



Corporates corporate social responsibility initiatives for agriculture development in India

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Abstract

Corporate Social responsibility (CSR) is a very known concept. The concept of CSR according to William C. Frederick, came into being in the 1960's as a response to the changing social value of society. This paper attempts to give a brief understanding of a few companies which provides sustenance to the agriculture sector. The study finds that the CSR outlay in agriculture sector is less in comparison to other sectors such as education, research, cultural, healthcare, etc.

Keywords: corporate social responsibility, agriculture, India

Introduction

Corporate social responsibility is effective and sustainable tool to solve the problem of society. The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Today companies in the global market are expected to assume responsibility for the impact of their activities on society in ethical, social and environmental terms.

Agriculture is the most important sector of Indian economy. Indian agriculture sector accounts for 18 per cent of India's gross domestic product (GDP) and provides employment to 50% of the country's workforce. The CSR initiatives by corporate in seven Asian countries have positive impact on overall economic well-being. In countries like India, CSR initiatives have helped agriculture sector to huge extent. Globalisation too has helped to intensify CSR activities in Asian countries (Chambers, Chapple, Moon, & Sullivan, 2003) [1]. But the CSR intervention in agriculture by private sector firms does not seem to cause any kind of change in the composition of the national economy. However, the money spent on CSR activities in agriculture sector are found to be far small in comparison to contribution in GDP by agriculture (Kurokawa & Macer, 2008) [2].

In order to increase the growth of agriculture, the Government has planned several programs pertaining to rural development in India. Agriculture is a hard-hitting business and it is clear that delivering innovation to the world's farmers to accelerate growth is more critical than ever. The public and private sector need to do a better job of working together with increasing efficiency and scale. Many companies have scaled up operations in CSR and looking at it as priority.

This paper attempts to give a brief understanding of few corporates providing sustenance to the agriculture sector. This study uses publicly available CSR data of corporates to understand the initiatives taken for agricultural development.

Objectives

- To understand the CSR initiatives undertaken by corporates for the development of agriculture in India.
- To evaluate CSR for agricultural development and its

impact on income generation

- To understand the challenges faced by the corporates in implementing CSR.

Corporate Social Responsibility Initiatives for Agricultural Development

Traditional CSR that is before the Company Act 2013 mandated CSR spending, the practice of CSR in India existed there since centuries like free stay at Dharmshalas (inns), free water to thirsty at hand pumps, free food to hungry at Langar and construction of water bodies such as tanks, ponds and hospitals etc.

1. Bharat Petroleum Corporation Ltd

Bharat Petroleum's CSR programme 'Project Boond' has fetched Bharat Petroleum Corporation Ltd the "Excellence Award for Social Responsibility" at the 21st World Petroleum Congress organized in Moscow. The project is located at Palghar-Maharashtra, Thoothukudi-Tamil Nadu, Bharatpur-Rajasthan, Tumkur- Karnataka, Kolar-Karnataka, Wardha -Maharashtra, Yavatmal- Maharashtra. The interventions taken by the project included:

- To revive tanks in parts of Kolar and Tumkur districts in Karnataka that brought increased revenue through fishery, and plantation of fruit-bearing trees along the bund and foreshore areas.
 - To build water structures such as ponds, wells, springs so that more water is available for drinking, domestic purposes and livestock. These activities have also helped in promoting agriculture with the objective to reduce migration and mitigate the water related difficulties and challenges.
1. The project collaborated with M.S. Swaminathan research organization and started a project 'Mahila Kissan Sashaktikaran Pariyojana' in Wardha and Yavatmal, Project which covered 1773 farmers of which 1080 were women farmers.

The project mainly aimed at empowering women farmers by:

2. Setting-up soil testing labs in the regions
3. Starting a helpline to assist farmers in adopting superior farming practices.
4. Dissemination of audio – advisories with the help of a

unique phone-based system which provided all information related to crop management.

2. HDFC Bank

HDFC bank provides assistance to farmers in soil and water conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability, in partnership with the village development committees. The company invigorated existing structures like ponds, wells, and constructed check-dams. This has led to not only better agricultural produce but also to an increase in water availability for domestic use and rise in the ground water level.

3. Bank of Maharashtra

Mahabank Agricultural Research and Rural Development Foundation (MARDEF), a trust established by the Bank of Maharashtra, undertakes village improvement programmes. The bank has established soil testing lab (STL) through MARDEF trust. Farmers from the districts of Pune, Ahmednagar, Solapur and Satara are taking benefit of the soil testing lab. MARDEF imparted training to farmers on various subjects in agriculture. The Trust has implemented 94 training programmes for farmers at RDC Bhigwan and Hadapsar.

4. ONGC

ONGC in collaboration with Eklavya foundation, has created Centre for Agriculture Research and Training in Telangana for training farmers in organic farming using the latest technology. The CSR project involves the construction of hostel, classrooms, computer labs & administrative block at the centre benefiting more than 3500 farmers in organic farming.

5. Tata Consulting Services

Tata Consulting Services created mKrishi, a customizable Mobile Agro Advisory System to enable farmers to send queries specific to their land crop and receive personalised replies from agricultural experts. The mKrishi service provides information in local languages on weather, soil conditions, fertilizer and pesticides, the price of grains, and other agriculture-related advice.

More than 20,000 farmers from 400 villages have subscribed to the service because of the use of local language interfaces, including a voice messaging system. mKrishi makes it possible for illiterate farmers to get access to much needed agricultural information and advice.

6. Mahindra and Mahindra

a. Wardha Farmer Family Project (WFFP)

Mahindra & Mahindra launched WFFP in April 2015. This project introduced a new method of agriculture to the farmers. WFFP also helps the farmer to solve the drought issue by implementing drip irrigation which ensures an economic use of water, use of biodynamic techniques which improve soil water retention capacity and ground water levels. Project was implemented by Naandi Foundation. WFFP benefited 345 farmers from different villages of Vidarbha (Wardha, Amravati and Akola District)

b. Seed the Rise

Mahindra and Mahindra launched 'Seed the Rise' - a digital crowd funding campaign aimed at supporting Indian farmers

who are seeing terrible times due to bad weather and difficult circumstances. Flying Cursor Interactive partnered in developing, launching and managing the campaign. The project was implemented by Naandi Foundation, K.C. Mahindra Education Trust, Digital Green, Swades Foundation. The project helped many farmers in their tough times and supported them in making agricultural advancements.

c. Krishi Mitr

The company helped small and marginal farmers by training them in effective farming practices such as soil health, crop planning, creating model farms with bio-dynamic farming practices, that helped in increasing crop productivity.

The program also includes advisory services, drip irrigation, community farming, seed culture farming, agri extension services, infrastructure development and capacity building resulting in improvement in agricultural productivity. The Krishi Mitr project estimated to benefit 49,635 farmers.

7. Bharat Heavy Electricals Ltd.

Bharat Heavy Electricals Ltd. initiated a project in partnership with IIM Ahmedabad for the installation of 100 solar water pumps of 5 HP capacities to encourage the use of solar energy by farmers in the villages.

The lack of access to dependable pumping solutions hinders livelihood improvements throughout rural India, but solar water pumps are emerging as both a reliable and clean energy solution. The amount of solar power needed depends on the specific water table depth of a farm; the further the water is from the ground; the more power would be needed to pump that water up for irrigation. Solar water pumps helped the farmers in energy optimization, better use of water resources and to keep productivity high.

Findings

The relevant discussion is summarized under the following headings:

1. Advantages of CSR

a. Company benefits

- Increased sales and market share.
- Improved brand positioning
- Greater productivity and quality.
- Decreased operating costs.
- Increased interest from investors and financial analysts
- Enhanced brand image and reputation
- Improved employee motivation
- Sustainability
- Workforce diversity

b. Benefits to the People

- Charitable contributions
- Corporate involvement in community education, employment programmes
- Volunteer programmes

c. Environmental benefits

- Greater material recyclability
- Greater use of renewable resources
- Integration of environmental management tools into business plans

2. Challenges of CSR

- Overlapping of government schemes and CSR projects.
- Dissemination of CSR strategies
- Emphasis on short run profit
- Lack of involvement
- Issues of Transparency
- Multiple culture and value prevalent in society

Conclusion

The government is taking initiatives to encourage youth into taking up farming. With correct education, safety measures and CSR support, the country will be able to raise more farmers and retrieve the loss suffered. Companies need to shift their focus from anticipating to implementing strategies. Attempt should be made to avoid overlapping of CSR projects and government schemes for the benefit to the larger section of society. In order to help the farming community mandatory CSR expenditure on agriculture sector must be attempted. Problems like agricultural infrastructures must be addressed by amalgamating the CSR resources to build and operate large projects.

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