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### RESEARCH ARTICLE

#### LINKING CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES TO SUSTAINABLE DEVELOPMENT GOALS (SDGs) IN INDIA

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#### Abstract

India is a vast country with huge size of population and half of the population is living under poverty & inequality. India's big share of population is struggling for basic amenities and there is a need of collaborative efforts of both government and corporate sector. In India Sustainable Development Goals (here after SDG's) and Corporate social Responsibility (hereafter CSR) are the most powerful tools to deal with social issues. CSR seems like a powerful framework for corporate sector to engage in achieving SDGs to a certain extent. In 2015 India adopted the 17 sustainable development goals with 169 targets and in 2014 CSR policy came with social initiatives. The idea behind linking CSR & SDG's is the thematic social sectors included in both of them. The activities which are included in schedule VII of companies act having lot of overlap with the thematic areas of sustainable development goals and that's why there has seen tremendous potential of both tools to develop a model for sustainable growth. Till date from 2014 to 2020 corporate sector contributed Rs. 59,505 cr. in CSR activities which are directly related to SDGs. So, this paper focus on the concept of leveraging CSR practices because working on CSR practices will ultimately help in achieving SDGs to higher extent.

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#### Introduction:-

Sustainability is a word which has evoked the concern of government and social responsibility is a word which evoked the concern of corporate world. Both has expanded their perspective and scope for eradicating social issues. The sustainability reports of India show the concern about addressing social issues and if we look over CSR, there has seen collective responsibility of both. Since few years several companies have started mapping their CSR resources towards sustainability. This clearly shows the willingness and potential of corporates to attain sustainable development goals. Corporate Social Responsibility is said to be a derivative of sustainable development which address the behaviour of corporate sector toward community. The impact of sustainable development depends upon the idea of using resources towards the continued progress. One of the most important things for sustainable development is to put people first. The concept of CSR somewhere contributes a lot towards sustainable development and the activities mentioned in CSR are as similar as sustainable development goals. Additionally, CSR also focus on three major dimensions which are social, economic and environmental development. The pillars of sustainable development are the focusing areas for CSR.

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### Objectives of the study:-

1. To study the mapping of CSR activities to SDGs.
2. To understand the role of CSR in achieving sustainable development goals.
3. To highlight the CSR contribution towards Sustainable Development Goal 4: Education.
4. To identify the challenges to CSR & SDG's.

### Research Methodology:-

This paper is analytical in nature and it is based on secondary data. This study basically looks over the concept of sustainable development goals and Corporate Social Responsibility. How SDGs and CSR are interconnected, why they should be linked, what is the relationship between these two. The purpose for the study is to get a synthesized approach of both Sustainable development Goals and CSR. The relevant data for this paper is collected from the website of NITI Aayog, National CSR portal and from other reliable sources. The data under this paper is processed as per the requirements of the study.

### Evolution of CSR and SDGs

#### Corporate Social Responsibility

India has been popular to world's as richest "Nation of Givers". The framework of CSR was established in 1950s - 60s by Bowen but the concept of CSR is not new to India, philanthropy and charity has been prevailing in India since ages. CSR policy was introduced in Companies Act, 2013 and is implemented from 1 April, 2014 for the organisations having Net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more, or Net profit of Rs. 5 Crore or more. If the company fall under any of above-mentioned conditions are required to create a CSR committee and has to contribute 2% of their average net profit made during 3 immediately preceding 3 years on activities listed under schedule VII of Companies Act. The historical legislation of CSR gone through many phases. The phases of CSR are as under.

#### Sustainable Development Goals

The sustainable development goals were introduced at UN conference on sustainable development in the year of 2012. The main objective of these goals was to make a set of universal goals to meet the needs of environment and to deal with the challenges facing by the world. Basically, the SDGs were the replacement of Millennium development goals. These were started in 2000 to address the problem of poverty. Around 15 years MDGs worked in the domain of reducing poverty, hunger, and health conditions. MDGs made drastic achievement in dealing with HIV, AIDS and other diseases like malaria and tuberculosis then these MDGs are replaced and new Sustainable Development Goals introduced. The urgent call of sustainable development goals shifted the world on integrated sustainable path. SDGs are the collection of 17 global goals designed to gain better sustainable future plans.

In India these goals were adopted in September 2015 as "Transforming Our World": 2020 agenda of sustainable development. India has been committed to 17 SDGs with 169 targets. NITI Aayog is assigned to look over the implementation, progress, achievement of SDGs in the country.

#### Mapping SDGs to India's CSR

SDGs	Spending Areas specified by CSR
Goal: 1 No Poverty Goal: 2 Zero Hunger Goal: 3 Good health Goal: 6 Clean water and sanitation	Eradicating hunger, poverty, Malnutrition, preventive health care and making clean water available for drinking.
Goal: 4 Quality education Goal: 8 Economic Growth & decent work Goal: 10 Reduce inequality	Promoting education and employment, enhancing vocational skills among children and women and enhanced livelihood projects.
Goal: 5 Gender equality Goal: 10 Reduce inequality	Promoting gender equality, empowering children and women, making hostels and old age homes for senior citizens.
Goal: 7 Affordable and clean energy Goal: 11 Sustainable cities and communities	Ensuring environmental sustainability, ecological balance, protection of flora & fauna, welfare of animals, conservation of resources and maintaining the quality of soil, air, and water.

Goal:11 Sustainable cities & communities	Protection of national heritage,art, culture including sites of historical importance and works of art, setting up public libraries and promoting and developing art and traditional culture.
Goal: 10 Reduced Inequality	Measure the benefits of armed forces veterans, war widows and their families. Training for rural sports, regional Paralympics sports.
Goal: 9 Industry, innovation and infrastructure	Contribution to PMNRF or any government fund for social good. Contribution provided by technology incubators located with academic institution approved by central government.
Goal: 1 No Poverty Goal: 2 Zero Hunger Goal: 10 Reduce in equality Goal: 11 Sustainable cities and communities	Rural Development Projects.

**Table 1:-** Yearly CSR Expenditure in India.

Year	Amount (In Cr.)
2014-15	6552
2015-16	8489
2016-17	9064
2017-18	10128
2018-19	11867
2019-20	13405
<b>Total</b>	<b>59,505</b>

From 2014 to 2020 companies contributed Rs. 59,505 cr. for CSR. The data of Union Ministry of Corporate Affairs shows that CSR expenditure has increased tremendously. In past five to six years CSR spending increased from Rs. 6552 cr. in 2014 to Rs. 13405 Cr. in 2020. During these years, number of companies from public and private sector contributed major chunk for CSR. These corporates diverted a major chunk of CSR towards human development which is the ultimate aim of SDGs. In India, top companies which are doing good CSR are, Reliance Industries Limited, Tata consultancy services Limited, Oil and Natural gas corporation limited, HDFC bank limited, Indian oil corporation limited, Infosys Limited, Bharat Petroleum corporation limited and ITC limited.

**Table 2:-** Major allocation of funds for SDGs ( in Cr.).

	2018-19	2019-20	2020-21
SDG 1 : No poverty	87,465	103,541	93,053
SDG 2 : Zero Hunger	245,543	317,342	350,413
SDG 3 : Healthy life and promotion of wellbeing	69,401	81,047	88,045
SDG 4 : Quality Education	69,560	97,489	103,814
SDG 5 : Achieve gender equality & empower all women	1188	1011	2018
SDG 6 : Ensure access to water & Sanitation	24,070	22,271	26,765
SDG 7:Ensure access to affordable,reliable,sustainable and modern energy	47,397	57,592	62,678
SDG 8 :Promote inclusive & sustainable economic growth and employment	13,755	15,922	20,657
SDG 9 : Build resilient infrastructure and promotion of Industrialization	309,488	355,584	387,340
SDG : 10 Reduce inequality	14,441	14,244	15,445
SDG 11 : Make sustainable cities	65,541	66,701	73,776
SDG 12 : Responsible consumption and production	6226	6680	5697
SDG 13 : Climate Change	288	165	245
SDG 14 : Conserve and sustainably use the oceans and marine resources	1049	998	1241
SDG 15 : Sustainable managed forests and halt with biodiversity loss	1278	1035	1238
SDG 16 : Peace , Justice and strong institutions	12,356	12,633	11,454
SDG 17 : Revitalize the global partnership for sustainable development	12,963	16,031	15,068

The above table tried to map expenditure of SDGs on centrally sector schemes. As per the budget of 2020-21, there are 36 centrally sponsored schemes/projects for SDGs, which involved Rs. 3,39,895 Cr. This fund has been mapped with various SDGs. For No Poverty in past three years 284,059 Cr. allocated. For Zero Hunger, food security for poor section of the society distributed by spending Rs. 1,65,319.68 Cr. for health sector initiatives Rs. 238,493 Cr. allocated. For better quality of education (SDGs 4), National Education Mission started with allocation of Rs. 39,160.50 Cr. Gender equality mapped with various programmes wherein 100% women specific projects implemented of Rs. 28,568.32 Cr. For clean water & sanitation, Swachh Bharat Abhiyan gets Rs. 12,294.10 Cr. For reducing inequality an allocation of Rs. 83,256.62 Cr. for SCs welfare and Rs. 53,652.86 Cr. for STs welfare. Under SDG:13, climate change Rs. 40 Cr. have been allocated. Financial assistance of Rs. 532 Cr. under 'Integrated Development of wildlife habitats. For SDG:17, there is an allocation of Rs. 706 Cr. for revitalize the global partnership for Sustainable development. The achievement of SDGs depends on the sincere implementation of budgets allocated to each goal.

**Table 3:-** Percentage analysis of CSR Contribution in SDGs.

Themes/sectors	2018-19			2019-20		
	CSR	SDGs	In %	CSR	SDGs	In %
Eradicating hunger, poverty, Malnutrition, preventive health care and making clean water available for drinking. (Goal: 1,2,3,6 No Poverty, Zero Hunger, Good health, Clean water and sanitation)	4984.80	426,479	1.16	6239.63	524,201	1.19
Promoting education and employment, enhancing vocational skills among children and women and enhanced livelihood projects. (Goal: 4,8,10 Quality education, Economic Growth, Reduce inequality)	7539.56	97756	7.71	8796.08	127,655	6.89
Promoting gender equality, empowering children and women, making hostels and old age homes for senior citizens. (Goal: 5,10 Gender equality, Reduce inequality)	520.16	15629	3.32	613.14	15255	4.01
Ensuring environmental sustainability, ecological balance, protection of flora & fauna, welfare of animals, conservation of resources (Goal: 7,11 Affordable and clean energy, Sustainable cities and communities)	1670.02	112,938	1.47	1645.44	124,293	1.32
Protection of national heritage, art, culture including sites of historical importance and works of art, setting up public libraries and promoting and developing art and traditional culture. Rural Development Projects (Goal: 11 Sustainable cities & communities)	2502.5	65541	3.81	2684.18	66701	3.9
Measure the benefits of armed forces veterans, war widows and their families. Training for rural sports, regional Paralympics sports. (Goal: 10 Reduced Inequality)	415.16	14441	2.87	356.77	14244	2.50
Contribution to PMNRF or any government fund for social good. Contribution provided by technology incubators located with academic institution approved by central government. (Goal: 9 Industry, innovation and infrastructure)	1101.01	309,488	0.35	1584.55	355,584	0.44

The above table shows the percentage of CSR to SDGs. In this analysis two year data was used and percentage analysis done to calculate how much percentage corporate sector involved in achieving SDGs. As shown in above table education sector invest maximum amount in education sector. which is 7.71% in 2018-19 & 6.89% in 2019-20. For hunger, poverty and malnutrition 1.16% expenditure of SDGs through their CSR in 2018-19 and in 2019-20 it was 1.19%. Coming to gender equality and reducing inequalities then in 2018-19 and in 2019-20 the percentage was 3.32% and 4.01% respectively. For environmental initiatives contribution of CSR was 1670.02 and 1645.44 Cr and it was 1.47% and 1.32% of SDGs expenditure. For national heritage and rural development sector, corporates did

3.81% and 3.9% of SDGs spending. For goal 10 , reducing inequalities , corporate sector's CSR expenditure was 2.87% and 2.50% in both years. Therefore, from the above table somewhere it is clear that even in small porting but CSR is playing important role in achieving SDGs.

#### Contribution of CSR towards Sustainable Development Goal4: Education

The mandate CSR in companies act 2013 has opened the doors for corporate to create positive impact on society and to make good relation with the stakeholders. The total CSR spending of last five years is more than 52,533 Crore out of which education sector attracted more than Rs. 15,742 Cr. In CSR education sector is one of the most beneficiary things which will result in improved funding for the educational institutions. Apart from the various developmental sectors of India, there is still a darkest phase prevailing in India where more than 8 Crore children's are being forced to work instead of going to school/college or even after being educated 11.4% students are unemployed. The dropout rate or the reason behind such conditions is lack of quality education and skill development education in India. In last five years education sector received huge amount of funding from government as education budget and from corporates through CSR. The role of government and organisations in education ecosystem is too crucial and complex but looking towards the funding and initiative trend, the collaborative or joint hands of public policy and CSR policy is ray of hope for fulfilling the aim of Sustainable development goal 4 that is education.

**Table 4:-** CSR expenditure in Education Sector.

Year	CSR Spending's(In Cr.)	Number of Companies
2014-15	3188	3186
2015-16	4921	6035
2016-17	5559	7107
2017-18	5962	6968
2018-19	7536	7400
2019-20	8520	7704
Total	<b>35,686</b>	



In the financial year of 2014-15 when the policy came into force, the total contribution of CSR funds in education sector was Rs. 3188 Cr. and around 3,186 companies directed their funds towards this sector. As years passed, the expenditure in education has increased tremendously. As compared to previous years next year contributions were higher. In 2015-16 total 6035 companies invested Rs. 4921 Cr. in educational projects. In 2016-17 Rs. 5559 Cr. projected towards education by 7107 companies. In 2017-18 there was 6968 companies which spent Rs. 5962 Cr. In FY 2018-19 Rs. 7536 Cr. contributed by 7400 number of companies for educational projects and in 2019-20 recommendable amount spent when was Rs. 8520 Cr. education sector is the most favourable sector for corporates to disbursed their CSR funds. In 2019-20 there was 47% increase in CSR as compared to FY2014-15.

#### Challenges to CSR and SDG's

In a vast populated nation like India, there are numerous challenges to implement CSR for addressing Sustainable Development Goals. Few major challenges are enumerated as under:

1. **Awareness:** The Indian society really lack knowledge about Corporate social Responsibility and Corporate sector lacks awareness about key issues of sustainable development. The engagement and participation of

Society is neglected for their own welfare activities. Corporates are performing various welfare practices but they do not establish a proper communication structure with the society which lack the impact of CSR on SDGs.

2. **Transparency:** Transparency is a controversial issue in CSR. There exist a kind of hesitation on various parts of corporates to speak up about their disclosure, which leads to hamper the trust building that is actually the success key of social initiatives.
3. **Measurement of Progress:** Corporate sector is involved in numerous good CSR practices, but there is no structured parameter or index which measure their performance in uniform way at national or global level. They work in the direction of supporting SDGs but there is no uniform measurement of that work.
4. **Implementation:** There is need for uniform deployment of CSR practices. There has seen lack of cohesiveness among the implementing partners. Other than this there is no such strong monitoring body which keeps eye on the performance of corporates social responsibility. So, it is big challenge in the alignment of CSR to SDGs.

In India, the outline priority for SDGs has already featured in schedule VII of Companies Act, 2013 (in CSR policy). It would be better if government and corporate sector align their efforts together for visible impact on society. If the challenges of both CSR and SDGs implementation will handled properly it automatically leads to address the problems of sustainable development.

### Conclusion:-

In the face of several global challenges of societal expectation and movements, corporate sector has to redefine their role in the society. Corporate world is indispensable component of society and it is the need of an hour that companies must link their social responsibility practices with sustainable development goals. As per the facts and figures, in past five to six years CSR spending increased from Rs. 6552 cr. in 2014 to Rs. 13405 Cr. in 2020. The amount which is invested in CSR activities is related to hunger, poverty, malnutrition, education, women empowerment, climate change, clean drinking water and so on, and all these activities are directly related to SDGs. So, this collaboration of CSR and SDGs is viewing as social innovation. CSR will certainly provide a visible impact in sustainability and it will become a landscape in attaining the SDGs. It is very much clear that there are numerous ways of aligning corporate social responsibility to national SDGs. There are already several good practices of corporates which shows how companies are contributing in the domain of hunger, poverty, education, women empowerment, climate change economic growth, reducing inequality and environmental balance to reach at SDGs to certain extent. So, in order to capture the impact of CSR towards SDGs there is need for corporate performance measurement and evaluation system.

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