RESOLVING 'GRAND CHALLENGES': INDIA'S MANDATORY CSR IN PRACTICE

Subhasis Ray and Eshani Beddewela

ABSTRACT

In recent times the government has emerged as an enabling and empowering facilitator promoting the adoption of corporate social responsibility (CSR) by businesses to leverage economic competitiveness and growth. India provides a unique context to explore the mandated role of government in relation to CSR specifically within the context of understanding its effective use to resolve grand challenges which the country is facing at present. Grand challenges are complex social, economic and environmental problems which require innovative and collaborative solutions. In this chapter we explore extant secondary data, related to CSR and Sustainable Development Goals (SDGs) to examine whether mandatory CSR implementation which has been unfolding in India over the last few years has been effective in addressing India's grand challenges. Specifically, it focuses on the role of the Indian government, at the national and state levels, in directing CSR activities towards the SDGs.

Keywords: Sustainable development goals; governments; CSR; governmentality; grand challenges; India

INTRODUCTION

Grand challenges have been defined as 'large unresolved problems, which affect large populations, thus extending their impacts beyond the boundaries of a single community' (Ferraro, Etzion, & Gehman, 2015, p. 365). Amongst the most prominent grand challenges are: climate change, water scarcity, poverty alleviation and the safeguarding of human rights. The business contributions towards

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resolving these ‘grand challenges’ was reiterated by Ban Ki-Moon, in his foreword to the 2015 Millennium Development Goals Report, emphasizing the need to ‘deliver on our *shared* responsibility to put an end to poverty’ (UN, 2015).

Businesses can play a crucial role in resolving grand challenges, primarily by engaging in value creation through their traditional business activities (Frynas, 2008). They could likewise go beyond their traditional role of economic value creation in finding sustainable solutions for grand challenges, such as alleviating poverty (Frynas, 2008). This latter role of business in development as a non-market player, where it engages pro-actively in addressing and potentially re-dressing grand challenges (for example, conducting projects aimed at providing water, health and education or basic infrastructure), can also be argued to be a crucial element of their corporate social responsibilities (CSR). Although the adoption of CSR by business has been steadily progressive, there are fewer insights into the developmental impacts of CSR (Newell & Frynas, 2007).

In recent times, governments too have emerged as an enabling and empowering actor, promoting the adoption and implementation of CSR at the domestic (Snider, Halpern, Rendon, & Kidalov, 2013) and global governance levels (Giessen, Burns, Sahide, & Wibowo, 2016). Governments participate in voluntary CSR programs, providing technical expertise, administrative and financial support to such programs (Gulbrandsen, 2014). This stream of literature informs us that through their participation governments shape the emergence, diffusion and implementation of corporate CSR practices. Findings also highlight the importance of state and non-state actors’ contributions to how corporations’ CSR activities are articulated. Although influences exerted by governments remain as yet one of the most significant (Schrempf-Stirling, Palazzo, & Phillips, 2016), empirical scholarly work on governments’ role in CSR remains relatively underexplored (Dentchev, van Balen, & Haezendonck, 2015), specifically in relation to developing countries.

This chapter aims to understand the role of the government in resolving ‘grand challenges’ at a country-level through the use of policies promoting greater corporate involvement in socio-economic development. It poses the research question ‘Can government policy interventions in CSR enable the resolution of grand challenges in a developing country?’ examining it from the context of India.

The chapter contributes to the literature in a two-fold manner: first, we contribute to the ongoing literature on government involvement in CSR (Knudsen & Brown, 2015; Midttun, 2005) providing empirical insights on the extent of governmental influence in corporations’ CSR adoption and implementation of CSR from a developing country standpoint. Second, building upon existing CSR governmentality literature (e.g. Vallentin & Murillo, 2012; Vallentin, 2015), we highlight the workings of governmental policies in a selected institutional field considered by some to be an important precursor towards clarifying organizational level strategy in general (Peng, 2002) and corporate political activities (Frynas & Stephens, 2014) in particular.

REVIEW OF LITERATURE

Corporate Social Responsibility and Corporate Community Involvement

Carroll (1979, p. 500) considers CSR to encompass 'the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organisations at a given point in time'. CSR in developing countries is primarily about firm-level engagement in Corporate Community Involvement (CCI). Corporate Community Involvement (CCI) can be described as corporations' involvement in societal concerns with the aim to improve the socio-economic issues faced by societies in which they are operating (Muthuri, Moon, & Idemudia, 2012). Although there is no single definition of the community development, the United Nations (UN) defines it as 'a process where community/society member come together to take collective actions and generate solutions to common problem' (Cited in McEwan, Mawdsley, Banks, & Scheyvens, 2017). It can also be described as firm activities directed towards supporting community development (Banks, Scheyvens, McLennan, & Bebbington, 2016).

In engaging in CCI, organizations use their resources (people, expertise, surplus products, premises, equipment and financial resources) to address problems in the communities in which they operate (Grayson, 1993). Literature has also identified various modes for the implementation of CCI, such as: corporate donations (Saiia, Carroll, & Buchholtz, 2003; Waddock, 2008), cause-related marketing (Demetriou, Papasolomou, & Vrontis, 2010; Baghi, Rubaltelli, & Tedeschi, 2009; Varadarajan & Menon, 1988), corporate partnerships (Seitanidi & Crane, 2009), and corporate social investments or capacity building (Nwankwo, Phillips, & Tracey, 2007; Warhurst, 2001). These different modes of CCI are not mutually exclusive and companies tend to use more than one mode to implement their CCR practices (Muthuri et al., 2012). However, CCI practices within companies have more recently been transformed from a voluntary activity to a key strategic management tool (Brammer & Millington, 2004). Research has confirmed that if managed effectively, CCI practices would assist organizations to retain and gain customers (Simmons & Becker-Olsen, 2006), foster a sense of commitment from employees (De Gilder, Schuyt, & Breedijk, 2005; Zappalà, 2004) and increase corporate reputation or image as a caring business (Arendt & Brettel, 2010; Brammer & Pavelin, 2005; Gardberg, 2017; Hillenbrand & Money, 2007) and develop political ties (Beddewela & Fairbrass, 2016; Wang & Qian, 2011).

Governmental Involvement in CSR

The question of whether corporations' CSR practices should be self-regulated through voluntary and discretionary CSR (Carroll, 1979; Wartick & Mahon, 1994) or whether it should be mandatory, i.e. regulated by governmental institutions (Bendell, Miller, & Wortmann, 2011; Deegan & Shelly, 2014) has been ever present in the wider CSR literature. There is a tendency however in the CSR literature to denigrate the influence of government on businesses' CSR practices or even exclude such influences due to the need for CSR to be deemed as voluntary (McWilliams & Siegel, 2001) and thus self-regulated. However, what is evident from literature so far has been that businesses' CSR practices are being influenced by multiple stakeholders (Park & Ghauri, 2015), most importantly by governments (Zhao, 2012). Governmental interest in CSR stems primarily from the fact that the socio-developmental values of CSR typically align with their overall public policy agenda of states, even as CSR helps to alleviate societal problems (Tencati, Perrini, & Pogutz, 2004).

The global governance literature ascribes that due to the externalities of globalization, the role and effectiveness of governments in governance is in decline. The rise of globalization however does not necessarily imply a decline in governments' ability to shape the conduct of corporations; rather, it reflects a shift in the governance logic by states from the conventional hierarchical governance model via regulations to a more subtle form of governance (Wood & Wright, 2015). As such, governments are still in the business of providing institutional contexts for corporations to function (Kobrin, 2009; Ramamurti, 2003; Schrempf-Stirling et al., 2016), informing their corporate activities and societal responsibilities, through legislations and public policies.

Customarily, government contributions to CSR manifests directly through regulatory institutions for CSR and indirectly through the mobilization of market mechanisms. With the latter, government contribution is perceived to be collaborative, facilitating corporations' CSR actions through soft instruments (Albareda, Lozano, & Ysa, 2007). More specifically, governmental public policies act as instruments for governmental influence within this voluntary CSR space. Fox, Ward and Howard (2002) present a framework which examines the 'role' of the public sector or the government in facilitating CSR.

As shown in Table 1, four principle public sector roles in supporting a CSR agenda within a specific country consist of: mandating, facilitating, partnering and endorsing. In their mandating role, governments not only define the minimum standards of behaviour in relation to all aspects of CSR, but in relation to CCI, would determine 'mandatory' corporate contributions towards CCI projects in the country, usually through legislative changes. In enabling their facilitator role, the primary objective of the government would be acting as a catalyst for social and environment improvements, thus stimulating corporate engagement in

Table 1. Public Sector Engagement in CSR.

	Public Sector Role			
	Mandating	Facilitating	Partnering	Endorsing
Philanthropy and community development	Mandating corporate contributions	Tax incentives; 'timebank' schemes league tables to promote peer pressure	Public–private partnerships	Publicizing leading corporate givers
Government actions	'Command and control' legislation	'Enabling' legislation and funding support	Combining resources	Political support

Source: Adapted from Fox et al. (2002).

CCI, but without imperative regulation. For example, a government can demonstrate its support for specific CSR policies by incorporating it into its public procurement or public sector management practices (e.g. Snider et al., 2013; Steurer, Martinuzzi, & Margula, 2012). As a partner, the government simultaneously could act as either convenors, participants or facilitators of specific partnerships. The government's endorsement role involves it leading by example and providing substantive political support for CSR (Knudsen & Brown, 2015). Using political rhetoric and informational campaigns, it would engage in raising CSR awareness and promoting constructive corporate ethical practices. We adopt the above classification of Fox et al.'s (2002), as it is clearly indicative of the manifestations of governmental influence within the CSR sphere, specifically focussing on the four roles as manifested through the secondary data in relation to the CCI in India.

Furthermore, while mandating, facilitation and partnering role of governments can be argued to be forms of hard power in that they induce corporations' CSR compliance through either threats and/or inducements, endorsement reflects governmental soft power – the ability to co-opt corporations to adopt specific CSR actions without legislative inducement or financial support. Soft power refers to 'the ability to exercise influence [power] on others through means of attraction rather than coercion' (Nye Jr, 2004, p. 10). It is a relational form of power in that the ability to influence stem from attraction, admiration and respect of particular actors (Gallarotti, 2011; Nye Jr, 2004). Soft power is based on the notion that actors are autonomous and yet interdependent of one another (Kearn, 2011). By aligning our analytical classification of public instruments in CSR in relation to power, we anticipate that the institutional environment will inform the type and effectiveness of CSR public instruments employed by governments. The use of public policies to stimulate businesses to engage in CSR has so far been investigated mainly in relation to context-specific studies limited to developed countries (See Albareda, Lozano, Tencati, Midttun, & Perrini, 2008; Albareda et al., 2006, 2007), or from a wider national governance perspective (See Gjolberg, 2009; Midttun, 2005).

However, existing research provides minimal insights in relation to the interactions which occur between businesses and governments in jurisdictions where institutional voids are prevalent. Thus, we focus on India, thereby focussing on a developing country which provides fresh insights into governmental involvement in CSR in a different political economy and a unique social configuration in which institutional frameworks that determine the rules of the game are 'fragmented', 'unorganised' and 'uncoordinated' (Gond, Kang, & Moon, 2011).

RESEARCH CONTEXT: INDIA

The Indian economy is poised to grow in the coming decades, relying on a resilient economy, investor-friendly government and a strong demographic dividend. However, India is one of the rare economies in world history which has managed to grow economically with limited benefit to its poorest (Dreze & Sen, 2014). It faces multiple challenges in terms of health, education and other basic amenities. The country has the world's largest number of rural people without access to water (WaterAid, 2018). Performance in other areas of human well-being like infant mortality, nutrition and hunger have put India in the 131st place in the 2016 UNDP human development report. Twenty-three percent of India's 1.2 billion strong population earns less than $1.25 daily and the country is ranked 130th among 188 countries in 2015 (UNDP, 2015). In education, the country sees more than 50% of school students dropping out and even those who manage to continue struggle with basic skills (Bansal & Bhattacharya, 2017).

CSR efforts in India can be traced back to the early parts of the twentieth century through the initiatives of private sector industrial groups like the Tata-s and several public sector companies (Shah & Ray, 2014). Governmental push for CSR at a national level can be traced back to 2009 with the introduction of a Voluntary Guideline for CSR. This finally culminated at the provision of mandatory CSR in the Companies Act 2013 being effective from April 2014. CSR in the new discourse of the government sees corporations as delivery agents of public goods (Besley & Ghatak, 2007). Mandatory CSR has brought in actions like increased budgetary allocation for CSR, partnerships with NGOs and several projects under CSR. While, on one hand, the Ministry of Corporate Affairs claims that 'CSR should not be interpreted as a source for financing the resource gaps in government schemes', the use of "corporate innovations and management skills in the delivery of 'public goods' is at the core of CSR implementation by companies" (CSRBOX, 2018).

As such, the Indian context with its endemic presence of grand challenges, and the complexities surrounding the different roles that the national and state-level governments play in engendering CSR, provides rich secondary data for our study.

ADDRESSING 'GRAND CHALLENGES' THROUGH CSR IN INDIA: NATIONAL LEVEL PERFORMANCE

In 2017, India ranked 116th among 157 countries reported by the Global SDG Index that was prepared to measure the performance of countries on their way to achieve the SDGs by 2030. India also had a mixed performance in terms of the Millennium Development Goals (MDGs) that were framed in 2000 by UN member states to improve several development parameters including health, education, poverty and sanitation. For example, India could not achieve the MDG targets with respect to primary school enrolment, gender inequality, child mortality and sanitation (UNDP, 2015). In 2017, India conducted a voluntary national review on the implementation of SDGs by the National Institution for Transforming India (NITI Aayog, 2017) which identified that the SDGs of focus for India are – SDG 1: End Poverty in All its Forms Everywhere; SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture; SDG3: Ensure healthy lives and promote well-being for all at all ages; SDG5: Achieve gender equality and empower all women and girls; SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; SDG 14: Conserve and sustainable use the oceans, seas and marine resources and SDG17: Revitalize the global partnership for sustainable development.

While the national government claims improvement over time across several of these goals, in absolute terms several challenges show up: more than 20% of the Indian population being below poverty line; 36.3% of households without access to sanitation facilities; 61.6% of children under five having stunted growth; 64.3% of children under five years being underweight; 38% of children between 12–23 months not getting immunization; 30.2% women being illiterate; 56.2% households not having access to clean fuel (NITI Ayog, 2017). Clearly these remain India's grand challenges as seen through the lens of the SDGs. However, the entire report does not make any mention of the move by government to make corporations contribute to government plans and programmes through their CSR. This raises an issue as to whether India's approach to SDGs remain disconnected from its national government's role in strengthening CSR.

The *SDG1* aims to *Ensure significant mobilization of resources from a variety of sources to implement programmes and policies to end poverty in all its dimensions* (UN, 2018). Poverty has been one of the grand challenges for India. Poverty has an all-encompassing effect on a country's performance in education, health, infrastructure, quality of life and environment. India has made significant progress as an emerging and growing economy. Yet it has not been able to eliminate poverty and ensure equitable growth for its population in spite of several national level projects to do so. India's official data on poverty dates back to 2011–2012 and is based on two reports: The Tendulkar Committee report and the Rangarajan Committee report. Estimates based on daily income of Rs. 32.4 for rural India and Rs. 46.9 for urban India show that close to 363 million people remained below poverty line in 2011–2012. It is around the same time, the Indian national government commenced their implementation of 'guidelines on CSR', initially adopting a facilitating role through the provision of voluntary guidelines.

The Indian government has launched several national level projects, for example, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) that guarantees 100 days of work (unskilled labour) to rural poor; National Social Assistance Programme providing old age pension for poor senior citizens and also providing assistance to disabled persons; National Rural Livelihoods Mission, providing livelihood to rural people. However, the results of these national projects have not been able to provide a permanent solution, due to poor implementation and lack of adequate resources. For example, the MGNREGA scheme could not provide jobs to many people and even those who get such work found the money just enough to subsist. The old-age pension programme provides Rs. 200 ($2.5) per month from the Central government and the State government's addition to that is often paltry (e.g. a total of $4 in Madhya Pradesh) making it difficult for senior citizens to live a decent life.

Education is directly connected to SDG4 but also has impact on many of the other SDGs including providing health and work for all. The Indian education systems have been historically in a 'state of mess' with the privileged taking recourse to private arrangements while the poor were left at the mercy of the system (Dreze & Sen, 2014). While overall figures for literacy and education have improved, across the country, some key challenges remain with the poor and vulnerable states of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh: shortage of schools, mainstreaming 'out-of-school' and dropout children, seasonal migration, weak monitoring and supervision (Planning Commission, 2010). Thus the improvement of performance in education may not have been uniform and equal across the country.

Since education is the foundation for livelihood and economic security, poverty alleviation is also likely to suffer among the poor and marginalized. Over the last 70 years, independent India has spent around 4% of its GDP on education. Expert committees have pointed out that it is necessary to spend at least 6% of GDP on education to achieve the goal of universal education for all (See Table 2). Thus under-investment in education has been one of the recurring debates in the context of Indian development. Overall increase in literacy figures or gross enrolment ratios may not help India achieve its goal to provide education for all its children or establish itself as a hub of technology and innovation. Factors like corruption and low quality may impede the implementation of programmes and delivery of content. Corruption and political nexus in recruitment of teachers at the primary level, appointment of Vice Chancellors of universities at the higher education level, closure of business schools and engineering colleges, brain drain to developed countries, reducing budget for scientific

Table 2. SDG4 and CSR in India (National Level).

India National Expenditure on Education/year	$11.49 Billion
Key government initiatives	(1) National Policy on Education (1986, 1992) (2) Mid-day Meal Scheme (1995) (3) Sarva Shiksha Abhiyan (2000) (4) National Youth Policy (2003) (5) Right to Education Act (2010) (6) National Policy on Early Childhood Care and Education (2013)
Progress in related MDGs	Could not achieve universal primary education
Key challenges in primary education	Inequity, high dropout rate, shortage of schools, mainstreaming 'out-of-school' and dropout children, seasonal migration, weak monitoring and supervision
CSR expenditure on education/year	$0.4 billion
CSR expense on education as a percentage of total CSR spend	32.3%
Number of companies involved in CSR	5096
No. of CSR education projects/year	3096
Key areas covered by companies	Digital Classroom, app-based learning, fellowships, scholarships, teacher-trainer capacity building. Setting up science labs

Source: Adapted from media reports, government websites.

research point at a deeper rot in the system that will require systemic changes. This is also reflected in the absence of Indian Universities in global rankings and its 99th position in education out of 149 countries (Legatum Institute, 2017) much below its peers among the BRICS countries.

Companies across India are expected to spend an average of $1.4 billion annually on their CSR projects combined (CSRBOX, 2018) over five years (2014–2019), while India's combined annual budget (national) for education stands at $11.49 billion. Spread over 5096 companies and at least as many CSR projects, it is unlikely that there will be significant ground-level impact in any of the areas related to education through the CSR initiatives of corporates. Early evidence on CSR implementation shows that most choices of projects and beneficiaries were ad-hoc (Ray, 2013) though recent research shows that there is some natural and expected alignment between CSR and SDGs with approximately 80% of the top 50 Indian companies spending on health, education, work and economic growth (Mulky, 2017) as part of their CSR. We posit that such alignment is post facto – i.e. more by chance than by choice.

ADDRESSING 'GRAND CHALLENGES' THROUGH CSR IN INDIA: STATE-LEVEL PERFORMANCE

We further examine state-level engagement in the SDGs, by focussing on the state of Odisha in India (see Table 3). Odisha is located on the east coast of India and ranked 22 out of 23 Indian states in 2007–2008 (UNDP, 2011). For several years, Odisha has been in the bottom quartile of development among Indian states though the local government has made significant progress in recent years. The state has also taken an active role in mobilizing and monitoring the CSR efforts of companies operating in Odisha through the formation of a state-level agency.

Table 3. SDG4 and CSR in India (State Level – Odisha).

Odisha's Expenditure on Education/Year	$0.138 Billion (INR 1027 Crore) for Fy 16–17
Progress in related MDGs	• Net enrolment ratio above national average • One of the bottom ten states in youth literacy rates • Literacy rate below national average (2011)
Key challenges in primary education	• Reaching marginalized tribal population • 187,000 children out of school
Expenditure on top 20 CSR education projects (2014–2018)	INR 628.76 crore ($ 0.085 billion)
No. of completed CSR education projects by companies (2014–2018)	1340
Key activities covered by companies (2014–2018) based on top three projects every year	Construction of medical college, building model schools

Source: Adapted from https://csr.odisha.gov.in/ accessed on and before 1 September 2018.

Government of Odisha has set up GO-CARE (Government of Odisha, 2018: http://csr.odisha.gov.in/) to co-ordinate the CSR activities in the state. The state has identified areas that require corporate intervention through CSR. However, we see a trend also evidenced at the national level, of districts having higher levels of industrial activity receiving a larger portion of the CSR fund while other districts being left out of such initiatives. Thirty-three per cent of districts received 90% of CSR funds in 2014–2015 across Odisha (Government of Odisha, 2018a). There is also no evidence of collaboration across government and various industry sectors to tackle a social or environmental issue that could possibly be a grand challenge for the region. Grand challenges often require such multi-stakeholder partnerships to solve complex issues.

In the area of education, Malkangiri district scored lowest and did not receive any CSR fund in 2014–2015 (Government of Odisha, 2018a). The top three projects in the district were construction of a medical college by a local mining company (at the behest of the local government) and construction of model schools by a steel and mining company. However, the state government's CSR discourse is completely silent on the SDGs or possible linkages between CSR and SDG. Further, there is no evidence that CSR projects are linked to state-level developmental issues. Rather they have been chosen independently by companies based on their competence areas (Government of Odisha, 2018a). Districts with tribal and marginalized people like Kandhamal, Nuapada and Deogarh received no CSR funding in health in 2014–2015 (See Table 4, which shows the districtwise mapping of CSR spend in 2014–2015).

DISCUSSION

Our aim was to explore the role of the government in resolving 'grand challenges' at a country-level through the use of policies promoting greater corporate involvement in socio-economic development. Our findings reveal that while pro-active actions are being undertaken at the national and state levels, in addressing grand challenges such as poverty alleviation and education, mobilizing private and public sector resources under CSR is ineffective at present, even with the national government's adoption of a *mandating role* for itself in this regard (Fox et al., 2002).

An example is the India Prime Minister requesting companies to consider using their CSR fund to open Ayurvedic[1] hospitals in each of India's 719 districts (Indian Express, 2017), which is neither convergent nor coherent with India's major health issues like increasing inequality in healthcare access. On the ground, the mandating role of the government in relation to CSR also requires that it has the capability to manage the 10,000+ companies' (operating across multiple geographies within the country) contributions to CSR, in an effective manner towards addressing the SDGs. Thus, mandating corporate CSR efforts to governmental projects unrelated to their core competence may create a compliance mode of CSR similar to corporate responses to many other governmental regulations. Such government oversight may in reality limit the potential for

Table 4. District Wise Education and Health Parameters and Corresponding CSR Expenditure in Odisha (State Level).

Serial No	District	Total CSR Projects[a]	Literacy[b]	CSR-related Education Project	Health Indicator[c]	CSR-related Health Project	Govt. Recommended
1	Angul	792	78.96	103	48	67	0
2	Balangir	9	*65.50*	3	*97*	2	0
3	Balasore	104	80.66	31	45	22	0
4	Bargarh	49	75.16	18	*60*	7	0
5	Bhadrak	30	83.25	9	48	13	0
6	Boudh	0	72.51	0	*57*	0	0
7	Cuttack	135	84.20	39	56	37	0
8	Deogarh	2	*73.07*	1	*60*	0	0
9	Dhenkanal	244	79.41	53	*67*	56	0
10	Gajapati	2	*54.29*	0	56	0	0
11	Ganjam	268	*71.88*	51	56	47	0
12	Jagatsinghpur	195	87.13	56	48	32	0
13	Jajpur	622	80.44	172	48	138	0
14	Jharsuguda	398	78.36	52	42	64	18[d]
15	Kalahandi	33	*60.22*	17	54	8	0
16	Kandhamal	4	*65.12*	0	*82*	0	0
17	Kendrapara	25	85.93	9	*58*	8	0
18	Keonjhar	1110	*69.00*	274	53	254	
19	Khorda	246	87.51	97	*67*	66	0
20	Koraput	77	*49.87*	24	48	17	0
21	Malkangiri	6	*49.49*	3	48	0	0
22	Mayurbhanj	5	*63.98*	0	47	1	0
23	Nabarangpur	7	*48.20*	3	50	3	0
24	Nayagarh	23	79.17	9	*60*	2	0
25	Nuapada	1	*58.20*	0	49	0	0
26	Puri	27	85.37	1	*75*	9	0
27	Rayagada	105	*50.88*	22	*58*	23	0
28	Sambalpur	118	76.91	34	47	28	0
29	Sonepur	13	74.42	0	49	2	0
30	Sundergarh	967	74.13	224	47	215	0
AVG			73.45		56		

[a]CSR project figures, including ongoing projects, are consolidated from 2014–2018.
[b]Districts with below state level average in education or health are marked in italics.
[c]Infant Mortality Rate (number of deaths of children under one year of age per 1000 birth) taken as health indicator.
[d]Done by Mahanadi Coalfields Limited-public sector mining company.
Source: https://csr.odisha.gov.in/ accessed on and before 1 September 2018.

corporate CSR to voluntarily and pro-actively resolve grand challenges that India is facing at present.

CSR in India is not only unique in the mandated role of its national government towards its provision, but is also remarkable in the size, spread and scope that CSR provides for the private sector in India to resolve its grand challenges. 10,000+ companies create a unique pool of economic, social, natural and human capital that has the potential to address the wicked problems of the day. In practice we see many axes of heterogeneity (Jamali & Karam, 2018) that makes the idea and practice of CSR unique in India, not excluding corruption, weak institutions and multiplicity of actors. Our findings however show that there is a lack of congruence between the national and state-level governments and the ground-level CSR project implementation by corporates (Table 4). In this regard, the role and relationship between state and corporations need to be one of collaborative co-creation and re-imagination of the business value chain instead of a top-down mandate as seen in India. Shared value creation can help both governments and companies to solve grand challenges and flourish in their own domain. Mandating CSR and coaxing companies to put their money in specified projects will lead to compliance-based CSR that may remain as ineffective as the voluntary one.

Grand challenges of the day have been scoped in the envisioning of the SDGs (Ferraro et al., 2015). Sustainable development has been accepted as a key priority for 195 countries that signed the Paris accord. Climate change and greenhouse gas emission is strongly and positively linked to economic activities. While economic growth is fundamental to increase social well-being, such growth is likely to come at a cost of the environment. A complete reconceptualization of CSR is required if the mandated CSR is to succeed. It will involve companies redesigning their value chain in line with SDGs and collaborating across various stakeholder groups to find environmental and socially responsible solutions to their business problems.

Implications for Stakeholders and Other Developing Countries

India's experience in mandating CSR for its listed companies holds valuable lessons for various stakeholders. Logics of CSR in developing countries are often different from their counterparts in developed countries (Jamali, Karam, Yin, & Soundararajan, 2017). Corporate participation in national SDG-related activities can be invaluable to combat climate change and poverty. Corporations bring in a nuanced understanding of communities, their demands and ways of meeting them profitably. Bringing such knowledge could help governments and civic society rethink or reinforce their current strategy for sustainable development. CSR could be an important tool to forge business society partnerships. However, CSR thinking among business professionals need to go beyond considering CSR as a portfolio of small and big development projects. We suggest that CSR be seen more as a part of a larger whole with the latter being defined by the grand challenges faced by a country. Governments would do well to think of an open but connected platform where multiple corporate players can come and co-create solutions for particular social or environmental problems. Taking cue from our study, in the Indian context, the top five spenders in CSR can engage with the government and leading NGOs to design a national programme for education. Such designs will be guided by corporate mission, government vision for development, NGO action and community needs. A national standardization of priorities and program specifications can in turn lead or motivate medium or smaller companies either to join these initiatives or create something on similar lines. Grand challenges can be the factor unifying various stakeholders for national and international development.

NOTE

1. Ayurveda is a traditional Indian medicine system.

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