

Need to make CSR an Actionable Agenda

**Hon'ble Mr. Anurag Singh Thakur*



Namaskar! It gives me pleasure to be delivering the Chief Guest Address at the Institute of Directors' Virtual Global Session on Corporate Social Responsibility 2021.

At the outset, I would like to take a moment to offer my deepest and sincerest condolences to everyone who has lost a loved one in this pandemic. We are fighting a collective battle against an invisible enemy. As the recoveries continue to increase and the active cases keep going down, we can hope that the worst is beyond us. More than 23 crore doses have been administered in our vaccination program till now and I am sure that we can and we will come out of this stronger.

Last year, we carried out reforms in multiple sectors under the Atmanirbhar Bharat Package which ranged from short-term measures to long-term steps. We introduced schemes like Emergency Credit Line Guarantee Scheme under which credit was extended to existing borrowers without any fresh collateral or guarantee fees. Under this scheme, we have sanctioned close to INR 2.65 lakh crore to over 92 lakh accounts and this has helped lakhs of businesses stay afloat during this crisis.

India is the only nation that is expected to grow by 8-9 per cent in the coming fiscal and that is a sign of the strong fundamentals of our economy. We have consistently worked to keep the inflation within the targeted limit and have carried out reforms while keeping the fiscal deficit low. Our exports have hit a record high

last month and our forex reserves crossed US\$ 600 billion. India aims to be a global manufacturing powerhouse and these reforms are the catalyst for that ambition.

India has a rich tradition of everyday giving and citizen engagement. In 2017, everyday givers contributed ~INR 34000 crore to community, religion, disaster-relief and charitable causes. In our scriptures and ancient texts, we will find multiple instances affirming and encouraging the practice of giving back.

The concept of corporates giving back to the society predates the provision of CSR which got enacted with the Companies Act, 2013. In fact, one of America's biggest industrialists and philanthropists, John D. Rockefeller made his first large donation for public welfare after meeting Swami Vivekananda. The first Indian endowment was set up in 1892 by Jamsetji Tata who is considered to be the pioneer of philanthropy in India.

The provision of Corporate Social Responsibility is extremely important in the present era with the rising levels of income inequality. The contribution of the corporate sector to the basic social requirements such as health and education is very pertinent and must happen simultaneously with the Government spending.

During the last 2 decades, Corporate Social Responsibility as a concept has evolved from a simple philanthropic activity to integrating business interests with the community in which it

operates – exhibiting social, environmental and ethically responsible behaviour in governance of business generating values and long term sustainability. Our understanding of CSR has undergone a paradigm change, moving it beyond its philanthropic and community roots. Being profit oriented and being socially responsible are not in conflict. CSR today is a way of life – not a PR exercise for the corporates. CSR is enlightened self-interest – a new game changer we need to make CSR an actionable agenda. CSR is dynamic – scalable – and sustainable.

India issued CSR guidelines for PSUs in 2010, followed by 'National Voluntary Guide', based on ISO 26000 in 2011. India became the 1st country in the world to mandate the discharge of CSR by companies satisfying prescribed criteria. India has nearly 8 lakh registered companies, of which nearly 15,000 come under CSR clause 135 of the Companies Act, 2013. 2 per cent of their profit is likely to be around INR 20,000 crores for CSR spends. Much needed changes in laws governing CSR had to be made by us early this year. These will make CSR implementation process more elaborate.

Social cohesion is not aimed at creating social uniformity – but homogeneity, harmony and absence of conflicts. The need is to manage the socio-economic cleavages and resolve conflicts.

Company boards are required to formulate their CSR policy, to guide its strategic planning and provide a roadmap for its CSR initiatives. CSR projects must have measurable targets and impacts. The disclosures and sustainability are hall makers of company's resilience. CSR strategy must drive social purpose and transformation with imperial justification and a quantified social impact. Social media has enhanced its reach and social presence. Corporates today are engines of social transformation. They need to create an emotional connect with

the impacted society to create a buy-in. During this pandemic, the corporates have amply contributed to 'PM CARES Fund', as part of their CSR obligations.

I am glad to see companies are also channelizing their CSR spending's better to achieve India's 'Sustainability Development Goals' (SDGs). The potential is huge. I have noted with particular interest how CSR programmes of companies have delivered good results for *Divyang* people in relevant sports, creation of sports infrastructure, training of sports personnel in those sports which otherwise attract lesser attention. I am happy to note that CSR has moved from a simple philanthropic activity to integrating business interests in the community in which it operates.

I understand these competitive corporate awards instituted by IOD 30 years back, for 15 different corporate functional verticals, have motivated and raised the corporate quality standards in these areas. I appreciate IOD's practices of asking the winning organization's to share their award winning initiatives and processes with the entire industry, to raise the standards nationwide. The 'HR Excellence' and 'CSR' are major defining characteristics of an organization, for its long term sustainability.

My heartiest congratulations to today's 'Golden Peacock Award Winners'.

Thank you. Jai Hind. Jai Bharat.

**Excerpts from the 'Chief Guest Address' by Mr. Anurag Singh Thakur, Hon'ble Union Minister of State for Finance & Corporate Affairs, Govt. of India at IOD's '15th International Conference on Corporate Social Responsibility- 2021 (Virtual) & Felicitation of Golden Peacock Awards for CSR (Global & National) & HR Excellence, held virtually on June 10, 2021.*