of the larger goals of economic liberalization in India, and of its players, is to be brought to fruition" (Patel 2004). There are several threads in this argument. The principal one is that banks know that the poor have little to expect from the economic reforms. The bank says it supports programmes and projects supported catering to the poorest, so that "they become active and informed participants in socio-economic processes as opposed to being passive observers."

• Bajaj Auto

Bajaj Auto promotes several welfare programmes for its employees as well as various initiatives related to environment, health, education and rural development in the communities around the plant areas.

The company supports these initiatives through Jankidevi Bajaj Gram Vikas Sanstha, a registered charitable trust and a society. The trust oversees the integrated development of twenty-four villages adjoining the locations of BAL factories in Pune and Aurangabad. The activities are centered around improvement of natural resources, increased productivity of labour, empowerment of women, health, education, sanitation and income generation programmes. Bajaj Auto Ltd is also a member of the Prince of Wales International Business Leaders Forum and Business and Community Foundation.

• Nestle India

Nestle India is a subsidiary of Nestle S.A of Switzerland. With six factories and a large number of co-packers, Nestle India is a vibrant company that provides consumers in India with products of global standards and is committed to a long-term sustainable growth and shareholder satisfaction. The company is today acknowledged amongst India's 'most respected companies' and amongst the 'top wealth creators' of India.

Nestle has been a partner in India's growth for the past nine decades. The company supports various community projects in education, health and welfare and infrastructure around its factories. In Moga, Punjab, for example, Nestle invested substantially to establish milk collection centres with cooling tanks, milking machines and provided farmers with training in breeding and feeding practices to increase the yield of their herd. This has helped to improve the quality of milk produced in the region, which in turn helped local farmers increase their incomes. The company has facilitated various initiatives to provide clean drinking water for students of local schools around its factories and also organizes projects with the Indian Red Cross, which includes blood bank services, ambulance services, immunization and health awareness.

• Nokia

The organization is committed to development initiatives and is supporting numerous projects in partnership with several community and charitable organizations worldwide. The focus of its community initiatives is centered on education, corporate giving and disaster relief.

Keeping in line with their international programme of employee volunteering called 'Helping Hands'; Nokia India is involved with an NGO working with children with disabilities in Delhi. Nokia's employees provide support to the NGO in terms of help and training in accounts, human resources, IT, working with children and other activities. Environment is another issue that is high on the agenda of the company. The packaging of all their phones is made from recycled paper. Clear instructions are also provided for correct disposal of used batteries with every handset.

• Glaxo SmithKline

The company is involved in various development

initiatives all over the globe. The company's flagship community programme is its key role in the global alliance to eliminate lymphatic filariasis, one of the most disfiguring and disabling diseases prevalent in the world today. In India too, the company has been committed to social and health related activities since 1977. The company has initiated various development programmes by building effective partnerships with local NGOs, governments and communities. These initiatives are implemented through coordinated projects on urban community development, rural development, disaster relief, workplace initiatives and medical fraternity initiatives.

The company is also involved in development activities centered on its factories at Nabha (Punjab) Rajamundry (Andhra Pradesh) and Sonepat (Haryana). The company conducts health camps, gives cattle insurance cover to the villagers, makes arrangements for free supply of potable water and is engaged in rainwater harvesting activities. The company has conducted an intensive needs analysis with BCF for the villages around Sonepat where people lack basic amenities with the intention of launching an intensive development programme in this area. The company is also involved in HIV/AIDS prevention activities and has launched a programme called 'Positive Action' which includes advocacy, training and awareness generation, care and support for people living with HIV/AIDS.

• PriceWaterHouse Coopers

The company is involved in development activities and the main focus is on education. PwC has instituted a system of payroll giving whereby all staff and partners contribute to the welfare of Carterpuri and Choma villages in Haryana. The funds thus collected are used for undertaking activities to improve infrastructure and facilities at the government schools located in these villages. These schools are also used as a base for other interventions like providing medical care, night school and for providing technical training. The company encourages volunteerism among its staff by ensuring that they get time off to pursue development at activities.

• Sun Microsystems

New economy icon, Sun Microsystems says it is supporting a vocational training center (Polytechnic) at the Spastics Society of Karnataka (SSK) campus in Indra Nagar, Bangalore. The center which was recently inaugurated by President A P J Abdul Kalam has been instituted to provide children with special needs,

opportunities for social integration, mainstreaming and economic enhancement. The center, which provides skill-training programmes in secretarial course, tailoring, catering, baking, carpentry and computers, has participation from 55 students, of which 40 are those with special needs. The inclusiveness on the part of the institute allowed mingling between the normal and special children.

• Hindustan Petroleum Corporation

Recently HPCL has been awarded the "Most Respected Company Award" in the petroleum sector by leading business magazine Business World. This award is a re-affirmation of the organization's belief in transparency, quality of products and services, innovativeness, environmental responsibility and above all ethics. HPCL, one of the largest oil companies in the country, dedicated a series of community initiatives in the Tiruvudaimaradur, a district in Tamilnadu. The company donated two ambulances-one of ambulances was given to the Red Cross Society and another to the Gramiya Social Welfare Society of Kuthalam. The Government Higher Secondary School at Tirunangur was built at the cost of Rs.12 lakhs and can accommodate over 300 students. HPCL's endeavor is to improve health and quality of life of the rural population through various initiatives and the corporation has identified thrust areas like Primary Education, Health, Sanitation, Drinking Water Facility, Income Generating Scheme, Vocational Training, Development of Women and Children, Rehabilitation of Persons with Disabilities and Protection of Environment.

• Bharat Petroleum Corporation

Corporate Social Responsibility at BPCL promotes a vision of business accountability to a wide range of stakeholders, the key areas of concern being environment protection and the well being of employees. BPCL initiated a Community Development programme in 1986 in four villages of Maharashtra Mogre, Tembre, Mahul & Bhaktachiwadi with an aim to break the vicious circle of underdevelopment and poverty through community building, income generating activities and improving the general living conditions of people. The success of these projects resulted in replication of the implementation strategy in another 29 villages. Under the Component Plan, BPCL has been adopting villages and initiating a series of activities towards sustainable development:

1. Infrastructure development like provision of tube wells/bore wells/dug wells for drinking water and irrigation.

2. Construction of a multi purpose Community Centre to accommodate school (non-formal education) Bawadi /Health center/Community center.
3. Construction of sanitation block to promote hygiene
4. Education support-provision of uniforms, notebooks, stationery, teaching material educational aids and sweaters.
5. Health Care Regular health check-up of villagers by doctors; provision of free medicines for minor ailment; guidance on family welfare and general health care; free medical dispensaries; cataract surgery and intra ocular lens treatment.
6. Adult education, modern farming practices, veterinary camps, cattle camps, distribution of smokeless chulhas/solar cookers/sewing machines etc.
7. Provision of alternate sources of energy like photo-voltaic solar energy based streetlights and lighting for village and Community Centre.
8. Provision of Biogas plant to avoid felling of forest wood.
9. Educational Scholarships of Rs.200/- to children from the economically backward classes for pursuing their studies, till they complete their education.
10. Aptitude testing and vocational guidance are conducted for higher secondary children through experienced psychologists.
11. Vocational training on pisci-culture, beekeeping, goat-rearing, poultry, bamboo artifacts, tailoring and sari weaving to women, and they display their work at exhibitions.
12. Creation of awareness on social issues and education, folklore is through colloquial songs, which grasp the attention of villagers.
13. "New insights in Fishing" given, on new mechanisms in fishing and also to make and market products out of fish and other marine catches like crabs etc.
14. To give recognition to the excellent performance of the school as well as the student, who are in the merit list in standard.

ROBLEMS ASSOCIATED WITH IMPLEMENTATION PROCESS



The hurdles to corporate social responsibility are found inside and outside the organizations. The internal hurdles are: poor profit performance, adhoc approach of top management, busy work schedule of managers, lack of consensus on priorities in social area of effort, difficulty in

assessment and evaluation of programmes, and lack of motivation and encouragement to implementing executives. The outside hurdles are those created by corruption in administrative machinery, in appropriate policies of government, apathetic attitude of political groups having vested interests and poor responsiveness of unions, other concerned organizations and public.

CSR Survey-2002, conducted by UNDP, British Council, CII & Price WaterHouse Coopers to ascertain the predominant perceptions on CSR in India and role that companies define for them in today's society. The most important factor hinder adoption on a wider scale in companies identified by respondent companies is lack of comprehension and capacity to implement CSR. Two of other important factors hindering adoption and diffusion of CSR across Indian companies are potential political interference in implementation of CSR related activities and lack of tools and mechanisms to measure, evaluate and report CSR practice and performance.

CONCLUSION

India has a great tradition of family philanthropy, but corporate philanthropy is completely different. Corporate can use their unique position to tie philanthropy

to strategic business opportunities. With the retreat of the state in business activity and the increasing trends towards privatization and liberalization, the role of NGOs and civil society becomes crucial in bringing about a change in corporate practices. NGOs and the business sector need to find creative ways to work together and enhance corporate practices. However, in India, corporate social responsibility is not something that has happened just now. The level of awareness of the corporate and civil-society groups is much higher, with extensive debate and discussion on how corporate social responsibility could become part of mainstream business practice. Managers in Indian industry are very much favourable to CSR. The various factors responsible for their acceptance are the value change in society, prominent status and role of industry in shaping the society into a democratic and socialistic society, the public criticism about the less satisfactory performance of industry in respect of political affairs, consumer interests, human relations, and environmental pollution; and the rising expectation of public influenced by success of industry in the economic front and meaningful social performance by some leading organizations. India's much-maligned public sector has been on the forefront of what experts today describe as corporate social responsibility. The growth of corporate environmental initiatives stems from a wide range of internal and external forces confronting companies.

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