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STUDY

Corporate Social Responsibility 2008-09

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Introduction

In a broader sense Corporate Social Responsibility (CSR) can be defined as responsibilities that corporations/organizations have towards the society where they operate and is a part of it.

The *World Business Council for Sustainable Development* explains CSR as continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

Methodology

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) being an apex industry chamber have been working and supporting corporate sector for their initiatives towards Corporate Social Responsibility (CSR).

The Assocham Research Bureau (ARB), the economic research wing of the chamber has studied the theme activities undertaken by top 300 Indian companies (based on the net sales of 2008-09).

The study highlights and focuses on the aggregate inclination of corporate sector towards theme areas in their CSR objectives.

Companies are grouped under specific sector based on their economic activities.

Highlights

Assocham Research Bureau (ARB) has tracked 300 Indian companies that are active in CSR initiatives. These companies are classified under 18 broad sectors according to their economic activities.

In total ARB identified there are 26 various theme areas undertaken by corporate sector in 2008-09, across 20 states/UTs.

In regard to the number of CSR initiatives undertaken by corporate sector, there are 110 companies each with 1 and 2 initiatives respectively out of the total 300 firms. It is followed by 50 companies that carry out 3 various initiatives and 23 organizations performing 4 different initiatives. Merely 3 and 4 Indian business houses are engaged in CSR initiatives with activities numbering 6 and 5 respectively during 2008-09.

Number of Companies	Number of CSR initiatives (themes) undertaken by the corporate sector (2008-09)
3	6
4	5
23	4
50	3
110	2
110	1

Source: Assocham Research Bureau

India Inc. and CSR areas (2008-09)

The 300 corporate houses on an aggregate have identified 26 various theme areas for their CSR initiatives.

Out of the total 26 activities, **community welfare** perceived to be the top priority area on the corporate sector's list with a share of 21.93 per cent. It involve activities that focus more towards the under-privileged community that lives around the vicinity of company plants, facilitating education and health care and supporting projects that lead to employment generation.

The second most sort CSR initiative followed by Indian industrialist is towards providing **education** and enlightening the youth of the country. CSR initiative for education carved out a share of 19.64 per cent. The corporate sector helps in imparting education to the deprived kids in the urban areas along with the children from rural areas that do not have any access to medium of information. They provide funds that help in setting up local schools, colleges and centers for learning and education.

Since, global warming is the buzz word now-a-days, Indian corporate sector as responsible members of the society have initiated their efforts to preserve and save it. Thus, **environment** is the third most prioritized area undertaken in CSR activities, with a share of 17.02 per cent. CSR projects in this area deliver solutions that are both environmental and business friendly, providing financial benefits as well as improving the firm's image as an environmentally-aware company.

The fourth most popular area, that corporate sector get involves in is the **health** care. They offer mobile medical services with medical help along with organizing

regular medical camps to eradicate diseases, creating awareness on preventive health care among others. Among the 26 various CSR initiatives, health carved out a share of 15.22 per cent.

The Indian conglomerates are equally extending their support in the **development of the rural areas**. They are providing both financial and infrastructural assistance towards agriculture, animal husbandry, cottage industries by developing local skills, using local raw materials and helping create marketing outlets. Thus, it is the fifth most prioritized area under CSR initiatives contributing a share of 6.06 per cent.

CSR areas	Total companies CSR initiatives Share (in %)
Community Welfare	21.93
Education	19.64
Environment	17.02
Health Care	15.22
Rural development	6.06
Women Empowerment	3.44
Donations	2.95
Disaster relief	2.29
Girl Child	1.64
Children Welfare	1.47
Poverty eradication	1.47
Water management	1.15
Blood Donation	0.98
Livelihood	0.98
Sports	0.98
Physically challenged	0.82
Training	0.49
Educating Farmers	0.16
Emergency Services	0.16
Energy Conservation	0.16
HIV/AIDS	0.16
Relief Work	0.16
Road Safety	0.16
Self Help Group	0.16
Senior Citizens	0.16
Supports NGOs helping special children	0.16

Source: Compiled by Assocham Research Bureau

Sectors into CSR activities

The 300 companies have been grouped under 18 broad sectors based on their economic activity. Out of which, the maximum initiatives have been undertaken by almost 74 companies engaged in chemical sector, contributing a share of 12.11 per cent. Out of these 74 companies, 28.38 per cent CSR theme focuses on environment, followed by 17.57 per cent are involved in education, 6.22 per cent follow community welfare and 12.16 per cent initiate healthcare, among others.

The 62 companies in FMCG and consumer durable are placed at second position with a CSR initiative's contribution to be 10.15 per cent. Out of which, 28.51 per cent introduced community welfare in their CSR programme, whereas, 20.79 per cent had initiative related to environment and 14.52 per cent follow programmes for education.

Sectors active in CSR areas

Rank	Sectors active in CSR areas	Share (in %)
1	Chemicals	12.11
2	FMCG and Consumer Durables	10.15
3	Textiles	8.67
4	Software and ITES	8.18
5	Construction	8.02
6	Cement	7.86
7	Power	7.86
8	Engineering	7.36
9	Fertilizers	5.89
10	Oil and Gas	5.56
11	Metal	4.42
12	Automobiles	4.09
13	Logistics	3.60
14	Telecommunications	2.29
15	Entertainment and Media	1.15
16	Computer Hardware	1.15
17	Jewellery	0.82
18	Retailing	0.82

Source: Compiled by Assocham Research Bureau

The textile sector with 53 companies occupied third place with effective CSR initiatives, contributing a share of 8.57 per cent. The major CSR areas of these firms were environment (24.53 per cent), education (22.64 per cent) and health care (18.87 per cent) among others.

Area wise concentration of CSR activities

The corporate India has focused their CSR activities across 20 states/UTs, out of which, Maharashtra received maximum attention from Indian industrialists for initiating their CSR activities with a share of 35.68 per cent. It is followed by Gujarat (11.62 per cent), Delhi (9.66 per cent), Tamil Nadu (9.17 per cent) and Andhra Pradesh (7.04 per cent) among others.

Rank	CSR areas	Share %
1	Maharashtra	35.68
2	Gujarat	11.62
3	Delhi	9.66
4	Tamil Nadu	9.17
5	Andhra Pradesh	7.04
6	West Bengal	6.71
7	Karnataka	6.55
8	Rajasthan	3.27
9	Punjab	2.13
10	Uttar Pradesh	1.96
11	Orissa	1.31
12	Dadra & Nagar Haveli	0.98
13	Haryana	0.65
14	Kerala	0.65
15	Madhya Pradesh	0.65
16	Goa	0.49
17	Jharkhand	0.49
18	Assam	0.33
19	Chandigarh	0.33
20	Uttarakhand	0.33

Source: Compiled by Assocham Research Bureau

Conclusion