

# **CRITICALLY EXAMINING THE ROLE OF CSR INITIATIVES BY CORPORATIONS IN THE ECONOMIC INDEPENDENCE OF WOMEN IN RURAL AREAS**

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## **ABSTRACT**

The study aims to critically examine the role of Corporate Social Responsibility (CSR) initiatives in fostering the economic independence of women in rural areas. The research assesses the impact, effectiveness, and challenges associated with these initiatives through an extensive review of existing literature and an analysis of CSR practices adopted by five Indian corporations. Exploratory methodology is employed based on secondary data collected from various reputable sources such as online journals, articles, and official websites. Focusing on the societal responsibilities of businesses, the study delves into the specific CSR measures undertaken by corporations to empower women economically in rural India. Detailed case studies of initiatives by Hindustan Unilever Limited, ITC, Godrej and Boyce, Tata Motors, and HDFC Bank provide insights into the programs implemented, their reach, and their impact. These initiatives encompass diverse strategies such as skill development, self-help groups, mentorship, employment opportunities, micro-credit facilitation, and technological literacy to enhance women's economic empowerment. This research also identifies and discusses various challenges hindering their effective implementation besides acknowledging the positive impact of these CSR initiatives. Traditional gender norms, lack of cultural understanding, inadequate engagement, and inefficient evaluation mechanisms are among the identified barriers that impede the success of these initiatives. The findings underscore the importance of comprehensive strategies tailored to local contexts and suggest closer collaboration between corporations, NGOs, government agencies, and the community to ensure the success of CSR programs. The study concludes by emphasizing the significance of CSR in advancing women's

economic independence, breaking gender stereotypes, and fostering a sustainable future. The study put forth aims to address the identified challenges and enhance the efficacy of CSR initiatives targeting rural women, contributing to their empowerment and socio-economic development.

*Keywords-* Corporate Social Responsibility, Economic Independence, Self-Help Groups, Rural Women, Sustainability.

## **1. INTRODUCTION**

The concept of Corporate Social responsibility arises from the idea that we as individuals derive countless resources from nature and society for our subsistence and that it is our responsibility to give back in some way or another. This gives rise to the responsibilities of businesses and corporations to give back to the society in which they are thriving, responsibly use our natural resources and take steps to secure a sustainable future for our nation and the world. Corporate Social Responsibility is a paradigm which has developed over a considerable period to foster concern for society, community, and environment, and inculcate the practice of ethical business and governance. This basically revolves around the idea of corporate citizenship which lays down certain standards for implementation of CSR. This helps to create harmony among the various stakeholders of a company including their members, shareholders, vendors, customers, people whose livelihoods are directly or indirectly dependent on the company and the environment. It is directed towards synchronizing the company's economic motives with its responsibility towards the community.

Many organizations have recognized and addressed the importance of women in building a sustainable future. In a country where 48.5% population are women (Census 2011) and is expected to go up by 48.8% by 2036 (Women and Men in India 2022 report, March 16, 2023), not making them self-dependent will have a huge impact on our nation's progress. The urban and rural scenario is quite different in this aspect. In the urban context, the problem revolves around giving women equal opportunities and equal pay, supporting them when they go out to work, preventing gender stereotypes, men and women taking equal responsibilities in household chores and taking care of the family, safety at the workplace, etc. The problem in the rural areas is hugely different as poverty and lack of education and awareness come into play here. The problem here has to be dealt with in a very different way which addresses their

living conditions and livelihood requirements and can make their lives better. Educating women, making them aware of health and hygiene practices, training them in different livelihood skills, making them employable and providing them with various employment opportunities will not only make them self-sufficient and independent but help them to increase their standard of living, generate skilled and productive labour for our economy and also pave the way for poverty alleviation. The NGOs and the government have taken several initiatives in this regard. The corporates working in India have also a significant role in empowering rural women through their CSR initiatives. This work revolving around the role of corporations in the upliftment of women in rural and backward areas is very relevant in today's scenario.

## **2. LITERATURE REVIEW**

Abraham (2013) emphasized the role of voluntary CSR activities undertaken by corporates for holistic development. She pointed out that businesses are a part of society and thus need to incur social inclusiveness to thrive. Corporate houses can promote the economic progress of women by involving them in various home-based work opportunities. She particularly focused on initial support and market assistance for the enterprise's and society's sustainable development.

Singh (2015) inferred from his study that corporate organizations in India can significantly contribute to the process of rural development by fostering vital rural industries and services like employment, healthcare, agriculture, education, the environment, and community development. The pace of rural migration will decline if developmental activities arrive at the doorstep of the rural population. The CSR initiatives that corporate organizations execute are a collaboration between the government, several NGOs, and the business sector.

Gandhi (2015) in his article mentioned that CSR managers in India have a variety of difficulties when handling CSR initiatives, including budget allocations, a lack of staff support, professionalism, and understanding. Additionally, the general public is not enthusiastic about engaging in and contributing towards businesses' CSR initiatives. Small businesses do not show enough interest in CSR initiatives, and those who do not do so do not inform the public. The media may provide a lot of support for educating the public and letting them know the advantages of CSR initiatives for them. Inadequate corporate participation is also a result of the government's inability to develop statutory

rules that would have given businesses clear direction regarding the scope of their operations and the nature of their CSR initiatives.

Phadnis (2020) suggested that there should be coordination between the organizations in CSR implementation in a particular field, area, community, or geographical location to avoid duplication. The work should be carried out with the assistance of local organizations such as Gram panchayat to accomplish the goal and prevent duplication. He suggested that the development and implementation of the CSR programme should be carried out by collaborating with the members of the community for a better understanding of their problems and priorities. This article also points out that there are too many CSR activities in urban metropolitan areas. The author proposed along with the activities in urban areas the corporate should also address the rural problems such as child labour, upliftment of women, health and hygiene and education.

Setia (2020) in her article pointed out that most of the programmes for women lack focus on the women's economic empowerment lifecycle. Most of the programmes are aiding in the early stage during the training and induction process through vocational training, self-help groups, career counselling etc. However, assistance is absent during the later stage through financial and digital literacy. Thus, companies need to focus on the real needs and work along with the various stakeholders in order to address the needs of various stages of women's economic lifecycle.

### **3. OBJECTIVES OF THE STUDY**

This study aims at,

- Reviewing the CSR initiatives adopted by 5 Indian companies concerning the economic empowerment of women in rural India.
- Analyzing the impact and effectivity of the CSR initiatives in the employability and employment of women in rural areas.
- The challenges to effective implementation of the CSR programmes for economic empowerment of women.

### **4. CONCEPTUAL FRAMEWORK: NATIONAL OVERVIEW**

Every country has a certain set of expected responsibilities from the corporations conducting their business on their land. However, India became the first country to statutorily mandate CSR or Corporate Social Responsibility initiatives under Section

135 of the Companies Act, 2013 and it became effective on 1<sup>st</sup> April 2014. Previously it was a completely voluntary activity. According to the law, companies with a net worth of 500 crores or more turnover of 1000 crores or more or a net profit of 5 crores or more must spend 2% of their average net profit of the last three consecutive financial years on CSR activities in India. The companies are free to choose their CSR activities in compliance with the policy. However, the Board can implement the CSR plan after being approved by the CSR committee with the help of a trust, an established society, or a Section 8 company. Failing to do so would require showing reason in the report produced by the board. Till now no penal provisions have been implemented for non-compliance. The CSR standards also apply to foreign businesses that have offices or branches in India, not just Indian businesses. The initiatives that can be taken by the corporations include poverty eradication programs, launching education, sanitation, welfare and other developmental projects in rural areas, generating skilled labour through vocational training, employment opportunities in backward areas, empowering women and promoting gender equality, providing facilities for senior citizens, conservation of our national heritage, donating in the national funds and many other social and environmental initiatives to develop an inclusive economy and move forward towards the goal of sustainability. These norms have led to the introduction and implementation of some ground-breaking projects and initiatives by the companies doing their business in India. Thus, along with our government, corporate organizations have a crucial responsibility towards the holistic development of our nation.

#### **4.1 Prescribed CSR spending by the companies in contrast to their actual spending for the FY-2021-22**

This chart shows the top 10 companies according to their prescribed CSR amount from downwards for the financial year 2021-22. The prescribed CSR amount is compared with the actual amount. Seven companies out of ten top companies spent more than the prescribed amount. Out of the 301 companies studied in the India CSR Outlook Report FY-2021-22, 37.87 per cent spent more than their allotted CSR budget, 32.89 per cent spent the same amount as their prescribed CSR budget, and 29.24 per cent spent less. According to the survey, the large 301 firms spent Rs 12,260 Cr. more than the prescribed CSR expenditure of Rs 12,119 Cr. in FY 21-22. Out of 301 significant enterprises, approximately 43.5 per cent are headquartered in Maharashtra, 9.97 per

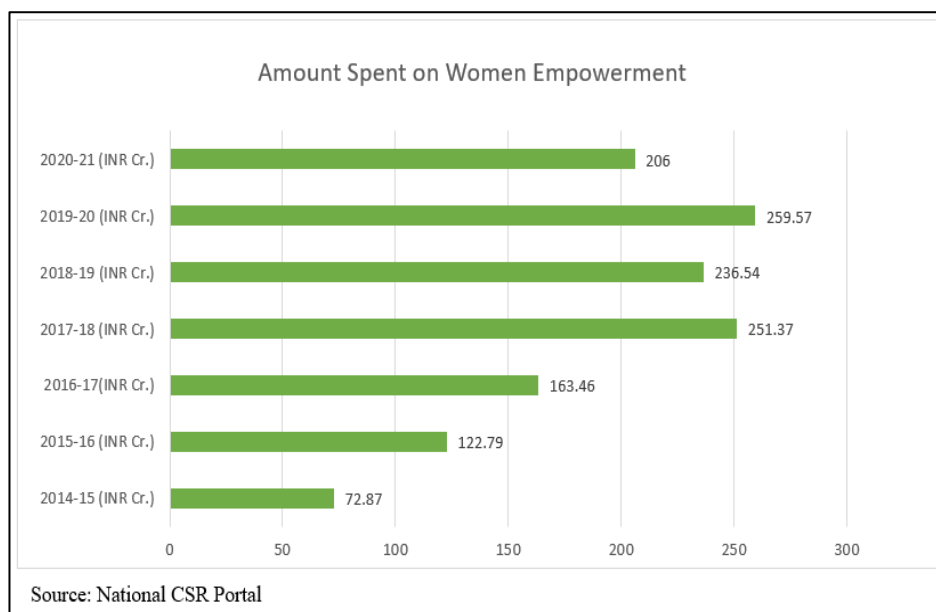
cent in Karnataka, and 9.3 per cent in Delhi. When a company spends more than the specified amount it signifies the company’s commitment towards the society and the environment more than the statutory requirements. It exemplifies the company's commitment to bringing about sustainable development in areas such as education, healthcare, environmental conservation, and poverty alleviation. The businesses address the community they are operating in beyond financial considerations. The companies reflect their responsibility toward their customers, employees, community, and various other stakeholders. This creates a positive brand image and trust.

#### 4.2 Amount Spent on Women Empowerment activities through CSR after the Statutory mandate under the Companies Act, 2013

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
INR Cr.	72.87	122.79	163.46	251.37	236.54	259.57	206
Year-on-year growth	-	68.51%	33.12%	53.78%	-5.89%	9.73%	-20.64%

Source: National CSR Portal

Following the first year of the CSR mandate, growth of 68.51% in FY 2014–15



Source: National CSR Portal

demonstrates a notable rise attributable to regulatory compliance. It displays a significant improvement and a strong growth rate. Although it is less than the previous number, the FY 2016–17 growth rate of 33.12% still indicates a notable increase. It indicates that growth will continue, albeit a little more slowly than it did the year before. The FY 2017–18 growth rate of 53.78% is comparable to the initial growth rate,

indicating a significant rise. It indicates a substantial increase in the funds devoted to the upliftment of women and suggests a robust growth trend that may be indicative of a period of high corporate social responsibility commitment. A negative growth rate of -5.89% indicates a small drop in CSR expenditure on initiatives promoting women's empowerment as compared to the prior year. Compliance problems are most likely to be blamed for this reduction. A modest rise in spending over the previous year is shown by the growth rate of 9.73%. A noteworthy -20.64% growth rate decline This suggests that, due to the pandemic-affected state, a significant decrease in funding has been made for CSR projects.

## 5. FINDINGS AND DISCUSSION

### CSR Initiatives Aimed at Economically Empowering Women and Promoting Gender Equality

Companies	Initiatives	Impact
Hindustan Unilever Limited <b>Project- Shakti</b>	<p>-This initiative empowers women in rural India to develop an entrepreneurial mindset and achieve financial independence.</p> <p>-Women micro-entrepreneurs known as Shakti Ammas are trained through this program to the company's independent distributors.</p> <p>-Shakti micro-entrepreneurs are trained by a Rural Sales Promotion coach who assists them with sales, marketing, and accounting to manage their business better.</p>	<p>-Over 1,60,000 Shakti business owners operate throughout 18 states</p> <p>-empowers them with decision-making capabilities, business skills, and improved access to education and healthcare.</p>
ITC <b>Project- Women's</b>	<p>-Establishing self-help groups</p> <p>-Providing micro-credit and other financing opportunities for financial assistance.</p>	<p>-Establishing approximately 112800 sustainable means of subsistence for women</p>

<p>Economic Empowerment Programme</p>	<ul style="list-style-type: none"> <li>-Assisting women-managed agriculture-based enterprises and women farmers</li> <li>-‘The ITC-WOW (Women’s Office on Wheels)’ program aims to provide digital literacy and vocational training to women in rural areas and equips them with skills in areas like tailoring, beauty care, and entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>-Promotes economic empowerment, skill development, education, and health</li> </ul>
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<p>Godrej and Boyce</p>	<ul style="list-style-type: none"> <li>- The Self-Help Groups are initiative agricultural activities such as poultry farming, floriculture and producing various crops.</li> <li>- Providing Women-led enterprises with raw materials for various products such as oil, and beauty products.</li> <li>- Promoting health, education, and well-being</li> </ul>	<ul style="list-style-type: none"> <li>-Established 193 women-led enterprises including 157 Self-help Groups</li> </ul>
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<p>Tata Motors promoted the society Samaj Vikas Kendra (SVK) in collaboration with Okhai launched by Tata Chemicals Society for Rural Development</p>	<ul style="list-style-type: none"> <li>-Training village women in embroidery and stitching crafts</li> <li>- Okhai is a global online platform where the crafts of these women are marketed</li> <li>- The designs and the raw materials are provided by Okhai which are then finally crafted by these women.</li> </ul>	<ul style="list-style-type: none"> <li>-More than 400 women have been trained under this scheme who have found livelihood and financial independence.</li> <li>- Based on working hours and skills the artisans earn Rs 500-Rs 11000 monthly</li> </ul>
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		- 470 families directly benefited from it.
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HDFC Bank Project- Sustainable Livelihood Initiative (SLI)	<ul style="list-style-type: none"> <li>- Financial literacy training, and livelihood training for women in rural areas.</li> <li>- Credit counselling in order to develop banking habits.</li> <li>- Credit services for enterprise and agricultural activities</li> <li>- No Processing fees, closure, and pre-closure charges</li> <li>- Providing insurance services to mitigate their risks</li> </ul>	<ul style="list-style-type: none"> <li>-SLI is present in 20,000 villages in 27 states of India</li> <li>- Provided sustainable livelihood to more than 71 lac women across the country</li> </ul>
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### 5.1 Impact of the CSR Practices by the Corporates

The CSR programmes undertaken by the corporations are implemented either directly or indirectly through NGOs or in partnership with organizations. These initiatives can play an important role in generating a livelihood for women in various sectors such as marketing goods, packaging, food processing, handicrafts, textiles, agriculture, and many entrepreneurial ventures by providing adequate skill development, resources, and assistance. The role of CSR in creating employable and economically dependent women in rural areas may be discussed as follows:

1. Training and necessary skill development- The organizations focusing on generating livelihoods for women initially emphasized developing the necessary skills for work through training facilities. Women are trained in areas

like product development, operating machinery, technical knowledge, marketing, sales, accounting, entrepreneurship communication skills and other required skills. Adequate skills shall make them employable in various fields and help them find an appropriate employment opportunity for themselves. Necessary skill development prepares them for the challenges faced by them.

2. Formation of Self-Help Groups (SHGs)- The Self-Help Groups are formed under the CSR initiative to encourage women from rural and backward communities to come together and empower each other. The corporates provide education, training, financial and other assistance to the members for their overall economic growth. The SGHs promote self-reliance, entrepreneurship, and assurance of livelihood among underprivileged women.
3. Mentorship and networking- Various mentorship programmes are available for women to set up their own businesses. From initial hand-holding to guidance till the end stage is provided. The CSR initiatives connect them to industrial experts, established businesses, advisory and support organizations, suppliers, retailers, distributors, and such other networks which would help them establish and scale their businesses. It also connects women entrepreneurs through online and offline platforms which helps them to communicate and collaborate with their peers and share experiences, contacts and develop an extended network.
4. Placement and employment opportunities- The CSR programmes also absorb the trained women into their companies and engaged them in various activities. The programmes also connect them to other organizations and employment agencies. This helps them to secure a source of income which helps them to support their family and facilitate their own career development.
5. Availability of micro-credit and other financing option- The CSR programmes educate them about the various financing facilities that have been extended to them by the banks and other financial institutions. Guiding them through various credit facilities for women-led enterprises, rural and agricultural credit facilities, lower interest rates and flexible repayment terms help the women to secure financial independence.
6. Technological and digital literacy- Empowering women through technology and digitalization will enhance the operation of women-led businesses and ease the process of finding suitable employment opportunities. Training in E-Commerce

platforms, social networking sites, digital payment and banking services, online marketing tools and other technologies will help them scale their business and increase their competitiveness. The digital platforms can also connect them to job opportunities in accordance with their skills.

CSR initiatives undertaken by corporate houses have been successful in assisting women with their entrepreneurship ventures and employment opportunities, inculcating the importance of financial independence among women in rural areas and thus striving towards a sustainable future. However, the implementation of the programmes is not always as smooth as it seems to be. The barriers to effective CSR implementation shall be discussed next.

## **5.2 Barriers to Effective CSR Implementation in women empowerment activities in rural areas**

From the above discussion, it is evident that the CSR initiatives taken up by the corporations have played a crucial role in generating livelihoods for women residing in rural areas. However, there are several challenges faced by companies working with women in rural areas. These challenges hinder the effective implementation of the initiatives launched by the companies. These challenges shall be discussed as follows:

1. Traditional gender norms- Even today rural areas are bound by traditional gender. These norms clearly define gender norms and restrict women to household activities. The traditional norms restrict women's access to education, decision making and financial independence. This scenario is drastically different from the urban scenario.
2. Lack of cultural sensitivity and understanding- A lack of proper understanding of the local norms, culture, customs, traditions, and community dynamics can create a rift between the people and the company. This may permanently damage the company's image.
3. Lack of understanding about the needs of rural women- There is a lack of comprehensive understanding of the needs and priorities of women in rural areas. This can create a gap between the effective implementation of the initiatives and their utility.

4. Lack of engagement- To effectively design CSR projects, corporations need to engage with the local community and rural women closely. Proper grassroots-level research and understanding are required to successfully implement CSR projects.
5. Inefficient inspection and evaluation- After implementing an initiative it should be constantly monitored and evaluated based on certain set standards. Companies fail to implement a thorough evaluation mechanism, address any issues, and develop effective strategies accordingly. This can hinder the effectiveness of the initiative.

Building a comprehensive and effective strategy for implementing CSR projects requires a proper understanding of the challenges and mentality to address this. By addressing these issues, the companies can effectively accomplish their objective of economic upliftment of women in rural areas and build a sustainable future.

## **RECOMMENDATIONS**

Companies should develop CSR implementation strategies after conducting thorough research to understand the local customs, traditions, beliefs, and community dynamics. They should interact with the local communities especially rural women in this case to understand their needs. Before launching full-fledged CSR programmes at first efforts should be made to spread awareness about the importance of women's education, employment, economic independence, and self-sufficiency through campaigns. Collaborating with various NGOs, government organizations and agencies working in rural areas can give better reach to their initiatives. It may provide better insights into their problems and better engagement with rural women. Thus, tailoring the strategies accordingly would help in the effective implementation of the CSR initiatives.

## **CONCLUSION**

The Corporate Social Responsibility initiatives aimed at the economic empowerment of women in rural areas have proven to play an important role in developing livelihoods for women and fostering economic independence among them. These initiatives are instrumental in breaking traditional gender norms, empowering women and moving towards a sustainable future. The statutory CSR implementation has resulted in a rise in the effectiveness of the CSR programmes functioning in rural areas. The prescribed CSR budgets for the companies have ensured the development of comprehensive strategies and effective plans for fund allocation in sensitive areas. However, it is seen

from the reports that the companies spent beyond their effective budgets. This proves their long-term commitment towards society and the environment beyond their financial considerations. Companies' commitment towards Corporate Social Responsibility contributes towards creating competitive advantage. It shall enhance the company's reputation and create a positive brand image in the eyes of various stakeholders. Thus, the company should focus on integrating its overall strategies, core values and genuine commitment towards social responsibility to build a sustainable future for the company.

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