Synchronizing Indian CSR Endeavor of Industry: Water Sector

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ABSTRACT

Through the prism of CSR industry can take a stride in evolving its relationship with the stakeholders. CSR in India is currently compulsory and statutory for certain industry, excluding activities undertaken in pursuance of the normal course of business of a company. A FGD conducted with select industry and subsequent SWOT Analysis focuses on the role of industry in effective management of water resources by using CSR funds for better results. The proposed 3C- Community Concern Consensus principle is based on FGD that should be explored further to address the issue of water management holistically. This paper contributes to the existing literature and advocates the industry to prioritized water management in their plentitude of CSR endeavor.

Keywords: Hydrological Cycle, Innovation, Multi-Stakeholder Partnership, Sustainability, Water Budgeting, Water Positive, Water Security

BACKGROUND

The 21st century is characterized by unprecedented challenges and opportunities, arising from globalization, the desire for inclusive development and the imperatives of climate change. It is recognized the world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. (LS)Profitable companies make important contributions to society. They create jobs and help finance the general welfare of the population. But companies are not just operating in a market. They are also operating within a culture, a local community and a political system. The debate surrounding corporate social responsibility (CSR) is concerned with the role companies play in this broader social context. (NMFA, 2009) Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance. (SEBI, 2012) Therefore, in recent years, increasing attention has been given to the concept of CSR as a postulate for ethical behavior of business and as a basis for good corporate citizenship. Luetkenhorst, 2004

CSR means different things to different people. (WB, 2004) It can best be understood in terms of the changing relationship between business and society. CSR can be understood

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in terms of different stakeholders and the issues that they are concerned with. CSR therefore means balancing the interests of a wider group of stakeholders and strategically managing the interconnected social, environmental and economic impacts of business activities. (UNIDO, 2002). CSR refers to companies taking responsibility for their impact on society. It can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. (EC, 2013). Through CSR businesses contribute to sustainable development. (EMF, 2004) CSR undertakings are the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society. The breadth of business CSR strategies and initiative has expanded dramatically over the last decade. Activities embraced under the rubric of CSR vary from one-off philanthropic contributions to measures more centrally integrated as part of core business performance. (WB, 2006)

Increased global interest in CSR is reflective of a deeper change in the relationship between companies and their stakeholders, as well as society at large. Citizens want to see companies acting as active and responsible citizens so that their capabilities and solutions create a better world. The benefits of being socially and environmentally responsible includes:-Obtaining a social license to operate; Sustainable competitiveness; Innovation and creating new business opportunities; Attracting and retaining quality investors and business partners; Cooperation with local communities;. Risk management: Avoiding crisis due to CSR misconduct; Government support; and Building political capital. (WBI, 2014)

Any business in the world operates in the context of a community. Not all members of the community are investors in the company or its customers. But they are impacted by what the company does. (ET, 2014) Therefore, in a free enterprise, the community is not just another stakeholder in business, but is in fact, the very purpose of its existence. (Kar, 2011) A highly valid critique of the emerging CSR agenda is the fact that it focuses almost exclusively on, and is driven large companies, especially multinational corporations. Until recently the implementation of CSR practices by small and medium sized companies has received minimal attention – even in industrialized countries, let alone developing countries. (Nelson, 2007) CSR has a central role to play for the private sector and its various stakeholders, as well as for the political authorities, if positive opportunities are to be grasped and negative consequences avoided. (NMFA, 2009) CSR has been on the agenda in India for a considerable period of time, and most big Indian corporations are engaged in CSR activities. However, among the many SMEs there are scarce resources available and CSR may be considered too costly. (RNE, 2013)

**CSR-INDIA**

With a view to have greater responsibility towards society by the corporates, (Deloitte, 2013) in India, the concept of CSR is governed by clause 135 of the Companies Act, 2013. (CII, 2013) India possibly is the first country to have CSR spending through a statutory provision. It has created an opportunity for companies to evolve innovative strategies to contribute towards inclusive growth. The inclusion of CSR in the Act seeks to create an enabling environment and facilitate deeper thought & long term strategies for addressing some of the most persistent social, economic and environmental problems. It promotes far better connect between businesses and communities. (IndiaCSR, 2013)

The Act tends to evolve CSR ethos in the Indian context, dedicated to address country’s particular Social, Economic and Environmental challenges. It has provided a structure, mechanism and made CSR much more organized in an era when the engagement of the corporate sector with social issues is gaining momentum. The provision is applicable to every company
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