

CHAPTER - 2
REVIEW OF LITERATURE

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CHAPTER - 2

REVIEW OF LITERATURE

INTRODUCTION

Milton Friedman, Nobel Laureate in Economics wrote in 1970 in the New York Times Magazine that "the social responsibility of business is to increase its profits" and "the business of business is business". This represented an extreme view that the only social responsibility a law-abiding business has is to maximize profits for the shareholders, which were considered the only stakeholders for the company. However, time has given the term 'stakeholder' wider connotations (FICCI, SEDF).

These ideas have given rise to the concept of CSR. The emerging concept of CSR goes beyond charity or philanthropy and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into its business process. Business for Social Responsibility defines CSR as "achieving commercial success in ways that honor ethical values and respect people, communities, and the environment. It means addressing the legal, ethical, commercial and other expectations that society has for business and making decisions that fairly balance the claims of all key stakeholders. In its simplest terms it is: "what you do, how you do it, and when and what you say". The concept of CSR is constantly evolving. What is generally understood by CSR is that the business has a responsibility towards its stakeholders and society at large that extends beyond its legal and enforceable obligations. The triple bottom line approach to CSR emphasizes a company's commitment to operating in an economically, socially and environmentally sustainable manner. The emerging concept of CSR advocates moving away from a 'shareholder alone' focus to a 'multi-stakeholder' focus. This would include investors, employees, business partners, customers, regulators, supply chain, local communities, the environment and society at large (FICCI, SEDF).

2.1 CSR - INTERNATIONAL STUDIES

Zeinab A. Karake (1999) describes the organizational restructuring and corporate downsizing can have a significant impact on the perceived social responsibility and responsiveness of any firm. He analyzes the phenomenon by identifying the nature and types of structural or functional relationships that exist between downsizing and organizational performance variables, on the one hand and organizational social responsiveness on the other. It looks at changes in the use of various restructuring techniques to improve efficiency and effectiveness and the effects of these changes on the organizational citizenship standing in the community. It goes on to add to the understanding of the general phenomenon of downsizing by examining its relationship to the level and pervasiveness of Corporate Social Responsibility.

Steven Voien (2000) provides a comprehensive overview of every major area of Corporate Social Responsibility, describing business benefits, recent developments, external standards, implementation steps, real-life leadership examples, sample policies, award programs and contact information. Issues covered include: mission, vision and values; business ethics; governance and accountability; community economic development; community involvement; environment; human rights; marketplace practices; and workplace policies.

Michael McComb (2002) writing in the South China Morning Post: The notion of companies looking beyond profits to their role in society is generally termed CSR. It refers to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. It goes beyond the occasional community service action, however, as CSR is a corporate philosophy that drives strategic decision-making, partner selection, hiring practices and, ultimately, brand development.

Henry J. Aaron (2002) has written that Corporate Social Responsibility provides a comprehensive overview of experiences and practices at the local level. It illustrates that partnerships provide a powerful mechanism for helping firms become more socially responsible.

Ronald R. Sims (2003) writes to enhance understanding of the causes of ethical debacles in an era when ethical missteps can often lead to corporate bankruptcies or worse. Sims offers practical solutions for mitigating damage and preventing such problems from happening in the first place. He also explains how to institutionalize ethics throughout an organization and asserts that organizations wishing to behave ethically must do more than harbor good intentions. Such companies must implement policies that inculcate the corporate culture with ethical values. They must also commit to ethical behavior in all interactions with internal and external stakeholders, including investors, customers, employees, and the community.

Philip Kotler and Nancy Lee (2004) stated that corporations are expected to give something back to their communities in the form of charitable projects. They explained that why charity is good for both Public Relations and for business. They show business leaders how to choose social causes, design charity initiatives, gain employee support, and evaluate their efforts. They also provide all the best practices and cutting-edge ideas that leaders need to maximize their contributions to social causes and do the most good.

Adrian Henriques, Julie Richardson (2004) have described the concept of the "triple bottom line" (TBL), the idea that business activity can simultaneously deliver financial, social and environmental benefits, was introduced in the early 1990s. It brings together the world's leading experts on corporate responsibility to assess the implications, benefits and limitations of the TBL. It provides a review of what has already been achieved in stimulating change in corporate culture and bringing businesses to appreciation of the importance and benefits of CSR and good environmental performance. It further explores the conceptual and practical limits of the metaphor of the TBL and sets out what can be achieved through regulation and legislation, presenting detailed professional procedures for environmental accounting and management and social auditing.

Porter and Kramer (2006) do see the license to operate as one of the 'traditional reasons' for CSR, although they argued that the real importance of CSR is in the "shared value" that businesses have with society. The basic premise of the argument

is that businesses operate in societies and societies need these businesses that are, there is a mutual benefit.

William C. Frederick (2006) has described that the story of Corporate Social Responsibility what it means, where it came from, where it is going, what it requires of business. It lays bare the values that drive corporate culture, explores the motivational depths of corporate strategy and policy, demonstrates how biological impulses can lead business decision makers astray, questions the relevance and ethical commitment of business school education, reveals the spiritual side of management life, and holds out hope that the New Millennium will see improvement in the ethical performance of business.

Jan Jonker, Marco C. de Witte (2006) have described about implementation strategies for Corporate Social Responsibility is a risky business. In current global conversations, CSR tends to be as much about semantics as substance. They examine the fundamental idea that drivers should be found primarily within the heart of organizations and expressed through various implementation strategies. It discusses emerging organizational perspectives on CSR, and considers the changes and consequences of implementing CSR.

Mette Morsing, Andrew Kakabadse (2006) explained about what Corporate Social Responsibility could be, how to communicate effectively the benefits of CSR initiatives, and how critical it is to have CSR on the corporate agenda, not to do so means CSR remains something "nice to have" rather than making the desired difference to our lives.

David E. Hawkins (2006) has described that many companies recognize the importance of Corporate Social Responsibility, but seek to understand how this can be harmonized with current profitability. This new approach, drawing upon many contemporary examples, demonstrates the importance of balancing short term profitability with long term sustainability and shows how this relates to many business issues and aspects including environmental change, ethical trading, corporate governance, risk management, sustainable development and competitive balance.

D. Crowther and R. Jatana (2007) have explained about the concept of social responsibility and defined it as the obligation of business community for the well-being of the people, the state and the environment in which they operate. The business community is required to safeguard the health and well-being of the society. The business organizations are required to produce to the maximum extent possible. The business people should have concerns to the public. They should give priority to the goals set by the government for the betterment of the people. They are required to solve many social and ecological problems such as urban congestion, environmental pollution, industrial discharges to river waters, depletion of natural resources, etc. It is also the responsibility of the business people to cooperate with the government in the eradication of poverty, unemployment, regional backwardness, etc. They have certain responsibilities with regard to consumers, investors, employees and the government.

Frank Den Hond (2007) focuses on different aspects of managing CSR in action to capture differences between discourse and practice. By examining the question from three angles - talking about CSR, doing CSR and measuring CSR, attempt to make sense of the difference between practice and reality.

Radu Mares (2007) explains that the responsible business practices of leading companies are significant not only as isolated instances of self-regulation, but that they also contribute to a broader rule-making process which has been underway in the last decade and is aimed at making business more responsive to human rights and environmental concerns. The flexibility of existing laws as well as the emergence of new regulations relevant to Corporate Social Responsibility is highlighted. As CSR increasingly interacts with public policy, some insufficiently understood effects of CSR appear that can help us advance toward more systemic solutions in the business and human rights area. This study identifies variables that states can stimulate through a wide range of interventions ranging from capacity-building measures to policy to hard law so that responsible practices get diffused more broadly and deeply in the business community. The intended audiences are legal experts with an interest in enhancing the protection of human rights in developing countries, and CSR theorists and practitioners mindful of the broader social dynamics that surround the implementation of CSR commitments.

Andrew Crane, Dirk Matten, Laura Spence (2007) summarized that modern business is obliged to meet increasingly demanding ethical, environmental, legal, commercial and public standards as defined by wider society. Corporate Social Responsibility has therefore become an important consideration for managers at all levels, as well as one of the most vibrant areas of study and research in the field of business and management.

Josep M. Lozano, Laura Albareda, Tamyko Ysa (2008) have written on an analytical framework for understanding how governments develop policies of Corporate Social Responsibility. The research analyses CSR public policies in 15 European Union countries. It defines four models of governmental approach from a relational perspective that encompasses the relationships between all the various stakeholders like governments, businesses and civil society. It also takes into account the socioeconomic context in which these relationships stand.

Jon Burchell, Milton Park, Abingdon, Oxon (2008) included key articles and original perspectives from academics, NGOs and companies themselves. They address the changing relationships between business, state and civil society, the challenges to business practice, what businesses should be responsible for, and why, issues of engagement, transparency and honesty, the boundaries of CSR, Can businesses ever be responsible? While case studies examine major international corporations like Coca Cola and Starbucks, broader articles discuss thematic trends and issues within the field.

Michael Hopkins (2008) writes that the business of business is business. So then why should corporations be involved in development? This groundbreaking makes the case that governments and their international agencies grouped under the umbrella of the UN, have failed in their attempts to rid the planet of under-development and poverty. If development is the objective then it seems that the solution and the responsibility lies with the private sector, particularly through the Corporate Social Responsibility programs of large corporations, with their tremendous power and economic strength. It spells out what corporations are doing on development, what more they could do and how CSR can be a useful tool to promote economic development via corporations.

Christina Keinert (2008) has described about CSR, a concept aimed at determining the amount of responsibilities to be shouldered by private business toward stakeholder groups and society at large, deserves to be dealt with in considerable detail and not simply as another "PR fuzz" or marketing gag. As a model, CSR epitomizes the old saying "business is business"; offering broader stakeholder management which can be seen as a competitive advantage. Increased financial performance and employee commitment are among the benefits the CSR model can offer corporations. It discusses how CSR addresses business concerns of feasibility, barriers and drivers of internal and external practice; and whether a CSR program is likely to constitute a success or failure.

Bruce Kibler (2008) wrote about the international aspects of corporate governance (CG) and Corporate Social Responsibility. Specifically the impact of an overemphasized shareholder value construct in the privatization process in Germany on the examples of Deutsche Telekom AG and Deutsche Post AG.

Pricewaterhousecoopers Ohrlings Pricewaterhousecoopers (2008) describes CSR as becoming a strong movement within the business community, among investors and governments because research has shown that CSR is actually value impacting. Management's handling of the physical environment, the work environment and human rights have a major affect on value sustainability, particularly during general economic downturns and generational changes in management. He discusses the need for sustainability reporting on the manner in which companies comply with their declared principles and behavioral guidelines, a practice that has begun to be seriously established among the larger corporations, but is applicable to all.

Geoffrey Heal (2008) explains a comprehensive examination of how social and environmental performance affects a corporation's profitability and how the stock market reacts to a firm's social and environmental behavior. He looks at Socially Responsible Investment (SRI), reviewing the evolution of the SRI industry and the quality of its returns. He also draws on studies conducted in a wide range of industries, from financial and pharmaceuticals to Wal-Mart and Monsanto, and focuses on the actions of corporations in poor countries. In conclusion, Heal analyzes how social and environmental performance fits into accounting and corporate

strategy, presenting an executive perspective on the best way to develop and implement these aspects of a corporation's behavior.

Andrew Crane, Abigail McWilliams and Dirk Matten (2009) have pointed out that business schools, the media, the corporate sector, governments, and non-governmental organizations have all begun to pay more attention to issues of Corporate Social Responsibility in recent years. These issues encompass broad questions about the changing relationship between business, society and government, environmental issues, corporate governance, the social and ethical dimensions of management, globalization, stakeholder debates, shareholder and consumer activism, changing political systems and values, and the ways in which corporations can respond to new social imperatives.

Philipp Schreck (2009) stated that in recent times, scholars and practitioners have equally been attracted by the notion that Corporate Social Responsibility need not merely be a costly obligation to private business but can sometimes be in the very interest of companies themselves. CSR is thereby understood as a multi-dimensional and multi-relational concept which relates to the responsibilities ascribed to companies by various stakeholders. In contrast to the mainly normative discussions on CSR in Germany, this study analyses empirical antecedents and financial impacts of Corporate Social Performance (CSP). It adds to the long lasting research tradition on the business case for CSR by employing hitherto unused data on CSR. The study proposes additional statistical analyses to account for the widely neglected econometric problem of endogeneity due to simultaneous causality. Although the results indicate that CSR can be in line with economic goals in some cases, they do not support the assumption of a generic or even universal business case for CSR.

Samuel O. Idowu and Walter Leal Filho (2009) described about being socially responsible on the part of corporate entities is now no longer an option, it is part of their normal business obligations to all their stakeholders regardless of whether these are primary or secondary stakeholders. Modern societies around the world now expect corporate entities of all shapes and forms to be socially responsible in whatever they do; the "Global Practices of Corporate Social Responsibility" is a first attempt at bringing together in one book experts' accounts of how corporate entities in twenty

independent nations around the world are dealing with the issue CSR. The world today faces diverse social problems. These become apparent as one moves from one country to the next, interestingly, society now expects corporations to help in finding solutions to these problems. The problem of global warming affects us all, modern corporations can no longer continue to assume that the problem will go away, if nothing is done by them. We can all make a little difference by our actions.

Sarah A. Soule (2009) examines anti-corporate activism in the United States, including analysis of anti-corporate challenges associated with social movements as diverse as the Civil Rights Movement and the Dolphin-Safe Tuna Movement. Using a unique dataset of protest events in the United States, he shows that anti-corporate activism is primarily about corporate policies, products, and negligence. Although activists have always been distrustful of corporations and sought to change them, until the 1970s and 1980s, this was primarily accomplished via seeking government regulation of corporations or via organized labor. Sarah A. Soule traces the shift brought about by deregulation and the decline in organized labor, which prompted activists to target corporations directly, often in combination with targeting the state. Using the literature on contentious and private politics, which are both essential for understanding anti-corporate activism, understanding of the changing focal points of activism directed at corporations.

Wayne Visser, Dirk Matten, Manfred Pohl, Nick Tolhurst (2010) have written a unique publication and is the culmination of over a hundred of the world's leading thinkers, opinion formers, academic and business people providing an easy-to-use guide to CSR: from general concepts such as sustainability, stakeholder management, business ethics and human rights to more specific topics such as carbon trading, microfinance, biodiversity etc.

Kao Raymond and Raymond W. Y. Kao (2010) have described how Corporate Social Responsibility is linked to long-term sustainability of an economy and that the activities of an organization should not be only for its self-interest, but must also be improved for the benefit of common good. A major approach the book advocates is corporate decision-makers in an organization should work towards earning the trust of stakeholders rather than focus on short-term profitability. It also emphasizes the

importance of recognizing and rewarding the contribution and commitment by participants of an organization.

Wayne Visser and Nick Tolhurst (2010) have written comparable national profiles that describe the evolution and practice of Corporate Sustainability and Responsibility for 58 countries and 5 global regions. Each regional and national profile includes key information about the relevant CSR history, country-specific issues, trends, research and leading organizations. The purpose is to give CSR professionals (including managers, consultants, academics and NGOs focusing on the social, environmental and ethical responsibilities of business) a quick reference guide to CSR in different regional and national contexts.

Céline Louche, Samuel O. Idowu and Walter Leal Filho's (2010) study aims to explore, inspire and support creative, innovative and strategic CSR. 'Innovation' means new products, services and technologies and, in addition, new organizational and institutional systems, structures and new business models that empower the organization to advance strategically in an ever more competitive business world. With contributions from a *crème de la crème* of scholars from 12 countries, Innovative CSR gathers together a cornucopia of innovative practices that will be essential reading for academics and practitioners alike.

Dinah Rajak (2011) says that under the banner of Corporate Social Responsibility, corporations have become increasingly important players in international development. These days, CSR's union of economics and ethics is virtually unquestioned as an antidote to harsh neoliberal reforms and the delinquency of the state, but nothing is straightforward about this apparently win-win formula.

2.2 CSR - NATIONAL STUDIES

C. Gopala Krishna (1992) has written that CSR as social responsibility is not a new concept of philosophy to Indian businessmen. It is a philosophy that looks at the social interest of business over the long run as compared with the short run self-interest. However, modern industrial civilization has created a new environment of challenge and struggle in which business has come to be viewed as business only. His

book makes a significant contribution to this field by providing rich empirical data on the attitudes of managers at the top and middle levels of large scale public and private enterprises in India. It identifies their attitudes towards various aspects of social responsibility. It gives a detailed account of how managers perceive the concept of social responsibility, the social areas of importance, the implementation process and problems, and the need for and methods of social audit. Also, the study examines the impact of sectoral differences and management hierarchy differences on the attitudes of managers.

R. Natarajan's (2003) study examines the role of Social and Societal Responsibility as a core Value of the University and Corporate sector. The pilot study of Rajiv Gandhi University of Health Sciences, Bangalore has developed tools and techniques, and has utilized them to study the existing status of social accountability of the medical colleges in Karnataka. He indicated a rational model for initiating and sustaining University-Industry collaboration.

Dipankar Gupta (2005) stated that in order to make CSR sustainable, it is necessary to develop an ethical perspective in corporate manner. Corporate Social Responsibility must also be in tune with these imperatives and that is why all initiatives on this score must be stakeholder oriented and driven by business interests if they are sustainable. According to him, there are three models of CSR - (1) competency driven, (2) community driven and (3) consumer driven.

Ravi Puranik and Viraf Mehta (2005) have made an attempt in encouraging business to embrace and practice CSR that is relevant to India. The relevance is rooted in our understanding that business can and indeed ought to contribute to "equitable development in society", and thereby impacting on poverty including processes both in their domain of operations and generally in society.

Ajit Prasad (2005) has noted that in the contemporary debate on the modern corporation and its impact on the economy, society and nation, the focus has shifted from growth with only profitability to growth with sustainable development, which includes the stakeholders. While there is considerable debate on the corporations' obligations to civil society in the Western world, in the developing countries the

debate is sporadic; an effort to initiate a nationwide discourse on the concepts and practices of corporate social action in India.

Atul Sood and Bimal Arora (2006) have stated that the overall socio-economic development experience in India under different economic governance frameworks since the 1950s has given rise to a large number of interrelated concerns, including impacts on employment and distribution of income, emergence of new forms of vulnerabilities, weakened state structures, imbalanced demographics with sub-national disparities, environmental and biomass degeneration and dismal performance on several human development indicators. However, all the institutional actors, including private sector corporations, have responded to these challenges in different ways. Also, the increased focus and pressures by campaigners on corporations to not only minimize harm but also maximize benefits emanating from their operations has put many leading corporations globally in the line of fire and have had a profound influence in many countries including India.

Jayanta Bhattacharya (2007) explores the contemporary knowledge of the aspects of CSR. Interestingly, as administrative and political governance worldwide is finding it difficult to deal with the problems of the people to its dismay, there is an increasing dependence on the corporate world as one having some solutions to the problems—certainly not without the dichotomy, dispute, debate and doubt of their capability related to wealth distribution, creation of opportunities of the marginalized people and the sustenance of the natural environment. What once started as a moral plea for the corporate to share their wealth for the society and community is today, showing the signs of maturity as one being part of the business process and strategy formulation. In addition, this CSR activism is in line with the thinking of one dominant group of thinkers who believe that corporate are in better position to solve the local and also may be global problems than the politics and policies in general.

Sanjay Agarwal (2008) uses Indian examples, case studies and CSR role models from the Indian industry to explain the gap between Indian business needs and current practices. Practices and researches in economically developed countries have also been used extensively. As the Indian industry begins to enter international markets, it is going to be imperative to integrate CSR with business goals for long-term

sustainability and healthy economic, social and environmental impact. He tries to understand the meaning of business beyond financial numbers and to explain how even CSR can be used as a marketing tool and for business benefits. It dwells comprehensively upon the concept of CSR, from its inception as philanthropy till its journey to a form where now it is mandatory to be sensitive about CSR in businesses.

Ramya Sathish (2008) defined Corporate Social Responsibility as “the ethical behavior of a company towards the society” to manifest itself in the form of such noble programs initiated by for profit organizations. CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their business it is also vital to build trustworthy and sustainable relationships with the community at large.

Mahabir Narwal and Tejinder Sharma (2008) stated that due to the liberalization of economy, the corporate sector is making an increased effect on the rapidly transforming Indian society. The findings reveal that in a market-led economy, society holds both positive and a skeptic view of CSR activities and expects a responsible and ethical behavior from the corporations. The process of further integration of the society and business is required and the business has to reinforce the positive momentum to strengthen the confidence in the society.

According to Balakrishnan Muniapan and Mohan Dass (2008), Business is viewed as legitimate and an integral part of society according to Vedic philosophy but essentially it should create wealth for the society through the right means of action. ‘sarva loka hitam’ in the Vedic literature referred to ‘well-being of stakeholders’. This means an ethical and social responsibility system must be fundamental and functional in business undertakings. Put in simple business sense, the organisation would sustain long-term advantages and obtain profits if it conducts its businesses ethically and be socially responsible. Vedic literature on business profoundly states - “May we together shield each other and may we not be envious towards each other. Wealth is essentially a tool and its continuous flow must serve the welfare of the society to achieve the common good of the society” (Atharva-Veda 3-24-5). The Vedic philosophy insists that quality of work and service needs to be achieved in the business process model for long-term sustainability, besides an equitable

redistribution of wealth after having acquiring it. This core principle of Corporate Social Responsibility expounded by the Vedic literature is being reengineered in the modern business models, namely, Total Quality Management (TQM), Business Process Reengineering and Triple Bottom-Line Sustainability.

In the Bhagavad-Gita, the key principles of Vedic philosophy is re-cemented in the Indian mind on the basic moral understandings required to achieve salvation through transcendental knowledge, the obedience to law of karma, self-realization, and the performance of actions under the framework of Vedic sciences. The Bhagavad-Gita is accepted as a universal body of knowledge and remains as a lifelong scientific and spiritual model for mankind. It triggers the search for self-realization and appropriate right action in the material driven world. Sri Krishna says in the Bhagavad-Gita (3–13), that all sorrows from the society would be removed if socially conscious members of a community feel satisfaction in enjoying the remnants of their work performed in yagna spirit (selfless welfare of others). In short, the Indian philosophy on business management is to inculcate Corporate Social Responsibilities.

V.V.S.K. Prasad's (2009) study deals with the nature and extent of CSR initiatives under taken by Indian companies and to study its relevance in business. Even much before the issue became a global concern, India was aware of CSR, due to the efforts of organizations such as the Tata Group (Around 66 per cent of Tata Sons, the holding group of the Tata Group, is today owned by a trust). Corporate companies like ITC have made farmer development a vital part of its business strategy and made major efforts to improve the livelihood standards of rural communities.

Sanjay Kumar Panda (2009) explains the concept of CSR, its global scenario and the Indian scene. This is followed by its chronological history and present status among Indian Corporates. For ages, much before the advent of corporate form of organizations, the rich in India had discharged their social responsibility through philanthropy as enjoined by their religions. Most of the bigger Corporates have also joined the CSR bandwagon on their own volition or forced by legal and societal pressures. He lays out priority areas, attention to which would help Corporates themselves and also the nation in the long run.

Mira Mitra (2009) described the role of Corporate Social Responsiveness in society has always engaged social theorists and activists. Her work engages with the historical, political, social and developmental issues relevant to this debate in an Indian context using both cases from Indian industry and relevant International perspectives. Mitra also argues for a reassessment of the roles of business, government and civil society engagement.

V. Balachandran and V. Chandrasekaran (2009) highlighted a number of high profile scandals involving Corporates coming to light in recent times, the need for transparency, accountability and corporate responsibility to the society has become more crucial than ever before. More so because, with the liberalization and globalization of the business, companies have to establish a good corporate governance system to satisfy their stakeholders, shareholders, the management, the employees, and the public, realizing that, in the ultimate analysis, Corporates have continuing responsibility towards the nation and its people. They addressed the contemporary ethical, legal and environmental issues and concepts in the corporate business world. Their study highlights the various codes of conduct, concepts, guidelines, rules and regulations of various legislations in relation to good ethical business practices. Besides, it deals with various issues and factors underlying corporate governance and suggests their remedies. It gives an account of the CSR practices by Indian Corporates, various legislations governing corporate social responsibility. It highlights contributions made to CSR by Corporates through NGOs. It also provides guidelines for ethics to be maintained by various professionals.

Nihar Mohapatra, Tapas Ranjan and Arjuna Charan Behera (2009) explained that an innovation model is being implemented by corporate world to build brands in the rural market. Organizations are instigating social responsibility campaigns in the rural areas, which also exhibit the potencies and the values that a brand illustrates. These campaigns create valuable words of mouth publicity for the brand in the oral socialist culture of rural India, which the short ten second commercial advertisements are not in a position to do. Corporate world needs to build a social responsibility campaign around the business model of the organization and strengths and values that are depicted by the brand. Then only the campaign can be useful to build brand in the rural areas. Rural people can become a viable market for the corporate with a

developmental approach of social marketing. Organization can launch social responsibility initiatives in order to build brands in the rural areas. The social responsibility initiatives are far more effective in building brands in rural market than the commercial advertisements.

Ashwani Singh and Prema Sagar (2009) have explained with quotation of Bhagawat Gita, Chapter 2:

“On action alone be thy interest,
Never on its fruits.
Let not the fruits of action be thy motive,
Nor be thy attachment to inaction”.

They argued that Spirituality and Corporate Social Responsibility have had a deep-rooted connection in India. A phenomenon that has preceded the coining of the term ‘CSR’, the link between the ‘karma’ as espoused by sacred Indian texts and initiatives anchoring Corporates as responsible citizens has been amply evident in India since the early days. Viewed from this perspective, public relations professionals are the custodians of trust for the corporate world. While the global spotlight today focuses on debates on corporate trust, India can proudly flaunt a head start in this arena.

Suresh Kumar Pramar (2009) explained how the current global financial crisis has impacted Corporate Social Responsibility in India adversely. Business house, trying to restructure their resources, have run the red line through CSR budgets. CSR managers claim that managements have issued instructions to put on hold all new CSR projects. Budgets for many ongoing projects have also been curtailed. The global financial crisis has helped strengthen the belief that CSR, for most Indian business houses, was not a very serious issue.

Madhumita Chatterji (2011) explored the core concepts of CSR and explained them through numerous examples, mini cases, exhibits, and case studies. This study explores the role of various institutions, the processes of integrating CSR into the strategic framework of organizations, and sustainability and its challenges. Further, it provides a framework for CSR reporting, an insight into the CSR practices prevalent in India, and a thematic representation of the global scenario.

Bidyut Chakrabarty (2011) examined Gandhi's philosophical moorings that inform India's approach to CSR, and the role of civil society in setting an agenda for championing the rights of the stakeholders. The study focuses on the role of the government in grooming the Indian business to be sensitive of its social concerns.

C. B. Bhattacharya, Sankar Sen and Dr. Daniel Korschun (2011) wrote that the corporate social and environmental responsibility movement, known more generally as Corporate Responsibility (CR), shows little sign of waning. Almost all large corporations now run some form of corporate responsibility program. Despite this widespread belief that CR can simultaneously improve societal welfare and corporate performance, most companies are largely in the dark when it comes to understanding how their stakeholders think and feel about these programs. They argue that all companies must understand how and why stakeholders react to such information about companies and their actions. It examines the two most important stakeholder groups to companies - consumers and employees - to comprehend why, when and how they react to CR. Armed with this insight, it shows how companies can maximize the value of their CR initiatives by fostering strong stakeholder relationships to develop, implement and evaluate compelling social responsibility programs that generate value for both the company and its stakeholders.

Pushpa Sundar (2013) explained that Business Community is a historical narrative which highlights emerging critical issues and the achievements as well as deficits of Indian CSR. Its objectives are threefold:

- To enhance public knowledge, understanding and appreciation of what Indian business has contributed to society.
- To study the business community as a whole, especially the younger generation, by highlighting exemplary history of Indian CSR.
- To identify the factors which inhibit or encourage CSR so as to enable business and government to take appropriate action.

It shows that CSR in India cannot be conceptualized in ethnocentric terms. Arguing that it is not about 'the typical Indianness' of the articulation, it emphasizes the point that CSR in India needs to be conceptualized in a wider perspective by taking into

account its philosophical roots with reference to the prevalent socio-economic and political context.

2.2.i Kautilya's Arthashastra and CSR

Kautilya's Arthashastra is one of the ancient Indian literatures which had provided some insights to CSR, although the context was written for his King (Chandragupta Maurya) to govern the state. The roots of the Arthashastra can be traced from the Rig Veda. The Arthashastra deals primarily with economics and politics. In chapter 59 of Santiparva, of the Mahabharata, the details of state administration in an organized society are provided. It is called Niti Sastra, which was composed by Brahmadeva and summarized by Sukracarya. Other sages such as Bharadvaja, Gaurisira, Yajnavalkya and Manu also stated this science. In Santiparva, the subjects of Rajadharma, mentioning the duties of the kings are elaborated (Kodandaramayya, 2004 cited in Muniapan and Shaikh, 2007).

R. Shamashastry was the librarian of Oriental Library in Mysore found a copy of the Sanskrit text of the Arthashastra in a palm-leaf book, edited, and brought out an English "Corporate Social Responsibility: a philosophical approach" 417 versions in 1909. It created waves in the western world. It was discovered that the Arthashastra written hundreds of years earlier provides a complete manual for running the state efficiently in all the branches, legislature, executive and judiciary. It also includes all aspects of state administration such as establishing a governing hierarchy, selecting people, levying taxes, to laying down laws, to decide punishments for breaking the law, etc. (Muniapan and Shaikh, 2007). In his Arthashastra, Kautilya maintained that a king (leader or CEO in the context of organization) should have no self-interest, happiness and joy for himself, his satisfaction lies in the welfare (happiness) of his people; i.e. he has to submerge his personality into the larger personality of his people. This is based on the cultural ethos of self-abnegation. Kautilya states in the happiness of his subject lies the happiness of the king; and in their welfare lays his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him, whatever pleases his subjects.

"Bahujana Sukhaya Bahujana Hitayacha" – the welfare of many is the happiness of many. In fact the concept of happiness of many, need to be integrated into the area of

corporate management as the basic principle. This ancient wisdom is also reflected in other languages. Two thousand years ago, Thiruvalluvar in Tamil Nadu wrote the Thirukkural and just like Kautilya's Arthashastra, he also dealt with the characteristics of a well-run administration or socially responsible organizations. For instance, when talking about the responsibility of a king (leader), Thiruvalluvar says: "*Murai saithu kapatrum mannavan makkalkku iraiyentru vaikkapadum*" (the king who administers justice and protects his people will be considered of divine quality; Vittal, 2004). Thiruvalluvar also says: "*Irai kakkum vayyakam ellam avanai murai kakkum muttacheyin*" (the king protects the world and if he acts according to justice or dharma, then justice itself will protect him). If a person rules according to dharma, that dharma itself will protect him (*dharmo rakshati rakshitaha*). In the Indian context, this example can be seen in Ramayana, when Sri Rama (King) had to make the painful decision to banish Sita (Queen) from Ayodhya. Sri Rama as an ideal king had to uphold the honor of his dynasty. He needed to set examples for all generation to follow. Although Sri Rama's decision to banish Sita may seem to be harsh, the king sometimes needs to be harsh, as the first duty of the king is to rule his people while other considerations are secondary, even if they affect personal happiness (Muniapan, 2005b; Muniapan and Shaikh, 2007).

There are also similar advices in Shantiparva of the Mahabharata, wherein the public interest (welfare) is to be accorded precedence over his (leader's) interest. A leader (king) should, without doubt, look upon the subjects as his children. In determining their disputes, however, he should not show compassion. In performance of his duties, he is enjoined to be impartial. In the ancient India, the leader (King) is often compared to the rain clouds, which bestow benefit, through rain (actions), to all and sundry, equally. In the context of corporate management, the organization's (state) leader is a catalytic change agent. The Arthashastra views are wider and more comprehensive in this regard. The leader (King) is the maker of his time. The important qualities and duties of the king are obtaining what has yet to be obtained, protecting what has been obtained, and increasing and properly using what has been obtained. Kautilya laid down three main responsibilities of a leader (king); they are *raksha* which means security, *palan*, which means growth and *yogakshma*, which means welfare. The meanings and the context of the three responsibilities differ

depending upon the environmental context (Balakrishnan Muniapan, Mohan Dass, 2008).

2.2.ii The importance of Trust

Research by Burson Marsteller, called “Building CEO Capital” reveals dramatic findings. After speaking with more than 1,100 business influential, CEOs and other senior executives, financial analysts, institutional investors, the business media and government officials in the United States, the research infers that the CEO’s reputation is a key factor in a company’s reputation. In fact, the research data reveals that -

- CEO reputation accounts for a staggering 48 per cent of a company’s reputation.
- Companies whose CEOs were rated “most admired” achieved a 13 per cent compound annual shareholder return over a three-year period. Companies with CEOs who were rated less favorably delivered a negative return.
- Eighty-eight per cent of respondents said that the CEO’s reputation would influence whether they would recommend a company as a good place to work. Ninety-four per cent would believe the company if under media pressure. Ninety-two per cent would maintain confidence in the company when share price is lagging.

The growing importance of trust is also embedded in a number of other developments:

- The rise in the number, influence and sophistication of non-governmental organizations that monitor, track and inspect global corporate players. Less than 30 years ago, there were 1,400 NGOs. In 1995, there were nearly 30,000. Today that number has grown 10 fold.
- An increase in shareholder activism. Of the 700 shareholder resolutions filed in the US in 2002, more than one third of them were based on social issues.
- Greater disclosure requirements of social and environmental performance as part of their “new economic regulations” by Governments, particularly in Europe.

Just three years ago, the concept of triple bottom line reporting, that means assessing and providing an accounting of a company's social, environmental and economic impact and performance was embraced by only an enlightened few. Today, such reporting is embraced by the majority to prove they are acting responsibly.

2.2.iii The recognition of the importance of Trust in India

Respect is, in some ways, an intrinsic part of Indian culture. The Indian ritual of touching the feet of elders is a good example of how respect manifests itself in everyday life. This transcends into the corporate world. For decades now, since Independence, corporate majors such as the Tata and Birla group companies have led the way in making Corporate Social Responsibility an intrinsic part of their business plans. These companies have been intensely involved with social development initiatives in the communities surrounding their facilities. Jamshedpur, one of the prominent cities in the northeastern state of Bihar in India is also known as Tata Nagar and stands out as a beacon for other companies to follow.

Respect is a much sought after tag in the Indian corporate world. This is one of the reasons for the immense popularity of The Most Respected Companies of India survey, initiated by one of India's premier business magazines, Business World in 1983, long before skeletons began toppling out of the corporate closets around the globe. In fact, the magazine admitted in a cover feature following its first survey that the overwhelming reader response to its first ever ranking of corporate reputations indicated that "there is a great deal of interest within the management community in the subject of corporate reputations" and that this interest was "more than academic". Respect, as viewed by the survey was an aggregation of two broad parts of a company's deliverables: quantitative (like profitability) and qualitative (like community responsibility). The parameters for corporate respect in this survey are wide ranging: Overall quality, top management leadership, depth of talent, belief in transparency, ethics, social responsiveness and environmental consciousness.

2.2. iv Criteria for ranking India's most respected companies

The survey clearly reveals that impressive financials are not enough to earn respect. You were respected not because you were big and powerful, but because you were transparent, your stakeholders trusted your policies, your HR guidelines were fair, you

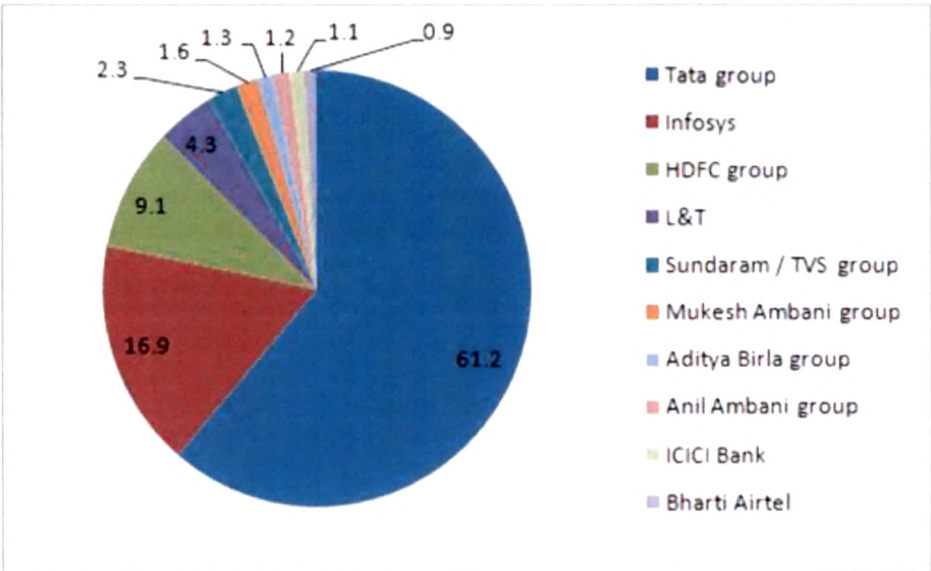
were ethical, and you contributed to society. Transparency and ethics were the most important factors of contribution. “Respect is the first thing we look for when doing anything” says N.R. Narayana Murthy, Founder of Infosys Technologies, the company that was crowned one of the Most Respected Companies in the survey. “At the end, respect comes to people who do desirable things and who can be trusted. When you make a statement, people should say, we believe”. It is no surprise that Narayana Murthy holds J.R.D. Tata in great esteem as an icon. The first name that comes to any Indian on the subject of CSR is that of the Tata Group.

Criteria for ranking CSR Activities

No. of times chosen by respondents	Overall quality	Top management leadership	Depth of talent	Ability to attract talent
Belief in transparency	Ethics	Social responsiveness	Environmental consciousness	Quality of products/services provided
Belief in customer satisfaction	Track record of company	Dynamism	Speed of response to change	Continuous innovation
Global competitiveness	Consistent corporate performance	Returns to shareholders	Value for stakeholders	Ability to cope with recession

Source: Businessworld, January 2003

10 Most Trustworthy Indian Corporate Groups



Posted by: Ankit Agarwal, Equitymaster Survey, India, 2011

There has been a long history of CSR in India and the TATAs have been the role models on this path. The chairman of the TATA Group, Ratan N. Tata, explains “We do not do it for propaganda. We do not do it for publicity. We do it for the satisfaction of having really achieved something worthwhile”. The TATA Business Excellence Model integrates social responsibility into the framework of corporate management wherein social responsibility is encapsulated as Key Business Process. In fact all social-service departments in TATA companies have annual programs and budget and all this is aligned to the MD’s Balanced Score Card. Corporate Social Responsibility programs at the TATA group of companies extend across a wide spectrum including rural development, community development and social welfare, family initiatives, tribal development and water management.

About 7000 villages around Jamshedpur and Orissa benefit from development programs run by the Tata Steel Rural Development Society (TSRDS). Programs of TSRDS cover issues like education, irrigation, afforestation, adult literacy, vocational training, handicrafts and rehabilitation of the handicapped persons. The Community Development and Social Welfare Department (CDSW) at Tata Steel carries out medical and health programs, blood donation drives, mass screening of Tuberculosis patients immunization camps and drug de-addiction. In 1999, Tata Steel embarked on an AIDS awareness program, which has now become an integral part of all training programs. Routine activities like immunization programs, sterilization operations and mother and child health care programs are conducted through 9 family welfare centers, 9 child clinics and 6 community-based clinics. In fact, Tata Steel’s Centre for Family Initiatives (CFI) was successful in influencing 59 per cent of Jamshedpur’s eligible couples practicing family planning, compared to the national figure of 35 per cent. A commitment to the welfare of the community has long been central to the value system of companies in the Tata Group. To build upon this heritage the Tata Council for Community Initiatives (TCCI) has created the Tata Guidelines on Community Development, an effort of over three years from the field evolved into a framework of best practices (Singla A. et al 2009).

The Birla group of companies is also among the pioneers in the field of Corporate Social Responsibility in India. As part of the Aditya Vikram Birla Group’s Social Reach, the Birla group runs as many as 15 hospitals in India and also includes Adult

education conducting as many as 78 schools all over India, rehabilitates handicapped persons having touched more than 5000 physically challenged individuals. More than 1,00,000 patients have been examined under the Group's medical programs. Over 15,000 children along with 2000 pregnant women have been immunized, over 500 cataract patients operated, 2000 TB patients provided medical care, 100 leprosy-afflicted attended to free of cost (Singla A. et al 2009).

It also provides Vocational Training, having provided training to over 3000 women and having distributed over 1400 tool kits in a variety of areas like electrical, auto repair, electronic equipment maintenance and repair and tailoring. It has adopted several villages under its Village Infrastructure Development program and has provided extensive training to over 10,000 villagers in its Carpet Weaving Center.

Beyond the Private sector, corporate players in India's public sector too have been actively involved in Corporate Social Responsibility initiatives. Most public sector units in the heavy engineering industry have not only set up a township around the plant, but also established a school, a hospital and several other civic facilities for its employees and those that live in that area. Private sector companies have been encouraged to undertake rural development programs down the years through fiscal incentives by the government. For instance, special benefits are offered in the industrial policy to companies that set up industries in backward areas and tax incentives are also offered to companies that set up water purification projects. In India, it has also been noticed that when it comes to individual CSR activities, the 'anonymous' donor mentality prevails. That most people tend to keep a low profile was confirmed by The Economic Times, a leading business daily in India. It conducted a straw poll and talked to several professionals involved in the field and NGO circuit to get an idea about the leading lights.

With the intense spotlight on the subject, the interest in Corporate Social Responsibility is spreading in India as well. The Corporate Social Responsibility Survey 2002 - India, jointly conducted by the United Nations Development Program, British Council, Confederation of Indian Industry and PricewaterhouseCoopers, covering 19 industry sectors reveals that this interest is growing as more and more companies in India are keen to project themselves as good corporate citizens. This

was the most important factor driving CSR in India, according to the survey. Good corporate citizenship and CSR initiatives are inextricably linked with improved brand reputation, which is one of the most important drivers of CSR identified by the respondent companies. The other key drivers of Corporate Social Responsibility in India were diverse ranging from stated philosophy of founding fathers to improving relationship with local communities to enhanced shareholder value.

As part of the survey, over 100 companies ranging from large to mid-sized corporations responded to questionnaires sent to around 1,000 companies during September-October 2002. Besides, a group of researchers conducted an in-depth study of CSR programs in top business houses. The respondents unanimously acknowledged that social responsibility was no longer an exclusive domain of the government and CSR is much more than “passive philanthropy”. “India has a strong tradition of philanthropy”, states the foreword to the survey, “It is encouraging to note that many are beginning to make a shift from a tunnel vision on Corporate Social Responsibility to an integrated model that mainstreams through business vision and processes”. In fact the most striking feature of the survey was the overriding response that ‘passive philanthropy’ alone no longer constitutes CSR.

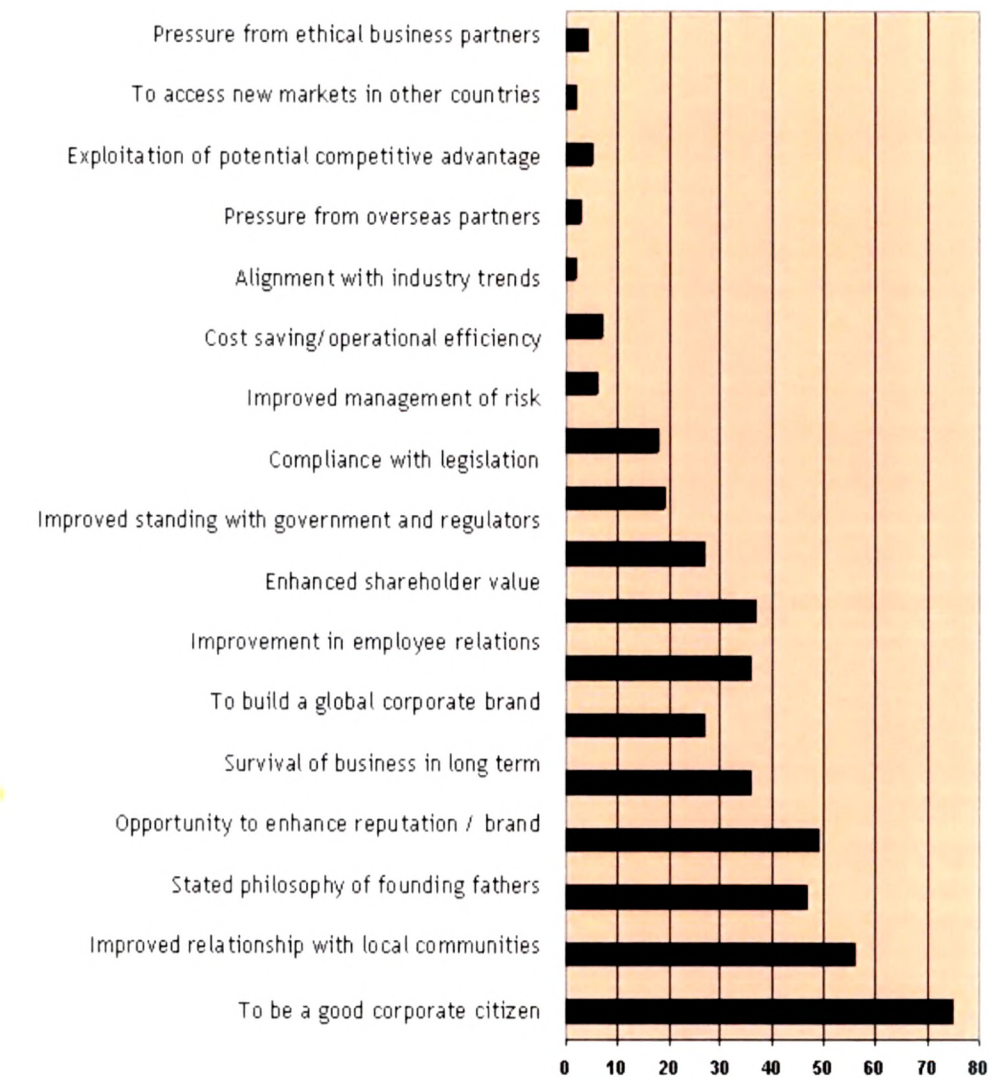
2.2.v Drivers of CSR

The Survey broadly categorizes the main types of CSR activities undertaken by Indian Corporates as under: This is a reflection of the role that public relations play in generating trust through Corporate Social Responsibility. Public relations, in fact, is the social face of an organization driving stakeholder relationships. This connect has only reinforced this role, often lost in the myopic vision of media relations, as companies are focusing on communicating their CSR initiatives through multiple platforms, transforming their websites, issuing reports and signing up to speak on conference panels.

As professionals who have been avid observers of Corporate Social Responsibility initiatives in India and intensely involved as they link in with public relations, it is extremely important to point out the need to take into account the sensitivities and sensibilities of the Indian populace while undertaking such programs. The importance accorded to respect for elders, relationships and family values are the pillars

upholding the symbiotic relationship between the community and businesses in India. The deeply engrained belief in karma as espoused by the Bhagwad Gita extends into the role of business in this society breaking across the barriers of culture, religion and language. Well-advised multinationals operating on Indian soil like Ford India and Cargill have shown deep respect for local sensitivities and pride.

Figure - Drivers of CSR



Source: Corporate Social Responsibility Survey 2002 – India (United Nations Development Programme, British Council, CII, Price Water House Coopers)

Navigating this sometime difficult environment presents businesses with new challenges yet also offers new opportunities. But sound practices and relationships

with stakeholders better prepare to deal with unique issues thrown up by distinct regions. It is however important to ensure that at every level, employees involved in CSR activities understand their role in making certain the company follows through on its commitments. This is where public relations come in. Formally or informally, it has been bridging the gap between trust and CSR initiatives in India, making the Indian experience a success.

According to a survey carried out in June 2008 by TNS India (a research organization) and the Times Foundation, over 90 per cent of all major Indian organizations surveyed were involved in CSR initiatives. In fact, the private sector was more involved in CSR activities than the public and government sectors. The leading areas that corporations were involved in were livelihood promotion, education, health, environment, and women's empowerment. Most of the CSR ventures were done as internal projects while a small proportion were as direct financial support to voluntary organizations or communities.

2.3 CSR - GUJARAT STUDIES

The state of Gujarat, known as the Growth Engine of India, is now moving towards leadership in knowledge advancements based on the pillars of innovation and sustainability. Gujarat, known for its rapid industrialization, has also emerged as one of the most suitable platforms for launching Corporate Social Responsibility initiative. A study conducted by The Associated Chamber of Commerce and Industry of India (ASSOCHAM) is anything to go by, the state is the second most sought after by the India Inc. for the CSR play. It stands second with share of 11.62% in total CSR activities, while Maharashtra tops the chart with total share of 35.68%. Delhi (9.66%), Tamil Nadu (9.17%) and Andhra Pradesh (7.04%) are the other states with the highest CSR activities.

The study "India Inc. and CSR areas" further reveals that from the 300 Indian companies, which had been grouped under 18 broad sectors based on their economic activity, the maximum initiatives have been undertaken by almost 74 companies engaged in chemical sector, accounting for a share of 12.11%. The 62 companies in FMCG (Fast Moving Consumer Goods) and consumer durable space are placed at

second position with a CSR initiative's contribution to the extent of 10.15%. With 53 companies, the textile sector occupied third place with effective CSR initiatives, contributing a share of 8.57%.

According to industry officials, blue print of the industrial policy draft also found mention about CSR, but due to vehement opposition from the industry body the government was compelled to step down from its stance on the issue. "There were also apprehensions amongst the industrialists that CSR could be made mandatory for the Corporates and industry associations here. But that has not happened", industry sources said. The policy said that investors should participate in efforts of all round development and improvement of quality of life. Releasing the study report, ASSOCHAM president Sajjan Jindal said, "Out of the total 26 activities, community welfare perceived to be the top priority area on the corporate sector's list with a share of 21.93%".

The government of Gujarat has, in its newly announced industrial policy, refrained from making Corporate Social Responsibility mandatory. It has also rechristened CSR as "Wealth with Social Health". Previously the Gujarat government had made it mandatory for state-run public sector enterprises to contribute 30% of profit before tax for social causes as part of their CSR that is now optional in the new industrial policy. This report states that the policy now reads "Business entities should synergize with the state to improve social health in surrounding areas, so we intend to develop a flexible and optional arrangement between the state and business. Principal Chief Industrial Advisor R J Shah said, "Corporate Social Responsibility has been made optional in the new industrial policy".

Mihir R. Bhatt (2002) explained that Corporate Social Responsibility can potentially act as a responsible partner that works towards evolving a capable and efficient disaster management system in the Gujarat state is gaining currently. However this too necessitates serious documented studies on the strengths, weaknesses, opportunities and threats that the sectors is posed with as well as bring along while working in the field of disaster management.

Even some of the most leading companies have been actively participated in the development of societies of Gujarat. For example, as part of Rs.10 million Corporate Social Responsibility project, India's largest private company, Mukesh Ambani led Reliance Industries (RIL), has built a market and created a garden for commercial plants in a Gujarat village. The market, set up by Reliance as part of a project to develop the village Moti Khavdi in the state's Jamnagar district, will accommodate shops for eatables, vegetables, spices, clothes and cutlery and shoes. The shops will provide 46 hawkers a permanent place to sell their goods. A RIL spokesman said the project would give the village, some 350 km from here, a new look. Reliance group company Reliance Petroleum has set up a 29-million-tonne per annum high-complexity petroleum refinery in the Jamnagar special economic zone. Moti Khavdi village is adjacent to the plant site.

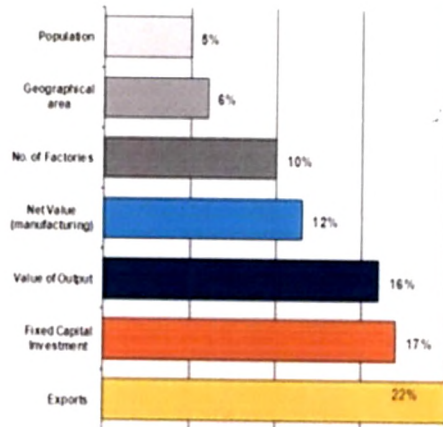
Gujarat Chief Minister Shri Narendra Modi (2013) recently stated that funds for CSR usually go for development of hospitals, making dams or other purposes, Modi said, "I think some percentage of CSR funds should directly go towards promoting Research and Development and innovation. We will try and start from the state PSUs like GNFC on how they can contribute in setting up a capital fund to promote innovation", while addressing an Innovation Symposium as a part of the Vibrant Gujarat summit. Highlighting the importance of innovation, Modi said, "An idea can change things dramatically, and scientific way of doing things can bring about a change." There are over a dozen PSUs of which six - GNFC, GMDC, GFSC, GIPCL, GACL, GSPL are listed companies of the Gujarat government on bourses and a few of them have been among the top tax payers from the state.

Earlier in 2008, Gujarat PSUs were directed by the government to shell out 30 per cent of their profit before tax (PBT) as part of their CSR. The contribution was for Gujarat Socio Economic Development Society, a body formed to utilize the PSU funds towards social development. The move had triggered uproar as shareholders of the listed PSUs had opposed it, alleging that their profit share was not meant for "charity".

Figure – Socio-economic Review

Despite the global economic slowdown, Gujarat achieved a GSDP growth of 16.8% in 2009-10 QE

Gujarat's share in India

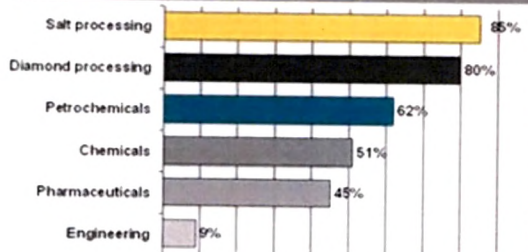


- Gross State Domestic Product (2009-10 QE):
Rs. 4,29,356 crore (US\$ 95 bn)*
- GSDP Average Growth (2005-10): 16%
- Industrial Growth Rate (2004-08): **13.7%**
- Per Capita Income at current prices (2009-10):
Rs. 63,961 (US\$ 1421)
National Average : Rs. 46,492 (US\$ 1033)
- Per Capita Income Increase
(Over 2008-09): 16%
- Per Capita Power Consumption (2008-09): 1446
units (National avg. 720 units)
- Urbanization: 37.4% (2001)

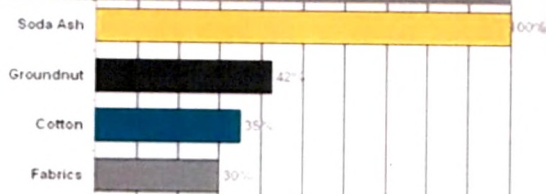
Source: Socio Economic Review: Gujarat State 2010-11

*Exchange Rate: 1US\$=Rs.45

Contribution of Gujarat to India - Sectors



Contribution of Gujarat to India - Products



Gujarat's share in the world

- World's largest grass root petroleum refinery at Jamnagar
- India's first LNG chemical port terminal at Hazira
- World's largest producer of processed diamonds
- **Amul** ranked world's top 21 largest dairy business by International Farm Comparison Network (IFCN)
- World's largest producer of castor and cumin
- World's largest gas based single location sponge iron plant
- World's 3rd largest producer of denim
- World's largest single location copper smelter at Dahej

2.3. i Special Economic Zones (SEZs) in Gujarat:

There are 55 SEZs present in Gujarat, covering an area of approximately 27,125 hectares. Gujarat has 3 operational SEZs, covering an area of 506 hectares, which are-

1. Kandla SEZ
2. SUR SEZ

3. Surat Apparel Park
- ✓ 7 Notified and Operational SEZs, covering an area of 9,810 hectares
- ✓ 15 Notified SEZs are present, covering an area of 6,114 hectares
- ✓ 22 formally approved SEZs in Gujarat, covering area of 7,702 hectares
- ✓ 8 In-principle approved SEZs covering an area of 2,993 hectares

These SEZs are involved in several sectors such as - Biotechnology, Power, Handicraft/Artisan, Gems and Jewellery and Port based multiproducts.

2.3. ii Sectorwise SEZs in Gujarat:

IT/ITes (15): Electronic SEZ(GIDC), Million Minds SEZ (Ganesh), Shivganga Real Estate Holders, City Gold Realtors Pvt. Ltd., Adani Township & Real Estate Co. Pvt. Ltd., 3rd Eye Voice SEZ (Calica), Nipiam Infotech Pvt. Ltd., DLF SEZ, Tata SEZ, IT/ITes SEZ(GIDC), Aqualine Properties SEZ (Raheja), SGV Infrastructure, L&T Ltd., Strength Real Estate (Raheja), Gaurinandan Property Holder.

Multi-Product (10): Kandla SEZ, SUR SEZ, Dahej SEZ, Reliance SEZ, Dholera SEZ(Adani), Essar SEZ, Sterling SEZ, Mundra Ports & SEZ Ltd(SEZ-1), Indian Infrastructure Corporation Ltd., Mundra Ports & SEZ Ltd(SEZ-2).

Engineering (9): Gallopse SEZ (NG Realty), Essar Hazira SEZ, Suzlon SEZ, Dishman SEZ, Ruchi Flat Steel SEZ, PSL Limited, Welspun Anjar (SEZ-1), E Complex Private Limited, Welspun Anjar (SEZ-2).

Others (8): Biotech Savli SEZ(GDIC), Adani Power SEZ, Gems & Jewellery SEZ, Ceramic SEZ, LMJ Warehousing Pvt. Ltd.(FTZW), Gujarat Finance City Development(GIFT) Company Ltd, GGDCL Handicraft & Artisan(GIDC), Non-conventional energy.

Textiles and Apparels (4): Surat Apparel Park SEZ, Ahmedabad Apparel Park SEZ, Pradip Overseas Ltd, Jindal Worldwide Limited.

Chemical (4): Jayant SEZ, Jubilant Chem SEZ, Gujarat Hydrocarbon & Energy SEZ Ltd., Asia Pacific Corporation Ltd.

Pharmaceuticals (4): Pharmez (Zydus), Phaez (CPI), Dishman Pharma SEZ, JB SEZ.

Port Based (1): Kandla Port Trust SEZ.

2.4 CSR - VADODARA STUDIES

Many studies have been done by scholars on industries of Gujarat regarding CSR initiatives. A few studies have been found in the context of Vadodara region on CSR. Mona A. Nargolwala (2006) deals with CSR activities of major industries in Gujarat with respect to community development programs.

Sailaja S. Rajjada's (2008) work deals with factors affecting CSR undertaken among the multinational companies of Gujarat, perceptions of employees about the performance of CSR process undertaken in companies.

Bimal Bhatt (2008) has written that Social Responsibility has emerged as a major concern in a global economy. Globalization, liberalization and the shrinking of governments have changed perceptions on how the greater common good can be achieved. The relationship between companies and civil society has migrated from paternalistic charity to a repositioning of the roles, rights and responsibilities of business in society.

Kedar Shukla's (2011) study examines the approaches to Corporate Social Responsibility of selected companies of Air conditioning industry in India. The researcher found out that the air-conditioning industry executives are very clear on their perception about the desirability of ethical behavior towards stakeholders and challenges to work towards healthy atmosphere with socially responsible manner.

2.5 JUSTIFICATION

Available literature on Corporate Social Responsibility is mainly dealing with the corporate governance, business operations and policies, integrating the interests of stakeholders, etc. A scanty research was undertaken to focus the social values, norms,

corporate ethics, proactive initiatives, etc. No known research has been found to study the Corporate Social Responsibility sociologically. Hence, here, an effort has been made to study how the corporate world in this part of the country, that is, Vadodara, meeting the needs of the needy sections of the society in particular and society at large.