

ACHIEVING SUSTAINABLE DEVELOPMENT GOALS THROUGH CORPORATE SOCIAL RESPONSIBILITY: FOCUSING ON INDIA'S ASPIRATIONAL DISTRICTS

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ABSTRACT

Most central or state government laws, amendments therein, development schemes, or frameworks that are aimed directly or indirectly towards holistic and sustainable human development have many objectives/goals in common. Here, the question arises: "Can collaboration or cooperation among all such departments, government agencies, and implementation authorities/partners which are responsible for the implementation of such laws, schemes, or frameworks help us to achieve human development goals more efficiently and effectively?". This research paper aimed to answer this crucial question. This is a conceptual study based on secondary data collected from various government websites, reports, and portals. In 2015, the United Nations identified seventeen Sustainable Development Goals (SDGs) to be achieved by 2030. Also, as stated in Schedule VII of the Companies Act 2013, the Indian government made Corporate Social Responsibility (CSR) spending mandatory for all organizations falling under the purview of the act. The Indian government also identified 112 socioeconomically underdeveloped districts (known as Aspirational districts) in 2018 and developed an Aspirational District Program (ADP) for bringing these districts into the mainstream by improving the Human Development Index among these districts and also by reducing regional disparities. This research established the linkages between SDGs, CSR Schedule VII activities, and the key domains of ADP through analyzing and extracting common objectives and goals among all three. Further, the CSR spending among all Aspirational districts in the years 2018-19, 2019-20, and 2020-21 demonstrated that SDGs can be achieved through CSR by focusing on ADP's key domains, demonstrating the ability of aspirational districts to achieve SDGs.

Keywords: Aspirational Districts, ADP, SDG, CSR, Schedule VII, NITI Aayog

Introduction

Understanding Aspirational District Programme

Bhatia & Singh (2018) defined Aspirational Districts as those Indian districts with extremely poor performance in certain key performance indicators such as health, nutrition, education, basic infrastructure and poverty.

In January 2018, the Government of India launched the 'Transformation of Aspirational Districts' initiative to achieve a New India by 2022, for improving India's ranking in the Human Development Index, raising living standards for its citizens, and ensuring inclusive growth according to Aspirational District Program of National Health Mission. The Aspirational Districts program (ADP) was launched to transform the 112 most underdeveloped districts identified by National Institute for Transforming India (NITI) Aayog across the country in a fast and effective manner and to integrate them into the mainstream by evaluating their progress against six basic domains such as nutrition, health, growth of education, agriculture, water resources, fundamental infrastructure, financial inclusion, and skills using forty-nine core indicators and eighty-one data points (Bhatia & Singh, 2018).

Ultimately, the Aspirational Districts Programme leads to national progress by localizing Sustainable Development Goals according to the Aspirational Districts Programme by the National Institution for Transforming India (NITI Aayog). It will be implemented and tracked by individual ministries and state governments through a committee under their respective Chief Secretaries.

The program for the transformation of aspirational districts is driven by moving beyond economic measures of success, enabling equitable regional development, and driving change through cooperative and competitive federalism (Kapoor & Green, 2020)

ADP districts have made significant progress across key domains, notably health and wellness and basic infrastructure, through stakeholder-based approaches that are based on a shared understanding among partners and the use of public-private partnerships that are based on standardized measures and data with a collaborative approach and a consistent language focused on outcomes between multiple levels of governance which leads to early achievement of SDGs.

Indian institutional frameworks include a number of ministries, including Rural Development, Skills Development and Entrepreneurship, Social Justice and Empowerment, Agriculture, and Cooperation, as well as the Companies Act 2013, with a CSR mandate. These ministries are also responsible for the socio-economic development of aspirational districts. This can be easily done by integrating all these schemes into the government's institutional architecture and enticing them to function in conjunction with district administration instead of acting independently (Kapoor & Green, 2020)

The SDG 2030 goals will be achieved by 2078 and a major factor that contributes to this failure among developing countries is the government's unwillingness to prioritize public expenditure (Debroy &Lomborg,2022).

In 2021, 80% of the 100 best companies for sustainability and CSR will be working towards achieving Sustainable Development Goals (Thacker, 2021).

When mapping the contributions Indian businesses have made towards the Sustainable Development Goals (SDGs) with CSR activities as detailed in schedule VII, Poddar & Narula (2019) found significant regional differences in CSR spending. As a result, they found that the amount spent on CSR is highest in the west zone and lowest in the northeast zone, and the projects in the south zone focus more on SDGs than those in the central zone.

According to Vertigans & Idowu (2021), the demand and efforts for responsible management practices are on the rise worldwide. However, certain factors are hindering this growth, which they describe in their book along with possible solutions based on recent case studies. Specifically, the book discusses how false claims by CSR result in the misallocation of resources and how short-term goals of CSR conflict with long-term goals of the SDGs.

By aligning with broader principles of holistic development, Schedule VII of the Companies Act, 2013 could more effectively achieve inclusive and sustainable development. It is imperative to align Schedule VII with the United Nations Sustainable Development Goals enumerated in the Indian 2030 Agenda for Sustainable Development (Srinivas,2019).

The difference between Traditional engagement of development partners and Partner ecosystem under ADP is displayed below with the help of a diagram. (Figure 1)

Traditional Engagement of Development Partner Ecosystem under ADP



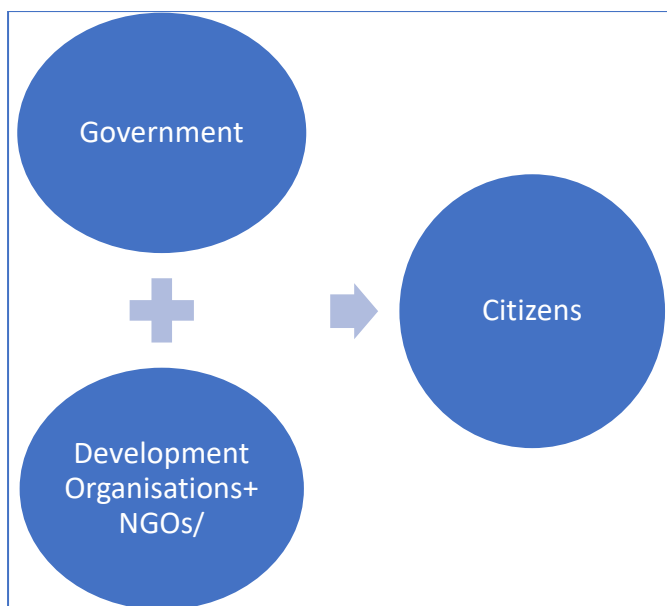


Figure 1. The Aspirational Districts Program has successfully included the development partners within the institutional framework of the government. (Source: Assessment of the Aspirational Districts Programme)

National Corporate Social Responsibility Awards (NCSRA) are provided to companies in India for their CSR contributions in challenging terrains such as Aspirational districts and also in areas of national priorities including solar energy, environment, and sustainable development which provides incentives for businesses to invest their CSR budgets in ADP, which eventually results in the achievement of SDGs.

Corporate social responsibility (CSR) as a government initiative can assist in achieving SDGs in a participatory manner, thereby resolving major funding issues. (Sudirman,2021).

(Hamann,2003) introduced that creating alliances between businesses, the government, and civil society can be a successful and effective way to advance CSR.

Even if, CSR initiatives might not immediately yield direct economic advantages, they can provide long-term strategic returns and are hence one of the main forces in achieving the objectives of sustainable development (Sarkar& Singh,2019).

Methodology

The present research paper is completely conceptual in nature. The data was collected from various secondary sources like journal articles, the National CSR Portal, the Compendium on Corporate Social Responsibility in India, different governments, websites, etc.

Objectives Of The Study

1. To analyse the Aspirational District programme.
2. To study the role CSR plays in Aspirational districts programme.
3. To find out how CSR helps in achieving SDGs in Aspirational districts.

Results And Discussion

The five key ADP domains namely Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion & Skill Development and Basic Infrastructure are mapped with seventeen SDG goals identified by UN and list of CSR activities listed under schedule VII of Companies Act 2013 based on common objectives. It is clear from the table below that Key domains of ADP, seventeen sustainable development goals, and Schedule VII CSR activities are closely linked, highlighting the common goal of socioeconomic development among the different organizations.

Key Aspirational Districts Program domains and the weights	The United Nations identified sustainable development goals in the year 2015. (Source:	CSR Schedule VII activities according to Companies act 2013 (Source: https://www.mca.gov.in)
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assigned to each. (Source: https://nhm.gov.in)	https://sdgs.un.org/goals)	
Health & Nutrition (30%)	GOAL 1: Eradicating all forms of poverty worldwide GOAL 2: End hunger through sustainable agriculture by making nutritious food available to all. GOAL 3: The well-being of people from age groups must be ensured. GOAL 6: Ensure the availability of pure and safe water for everyone without compromising the needs of future generations GOAL 17: To rejuvenate Global Partnerships for strengthening Sustainable Development.	(i) Assuring access to safe drinking water; improving sanitation, eliminating hunger, poverty, and malnutrition; (viii) Contribution to the fund established by the Central Government for the socio-economic development for the welfare of SC, ST and other underprivileged groups, minorities, and women.; (x) rural development projects; (xi) slum area development projects; (xii) disaster management eg. relief, recovery, and construction efforts;
Education (30%)	GOAL 1: Eradicating all forms of poverty worldwide GOAL 4: Ensuring lifelong learning through high-quality and inclusive education. GOAL 5: Realize gender equality through strengthening women and girls. GOAL 10: lessen inequalities both within and across nations GOAL 17: To rejuvenate the Global Partnerships for strengthening Sustainable Development.	(ii) encouraging livelihood improvement programs, education, and job-enhancing vocation skills, particularly among youngsters, females, old people, and people with disabilities; (viii) Contribution to the fund established by the Central Government for the socio-economic development for the welfare of Scheduled Castes, Scheduled Tribes, and other underprivileged groups, minorities, and women.; (x) rural development projects;
Agriculture & Water Resources (20%)	GOAL 1: Eradicating all forms of poverty worldwide GOAL 2: End hunger through sustainable agriculture by making nutritious food available to all. GOAL 12: Ensuring patterns of production and consumption sustainability GOAL 13: Immediately tackle climate change and its effects GOAL 14: For sustainable development, protect and responsibly use the oceans, seas, and marine resources. GOAL 15: Protect, restore, and encourage sustainable use of terrestrial ecosystems, manage forests sustainably, stop desertification, stop land degradation, and stop biodiversity loss. GOAL 17: To rejuvenate the Global Partnerships for strengthening the Sustainable Development..	(iv) Assuring soil, air, and water quality, ecological balance, animal welfare, agroforestry, and resource conservation while maintaining environmental sustainability; (viii) Contribution to the fund established by the Central Government for the socio-economic development for the welfare of SC, ST and other underprivileged groups, minorities, and women; (x) Rural development projects;

<p>Financial Inclusion & Skill Development (10%)</p>	<p>GOAL 1: Eradicating all forms of poverty worldwide GOAL 2: End hunger through sustainable agriculture by making nutritious food available to all. GOAL 3: The well-being of people from age groups must be ensured. GOAL 4: Ensuring lifelong learning through high-quality and inclusive education. GOAL 5: Realize gender equality through strengthening women and girls. GOAL 8: Providing employment that leads to sustainable growth and which must be equitable, productive, and consistent. GOAL 9: Increase innovation, and resilient infrastructure development through industrialization which is inclusive and sustainable. GOAL 10: lessen inequalities both within and across nations GOAL 16: Implement justice, and peace through institutional inclusivity at all levels which ensures sustainable development. GOAL 17: To rejuvenate Global Partnerships for strengthening Sustainable Development.</p>	<p>(ii) encouraging livelihood improvement programs, education, and job-enhancing vocational skills, particularly among youngsters, females, old people, and people with disabilities;</p> <p>(iii) the establishment of facilities for senior citizens, women, and orphans, reduction of socioeconomic disparities among the disadvantaged, ensuring gender equality;</p> <p>(viii) Contribution to the fund established by the Central Government for the socio-economic development for the welfare of SC, ST, and other underprivileged groups, minorities, and women;</p> <p>(x) Rural development projects</p>
<p>Basic Infrastructure (10%)</p>	<p>GOAL 3: The well-being of people from age groups must be ensured. GOAL 4: Ensuring lifelong learning through high-quality and inclusive education. GOAL 5: Realize gender equality through strengthening women and girls. GOAL 6: Ensure the availability of pure and safe water for everyone without compromising the needs of future generations. GOAL 7: Ensuring everyone gets access to energy that is affordable and sustainable. GOAL 8: Providing employment that leads to sustainable growth and which must be equitable, productive, and consistent. GOAL 9: Increase innovation, and resilient infrastructure development through industrialization which is inclusive and sustainable. GOAL 11: Make urban areas and habitations inclusive, secure, robust, and sustainable. GOAL 13: Immediately tackle climate change and its effects GOAL 17: To rejuvenate Global Partnerships for strengthening Sustainable Development.</p>	<p>(viii) Contribution to the fund established by the Central Government for the socio-economic development for the welfare of SC, ST, and other underprivileged groups, minorities, and women;</p> <p>(ix) R&D contributions made by the federal, state, or local governments to promote Sustainable Development Goals (SDGs) in science, technology, engineering, and medicine;</p>

(Table 1: Mapping of Key domains of ADP, SDGs, and Schedule VII CSR activities)

(Source: Authors' construction based on data sourced from <https://nhm.gov.in>, <https://sdgs.un.org> > goals, <https://www.mca.gov.in>)

(Note: There may be differences in the mapping of SDGs with the development sectors mentioned in Schedule VII of the Act, as shown in the above table.)

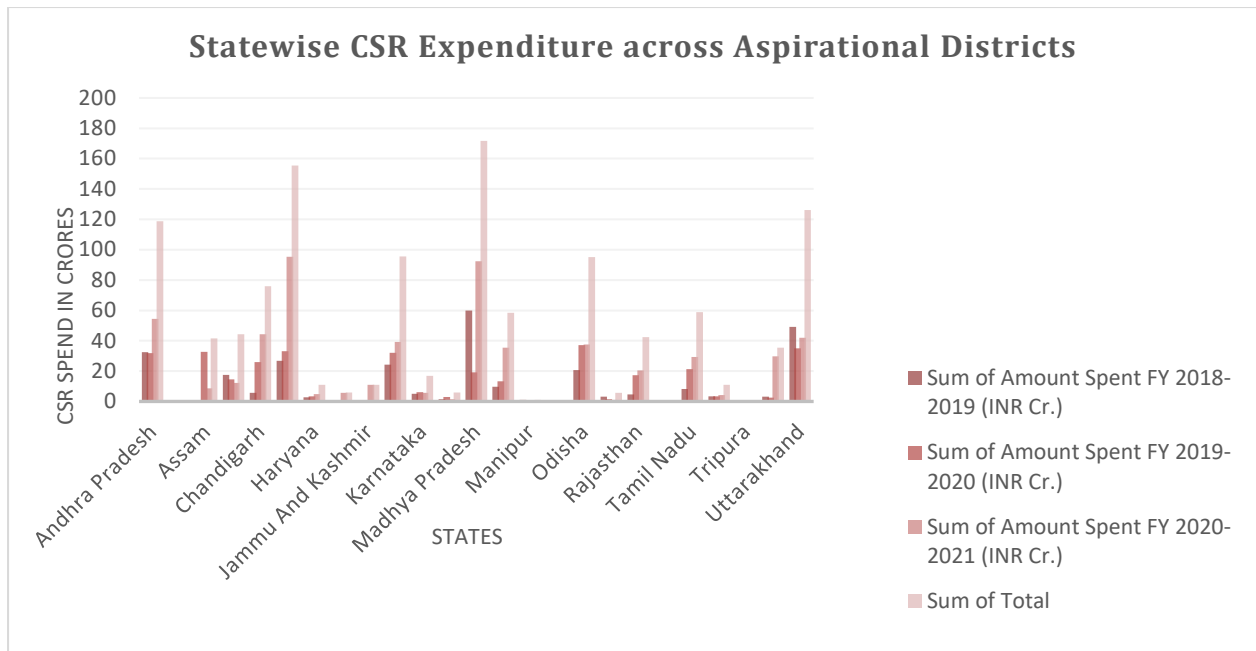
The State-wise CSR expenditure in Aspirational Districts for the three financial years is displayed in Table 2.

States	Sum of Amount Spent FY 2018-2019 (INR Cr.)	Sum of Amount Spent FY 2019-2020 (INR Cr.)	Sum of Amount Spent FY 2020-2021 (INR Cr.)	Sum of Total (INR Cr.)
Andhra Pradesh	32.49	31.83	54.34	118.66
Arunachal Pradesh	0	0	0	0
Assam	0.43	32.61	8.61	41.65
Bihar	17.5	14.56	12.15	44.21
Chandigarh	5.59	25.98	44.35	75.92
Gujarat	26.89	33.17	95.32	155.38
Haryana	2.74	3.38	4.87	10.99
Himachal Pradesh	0.02	0.12	5.68	5.82
Jammu & Kashmir	0	0	10.86	10.86
Jharkhand	24.33	32.06	39.17	95.56
Karnataka	5.02	6.09	5.68	16.79
Kerala	1.4	3.05	1.43	5.88
Madhya Pradesh	60.01	19.26	92.35	171.62
Maharashtra	9.78	13.22	35.38	58.38
Manipur	0.98	0.13	0	1.11
Meghalaya	0	0.17	0.27	0.44
Odisha	20.64	37.1	37.44	95.18
Punjab	3.23	1.38	1.05	5.66
Rajasthan	4.56	17.33	20.45	42.34
Sikkim	0	0	0.5	0.5
Tamil Nadu	8.17	21.3	29.42	58.89
Telangana	3.4	3.38	4.2	10.98
Tripura	0	0.48	0.24	0.72
Uttar Pradesh	3.22	2.55	29.72	35.49
Uttarakhand	49.18	34.97	41.99	126.14
Grand Total	279.58	334.12	575.47	1189.17

Table 2: State-wise CSR expenditure in Aspirational Districts for the financial years 2018-19, 2019-20 and 2020-21

(Source: Authors' construction based on data sourced from Compendium on Corporate Social Responsibility in India, National CSR Data Portal)

The above table indicates highest CSR expenditures among Aspirational districts which are located in Industrially progressive states of Madhya Pradesh, Gujarat, Uttarakhand & Andhra Pradesh, and lowest among Arunachal Pradesh, Meghalaya, Sikkim, and Tripura which are Industrially backward states.



Graph 1: Statewise CSR Expenditure across Aspirational Districts

The above graph indicates highest CSR expenditures among Aspirational districts located in Industrially progressive states, and lowest among Industrially backward states because CSR funds are directly proportionate to organizational profits and hence to industrialization. More industrialization makes more funds available for the socio-economic upliftment of poor Aspirational districts(ADs) which leads to the attainment of SDGs.

The Mapping of Key domains of ADP with SDG & Development sector-wise CSR Expenditure for F.Y. 18-19,19-20 &20-21 is displayed below IN Table No.3

Key domains of the Aspirational Districts Programme	Sustainable development Goals (SDG)	Development sectors	CSR amount Spent FY 2018-2019 (INR Cr.) in ADs	CSR amount Spent FY 2019-2020 (INR Cr.) in ADs	CSR amount Spent FY 2020-2021 (INR Cr.) in ADs	Total CSR Amt. Spent from 2018-2021 in ADs (INR Cr.)
Health & Nutrition (30%)	GOAL 1,2,3,6,17	Health Care	59.1	101.63	198.67	359
		Poverty, eradicating Hunger, Malnutrition	7.02	10.36	17.96	35.34
		Sanitation	46.62	17.5	19.7	83.85
Education (30%)	GOAL 1,4,5,10,17	Education	71.73	116.67	188.62	377.02
		Gender equality	0.1	0.6	1.2	1.89
		Women empowerment	3.9	4.99	5.44	14.34
Agriculture & Water Resources (20%)	GOAL 1,2,12,13,14,15,17	Agro-Forestry	0.79	0.96	0.01	1.76
		Animal Welfare	1.15	1.53	1.65	4.34
		Environmental Sustainability	5.73	7.82	21.54	35.09

		Conservation of Natural resources	0.47	1.46	5.54	7.47
		Safe drinking water	10.89	8.26	10.07	29.22
Financial Inclusion & Skill Development (10%)	GOAL 1,2,3,4,5,8,9,10,16,17	Art & Culture	1.01	5.65	3.16	9.82
		special education	1.74	8.97	1.69	12.39
		Vocational skills	10.68	5.33	14.83	30.84
		Socio-economic Inequalities	0.31	1.57	1.57	3.45
		Training to promote sports	6.57	7.99	6.23	20.79
		Senior citizens welfare	0.25	0.9	2.28	3.44
		Armed Forces, Veterans, War widows/dependants	0.03	0.31	0.16	0.5
Basic Infrastructure (10%)	GOAL 3,4,5,6,7,8,9,11,13,17	Rural Development Projects	46.62	23.13	59.48	129.24
		Livelihood Enhancement Projects	4.14	5.58	12.19	21.91
		setting up orphanage	0.16	0.39	0.12	0.67
		Technology Incubators	0.22	0.5	0.55	1.28
		setting up homes and hostels for women	0.22	1.14	0.49	1.85
		Slum Area Development	0.11	0.86	0.38	1.35
		Not mentioned	0	0	1.72	1.72
		Total	279.56	334.1	575.25	1188.97

Table 3: Mapping Key domains of ADP with SDG & Development sector-wise CSR Expenditure for F.Y. 18-19,19-20 &20-21

(Source: Authors' construction based on data sourced from Compendium on Corporate Social Responsibility in India, National CSR Data Portal)

Extracted from Table No.23

Sustainable development Goals (SDG)	Total CSR Expenditure (INR Cr.) for F.Y,2018-19,19-20 &20-21 in Aspirational Districts	Key Aspirational Districts Programme domains and the weights assigned to each
GOAL 1,2,3,6,17	478.59 (40%)	Health & Nutrition (30%)
GOAL 1,4,5,10,17	393.25 (33 %)	Education (30%)
GOAL 1,2,12,13,14,15,17	77.88 (7%)	Agriculture & Water Resources (20%)
GOAL 1,2,3,4,5,8,9,10,16,17	81.23 (7%)	Financial Inclusion & Skill Development (10%)
GOAL 3,4,5,6,7,8,9,11,13,17	158.02 (13%)	Basic Infrastructure (10%)

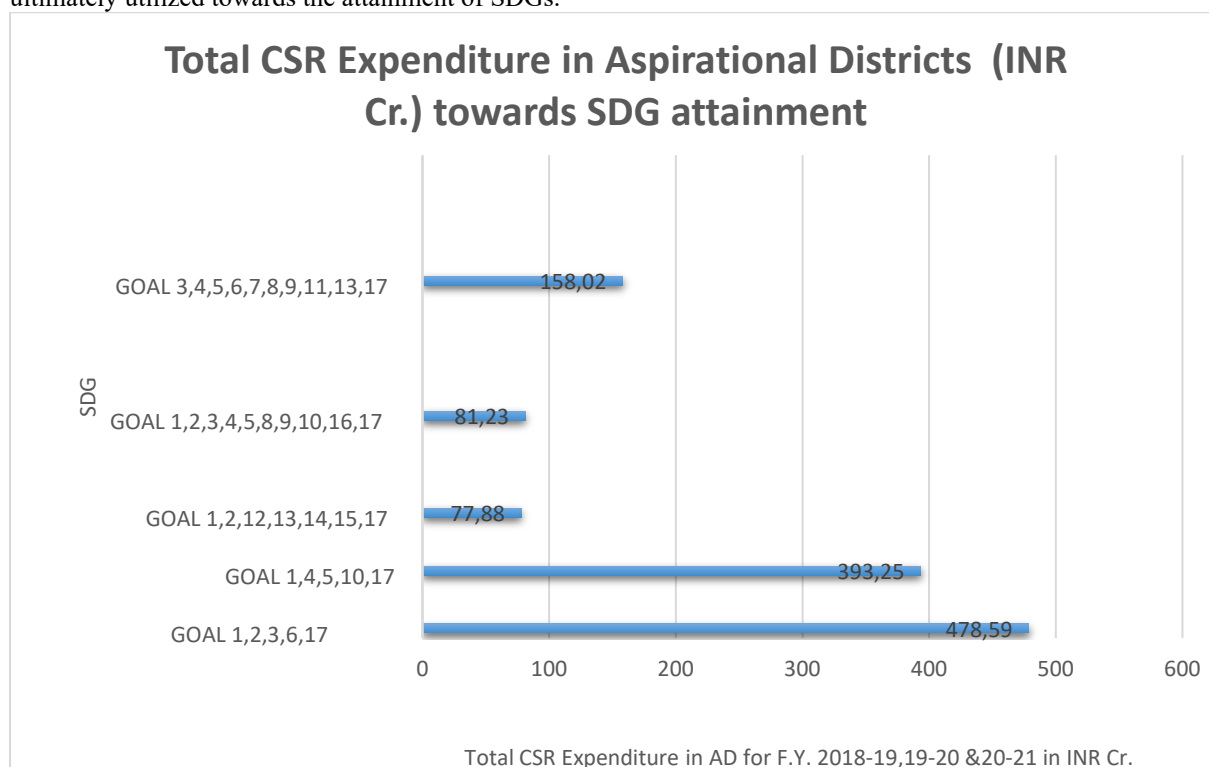
Total CSR expenditure for F.Y,2018-19,19-20 &20-21 in (INR Cr.)	1188.97
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Table 4: CSR Expenditure in Aspirational Districts (INR Cr.) towards SDG attainment

(Source: Authors’ construction based on data sourced from Compendium on Corporate Social Responsibility in India, National CSR Data Portal)

As stated in the above table, the total CSR expenditure incurred (in percentage) towards different development sectors during F.Y. 2018-19,19-20 and 20-21, are 40 % for Health & Nutrition, 33 % for Education, 7 % for Agriculture & Water Resources, 7 % for Financial Inclusion & Skill Development and 13 % towards the development of basic infrastructure which shows close resemblance towards weights assigned to each Key Aspirational Districts Program domain according to Key Aspirational Districts Programme except Agriculture & Water Resources where total funds allotted were 7 % which are much lower to the expected expenditure according to ADP.

It indicates that CSR funds that companies spent on Schedule VII activities among Aspirational districts were ultimately utilized towards the attainment of SDGs.



Graph 2: Total CSR Expenditure in Aspirational Districts (INR Cr.) towards SDG attainment

The above graph clearly indicates that CSR funds that companies spent on Schedule VII activities among Aspirational districts are utilized for the attainment of all seventeen SDGs.

Conclusion

There is a strong linkage found between Seventeen SDGs, ADP’s key drivers, and CSR Schedule VII activities in terms of their purpose/objectives. Also, the analysis of the CSR spending among all Aspirational districts in the financial years 2018-19,2019-20, and 2020-21 demonstrated that SDGs can be achieved through CSR by focusing on ADP’s key domains, demonstrating the ability of aspirational districts to achieve SDGs. The collaboration and cooperation among the district, State, and Central level government departments for the implementation of SDGs, CSR, as well as ADP’s key drivers will increase the efficiency and effectiveness of all three development initiatives. Such collaborations will be useful in improving Human Development Index, reducing regional disparities, and solving socio-economic problems among Aspirational districts of India as well as achieving SDGs in more cost-effective manner. It will be easy to implement the CSR activities as stated in Schedule VII of the Companies Act 2013 for organizations those willing to spend their CSR funds in Aspirational districts resulting in a win-win situation for both. In simple words, mandatory CSR spending can ultimately result in the achievement of ADP’s key drivers and hence the SDGs across Aspirational districts of

India. This shows that strategic planning and effective collaboration of different central and state government schemes is a key to the successful implementation of the Aspirational District program.

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