

## **THE POLITICAL-ECONOMY OF RURAL DEVELOPMENT THROUGH CORPORATE SOCIAL RESPONSIBILITY: AN ASSESSMENT OF THE INs AND OUTs**

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### **Abstract**

The shift of rural development from the government's agenda to the CSR units' agenda is a recent political development. The Companies Act 2013 has made it mandatory for the corporate to play a significant role, sometimes as a supplement to or as a substitution for the State under the neo-liberal economy. In this context, the present study has tried to explore the role of two major industries, i.e., HAL and NALCO, in rural development in the backward district of Koraput, Odisha. The seminal contributions of these two industries in four major areas, i.e., construction of toilets, construction and repair of roads, installation of solar lights and construction and repair of water service infrastructure, have been analysed in this article. The study has relied on both quantitative and qualitative data drawing them from secondary and primary sources. The study concludes that no clear-cut financial investment on different heads is projected by the company's CSR units, there is overlapping in the company's inclusion of the heads of rural development, people's felt needs are hardly reflected in the designing of rural development programmes by the CSR units, and follow-up impact assessments are rarely undertaken. So, the investments are made without a real spirit, and the dividends do not commensurate with the hefty investment. Rural development programmes floated by the CSR units are less people-centric, not sustainable and economically viable, and are more politically motivated and just done to comply with the policy mandates.

**Keywords:** CSR, Rural Development, Political-economy, State, Corporate.

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## Introduction

India is primarily dominated by rural space. Nation-building and national development are contingent upon the development of rural areas along with their people. So, Gandhiji rightly visualised that the prosperity of India would depend upon the progress of rural India. Rural development practice in India is not a post-independent venture. Instead, it has been initiated since the pre-independence period and has its ancestry in the Gurgaon experiment, the Sriniketan experiment, and the Sevagram experiment, which culminated in the Community Development Programme, the first-ever rural development programme of independent India.

Today, there are multiple role players in the playing field of rural development. Changing political ideology and changing economic scenario following the onset of globalisation has summoned non-government organisations (NGOs), international non-government organisations (INGOs), philanthropic and charity organisations, voluntary trusts, business communities, industrialist, and corporations to accelerate the process of rural development. The engagement of industrial houses, business communities and corporations in rural development through voluntary charity and philanthropy has been for a long time, but there is still a lack of evidence on the exact period of their entry into the playing field. Sundar (2013) notices that, particularly after 1977, with the introduction of a cent per cent income tax deduction policy in corporate for engagement in rural development activities, there has been a proliferation of business houses coming into the ambit of rural development. But, this ascendancy of corporate with a focus on rural development noticed a period of withdrawal or declined in 1983 and 1984, when the tax incentive was withdrawn by the State (Sundar, 2013). This clearly projects that corporate investment in rural development was less philanthropic but more tax benefit induced. Thus, corporate interventions in rural development were always driven by political-economy considerations.

The growing corporatisation of the Indian

economy, followed by the onset of LPG in 1991, led to a resurgence in corporate engagement in rural development. It was basically a strategy adopted by the corporate houses to motivate rural community dwellers to provide support for the establishment of industry in rural and tribal spaces of the country and to avert the possible mass resistant movement. The Corporate Social Responsibility (CSR) guidelines floated through the Companies Act, 2013 made it mandatory for CSR units to engage in rural development activities notified in Scheduled VII of the Act. With the Act, Government has mandated that companies with a net worth of Rs. 500 crore or more, or a turnover of Rs. 1,000 crore or more, or a net profit of Rs. 5 crore or more during any financial year must spend at least 2 per cent of their average net profits in the previous three financial years on CSR activities. This has led to increased funding available for rural development initiatives, including education, health, livelihoods, and infrastructure development. In the context of rural development, CSR initiatives can be particularly important for promoting socio-economic development in rural areas. The use of CSR as a funding mechanism for rural development initiatives is an important trend in the political economy of rural development in India. This became a takeoff phase for corporate and rural development connects.

Thus, it can be said that the trajectory of corporate entry and corporate role in rural development has undergone different phases, which is exhibited in Chart 1.

Against the aforesaid context, the present article makes an earnest endeavour to investigate the corporate investment and corporate performance in rural development in the State of Odisha.

## Literature Review

In an attempt to make an overview of the literature, the researcher has tried to capture the studies that have been done on the political economy of CSR in general, and their engagement in rural development in particular.

**Chart 1***Trajectory of Corporate Connect with Rural Development*

Post 1977	• Initiation of the concept of rural development
Tax Policy 1984	• Decline in Corporate Investment for Rural Development
Corporatisation 1991	• Ascendancy in Corporate activism in Rural Development
Companies Act 2013	• Visible Role of Corporate in Rural Development due to Government mandate

The political economy of rural development around the globe and in India is multifaceted and has been shaped by several factors, including political and development institutions, economic and social policies, and programmes. The primary objective of rural development in India has been to reduce poverty, inequality, and unemployment in rural areas and to promote socio-economic growth and development (Das, 1999; Verm, 2020). Historically, India has had a highly centralised political system; however, there has been a trend toward decentralisation in recent years, with greater power being given to local governments and communities (Bardhan, 2002; Bergh, 2004). This has led to the development of several rural development programmes at the State and local levels, which have focused on improving infrastructure, promoting agriculture and allied activities, and providing social welfare programs to rural populations (Pezzini, 2001; Kalirajan & Otsua, 2012). From the government to the private sector, civil society and local communities all have been playing a significant role in promoting sustainable and inclusive rural development and reducing poverty and inequality in rural areas (Rodríguez-Pose & Hardy, 2015). Corporate Social Responsibility (CSR) has increasingly become a significant source of funding for rural development initiatives in India (Pradhan & Ranjan, 2011). The use of CSR as a funding mechanism for rural development initiatives is an important trend in the political economy of rural development in India (Moharana, 2013). The political economy of CSR is

an area of study that explores the interaction between business, government, and society in the context of corporate responsibility (Midttun, et al., 2006; Fransen, 2013). CSR is a concept that encourages companies to take responsibility for the social, economic, and environmental impacts of their operations (Blowfield & Frynas, 2005). It can also be a way to contribute to the social and economic development of local areas, regions and the nation as well (Ismail, 2009). There are also debates within the political economy of CSR around the effectiveness of such initiatives in addressing social and environmental challenges. Some argue that CSR can be a way to "greenwash" or "social-wash" companies' images without actually addressing underlying environmental or social problems (Sadler & Lloyd, 2009; Basu et al., 2022). Others argue that CSR initiatives can be a valuable supplement to government and civil society efforts to promote development and address social and environmental challenges (Bendell, 2005; Scheyvens et al., 2016). However, the political economy of CSR is a complex and evolving area of study that involves a range of actors and interests. The effectiveness of CSR initiatives in promoting rural development and addressing social and environmental challenges will depend on many factors, including the involvement of local communities, the alignment of CSR initiatives with local needs and priorities, and the accountability and transparency of companies in their CSR activities.

Development practitioners and policymakers consider CSR as a feasible driver for rural development (Arato et al., 2016). Business community, industrialist, and corporate engagement in rural areas as a replacement to urban areas is a lateral phenomenon (Sundar 2013). Industrial expansion and rural communities' needs have pushed industrialists and business communities to strategic investment in rural areas (Mitra, 2012). However, it is the dynamic of the political economy which has given a boost to greater corporate engagement in rural development. In this context, it becomes pertinent here to establish corporate engagement in community development in rural areas as an offshoot of the LPG model of development and the adaptation of the neo-liberal ideology where the withdrawal of the State from welfare activities has been implemented (Sharma, 2011, 2013; Sharma & Mann, 2015; Panigrahi & Balabantaray, 2014). Mandatory CSR expenditure negotiated through the Companies Act, 2013 started leading the corporate to accelerate their rural development agendas (Dhavaleshwar & Swadi, 2018). To adhere to the Companies Act, 2013, every corporate has established its own CSR structure, policy, and practices to induce innovative rural development projects (Pradhan & Ranjan, 2010; Khatik, 2016; Panigrahi & Mohapatra, 2020). Corporates have tried to accelerate the process of rural development through human resource development and physical resources development aiming at the generation of human capital, financial capital and knowledge capital (Heenetigala, 2016; Mal & Chauhan, 2014; Boadi et al., 2018; Dhavaleshwar & Swadi, 2018; Borhade & Makhare, 2018; Oguntale & Mafimisebi, 2011; Pradhan & Ranjan, 2010; Sinha & Chaudhari, 2017; Arato et al., 2016; Panigrahi & Mohapatra, 2020; Mukherjee et al., 2013; Ismail, 2009; Ngeni et al., 2015). Rural development projects are steered by the corporate target at multiple rural stakeholders based on sex, age, caste and disabilities (Oguntale & Mafimisebi, 2011; Arato et al., 2016). Boadi and others (2018) note that the corporate prioritise community demands to ensure smooth company-community relationships. Not only are the target

groups politically driven, but also the modus operandi of CSR of the companies are conditioned by political and economic considerations. Corporate houses implement their rural development activities in twin modes, i.e., internally and externally (Oguntale & Mafimisebi, 2011; Panigrahi & Mohapatra, 2020). Internally, the operation is done by establishing a CSR foundation (Kamble, 2020), while externally, the corporate bank upon district administration, voluntary organisations, and other supporting agencies to facilitate rural development (Pradhan & Ranjan, 2010; Arato et al., 2016; Ismail, 2009). Corporate prefer the adoption of villages in the vicinity of their company and in the resettlement colonies, which they find can motivate the population and generate support for them, at the same time, can be economical for the company reducing the operational cost (Panigrahi & Mohapatra, 2020; Pradhan & Ranjan, 2010; Mal & Chauhan, 2014). CSR units often prioritise rural infrastructure activities for reaping quick results, observable contributions and long-term development repercussions (Pradhan & Ranjan, 2010).

Thus, CSR intervention in rural development is found to be more focused on the role of the outcomes. There is a dearth of literature on the political economy of CSR activities. In CSR designing projects and benefits distributions, studies hardly address the missing link between CSR programmes and community participation. This grey area has been addressed in this present article.

### Research Objective, Data and Methodology

The present paper aims to unearth the dynamics of the political economy of rural development through CSR initiatives. In this quest, it tries to discover their ins and outs by assessing their achievements, failures, reasons behind the failures and strategies needed from the rural stakeholder's perspective. To be very specific, the present research has three objectives. These include studying achievements and shortfalls of the rural development programmes executed under CSR, tracing out the factors or reasons behind the shortfalls of the programmes, and studying the

perceptions of the community members on the rural development programmes and their sustainability. This empirical study has been undertaken in the district of Koraput, Odisha. The district is listed as backward by the Planning Commission and in the Aspirational district's list of NITI Aayog for showing lesser progress areas in socio-economic development. Besides being listed in lesser progress and backward areas with the active presence of public and private corporations, the district receives only two per cent of the total CSR expenditure of the State in the initial four financial years after the enactment of mandatory CSR.

A multistage stratified sampling method has been adopted to select companies, CSR programmes, villages, and beneficiary households. CSR activities of two companies - HAL Koraput and NALCO Damanjodi division - have been purposively brought into the frame of analysis due to their diversified CSR activities and contribution of almost 90 per cent of CSR expenditure in the district during the financial year 2014-15 to 2019-20. Four villages from each corporate area that have implemented rural development-related CSR projects were purposively selected. So far, as rural development projects are concerned, four specific people-centric intervention projects, i.e., the construction of roads, installation of solar lights, construction of toilets and drinking water provision, have been brought into analysis and discussion. From the eight villages, 264 samples were selected for the study using the Yamane (1967) formula to calculate the sample from the know population. The sample households from each selected village are selected randomly as all the households have an equal chance of benefiting from all the selected CSR rural development programmes.

It needs to be mentioned here that the entire paper outcome is based on the researcher's direct interactions with rural stakeholders coupled with the secondary data collection from State CSR Portal – Go Care and Annual Reports of the Companies under study. This empirical data has been collected from the sample beneficiary households through interviews and focus group

discussions, coupled with the field experiences and notes prepared during his field visits and observation. The time frame for the analysis of CSR intervention and investment is taken from 2014 to 2020.

## Result and Discussion

Navigation through the CSR activities in the State of Odisha, particularly CSR engagement in the Koraput district, reports of the studied companies, and perception of local communities and beneficiaries during the study period stimulated several thematic puzzles in the researcher's mind. The prominent among them are analysed as follows: CSR engagement and investment in rural development programmes, role of corporate, looking at CSR projects through ASSR lens, analysis of studied rural development projects, perception of community members, and analysis of the representation of rural development programmes under CSR.

### ***CSR Engagement in Rural Development***

***Programmes:*** The scope of rural development intervention through CSR is vast, like State interventions. The meaning of rural development and its type of intervention differ from corporate to corporate. In configuring the CSR content on rural development projects of companies in Koraput district, it found that though companies devoted one sector to rural development but found similar activities under other sectors as well. So, rural development projects have received wider attention and consideration among all the CSR sectors and companies. Based on CSR content configuration on rural development activities, the paper finds that such activities can be divided into three broad categories, i.e., Rural Infrastructure, Rural Livelihood, and Rural Service and Communication. CSR units of the two companies under study are found to have made direct and indirect contributions to the rural development sector through their interventions pertaining to rural infrastructure, rural livelihood, rural services and communications sectors. The direct and indirect engagements in these sectors retrieved from the websites are projected in Table 1.

**Table 1***Sector-wise Direct and Indirect Engagement of CSR in Rural Development Activities*

<b>Sectors</b>	<b>Direct Engagement in Rural Development Sector</b>	<b>Indirect Engagement in Other CSR Sectors</b>
<b>Rural Infrastructure</b>	Construction and Repair of House, Road, Culverts, well, hand pump, water supply system, community hall, canal, check dam, electrification, toilets and community assets building	Construction and Repair of School, Hospital, Toilets, Sports Ground, Protection of National Heritage Sites, Well, bore well and Temple
<b>Rural Livelihood</b>	Vocational and skill-based training to rural youths and women on livelihood and income generation activities	Formation and strengthening SHGs
<b>Rural Services and Communication</b>	Water Supply to houses and toilets, Installation of Solar Street lights, Bus Services, promotion of agriculture	Sponsoring primary and community education, Transport services to the school, mobile health clinics, free health checkups and medicines, promotion and awareness of rural sports and local culture community awareness programs on health, education, environment, and sanitation

*Source:* Information collected and compiled from the State CSR website of Odisha – Go Care

The major problem found in the content configure analysis of rural development projects is that most of the corporate and State CSR portals just mentioned as the 'Rural Development' or 'Rural Infrastructure Development' categories instead of the actual work undertaken in a certain period. This makes it challenging to identify the activities carried out and segregate expenditure data on activities in the rural development sector. CSR activities reports are loud in their spells on their expenditure on rural development which is fluidly defined for them without a standardised guideline. To give certain examples, the construction of the road is exclusively found under Rural Development, while toilet construction is put under Health and Sanitation and Rural Development as well. Similarly, the construction of toilets in the schools figures out under Education and Health and Sanitation. To supplement another example, solar light is placed under Environment and Rural Infrastructure Development. This overarching creates confusion and gives the upper hand to the CSR units to define it as per their convenience and to hoodwink the public and the policymakers about their role in rural development.

**CSR Investment in Rural Development in Koraput:** Koraput draws a good amount of financial support for rural development from CSRs. An economic analysis of the CSR expenditure in the district reveals that the politics of underdevelopment plays a significant role in deciding the CSR expenditure. An average of 5.2 per cent of the State's total CSR expenditure during the financial year of 2014 to 2020 is invested in the Koraput district. Of this, a sum of Rs. 2161.19 lakh has been earmarked for rural development. This is the second highest expenditure in the district from the CSR fund and share being 15 per cent, which is quite economically spectacular and politically lucrative.

In comparison to the State's average CSR expenditure on rural development, Koraput sucks 3.3 per cent of the total rural development expenditure. In absolute terms, annually, Rs.360.2 lakh is invested in the rural development sector in this backward district. However, an initial analysis reveals that there are some other heads of CSR expenditure through which contributions to rural development have not been brought into the CSR

rural development enumeration amount in the portal. If counted properly, CSR investment in rural development will exceed much higher than what is presented in the CSR portal for the district.

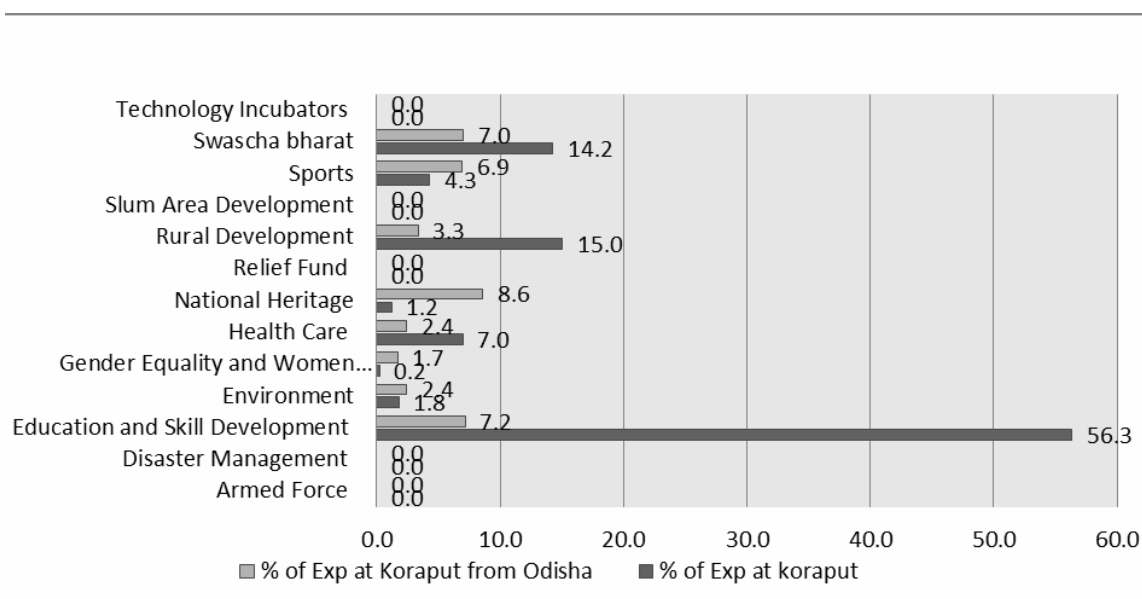
A year-wise analysis of the investment in rural development clearly projects that from 2014-15 till 2017-18, there has been a continuous rise in the investment in rural development by CSR units in the district, with a meteoric rise in the year 2017-2018 after which it has been plummeting. So, the researcher feels that companies need to make their investment stable and sustainable to have annual equitable distribution, which will better deliver in character.

A second impression the researcher developed is that the clear-cut rise in investment is not followed by the projection of the heads and the

target achievements. This generates doubt about the expenditure and creates confusion about the fund flowing for rural people's cause or siphoning of the amount. In this context, the researcher makes a humble suggestion to the CSR units to spell out their targets and unit cost of investment so that the mismatch between the concrete deliverables and the invested amount can be avoided. Table 2 and Graphs 1 and 2 depict the financial allocations to the districts under various heads of rural development vis-à-vis the State for the financial years from 2014-2020. The investments made are hefty. But the ins suggest that they lack clarity about the components of rural development, the investments are not properly projected, and head-wise disaggregated data is still missing.

### Graph1

*Sector-wise CSR Expenditure Percentage at Koraput in Comparison to Odisha (2014-15 to 2019-20 FY)*



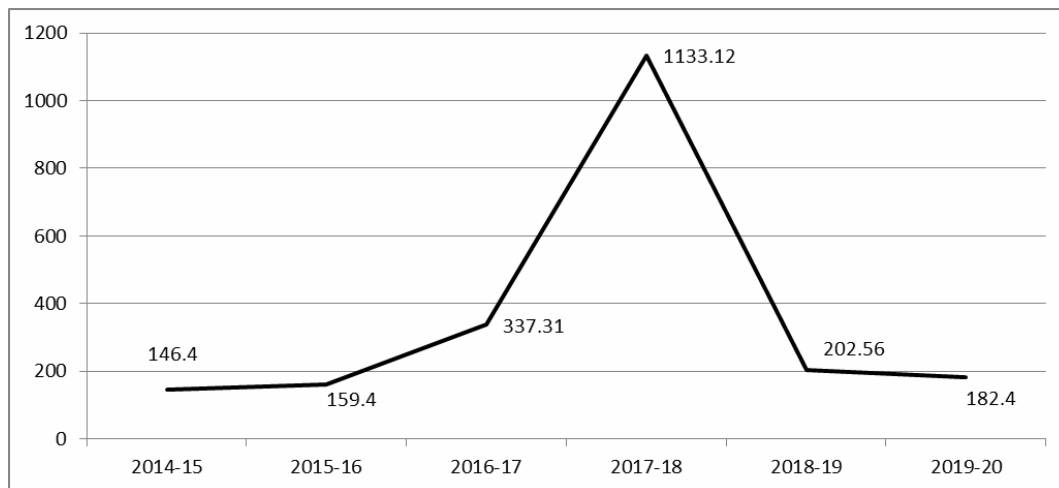
Source: Data and Information collected and compiled from the State CSR Website of Odisha

**Table 2***The financial allocations to the districts under various heads of rural development vis-à-vis the state for the financial year of 2014-2020*

Sector	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total	% of Exp at Koraput	Odisha Total	% of Exp at Koraput from Odisha
Armed Force	0	0	0	0	0	0	0	0.0	25.2	0.0
Disaster Management	0	0	0	0	0	0	0	0.0	597.5	0.0
Education and Skill Development	891.2	1576.25	1875.39	964.15	1468.96	1311.28	8087.23	56.3	112768.04	7.2
Environment	13.42	32.14	33.12	25.18	131.7	22.21	257.77	1.8	10749.13	2.4
Gender Equality and Women Empowerment	23.58	0	0	5.76	1.05	0	30.39	0.2	1794.25	1.7
Health Care	142.69	60.98	145.14	198.88	151.1	303.12	1001.91	7.0	41313.15	2.4
National Heritage	20	0	34	30	48	42.8	174.8	1.2	2027.79	8.6
Relief Fund	0	0	0	0	0	0	0	0.0	899.96	0.0
Rural Development	146.4	159.4	337.31	1133.12	202.56	182.4	2161.19	15.0	64537.28	3.3
Slum Area Development	0	0	0	0	0	0	0	0.0	1203.17	0.0
Sports	51.93	104	85.35	56.53	124.41	192.81	615.03	4.3	8906.99	6.9
Swachh Bharat	0	8.78	159.17	1865.31	6.25	1.99	2041.5	14.2	29034.28	7.0
Technology Incubators	0	0	0	0	0	0	0	0.0	91	0.0
Total	1289.22	1941.55	2669.48	4278.93	2134.03	2056.61	14369.82	100.0	273948	5.2
Odisha Total	43983.01	60333.22	49513.27	55165.84	37991.82	26960.58	273947.7	5.2	273948	5.2
Per cent	2.9	3.2	5.4	7.8	5.6	7.6	5.2	5.4	5.2	100
Average	99.17077	149.35	205.3446	329.1485	164.1562	158.2008	1105.371	7.7	21072.9	0.4
Max	891.2	1576.25	1875.39	1865.31	1468.96	1311.28	8087.23	2439.374	112768.04	8.6
Min	0	0	0	0	0	0	0	0	25.2	0

*Source: Data collected and Compiled from State CSR Website on 28<sup>th</sup> January 2021.*

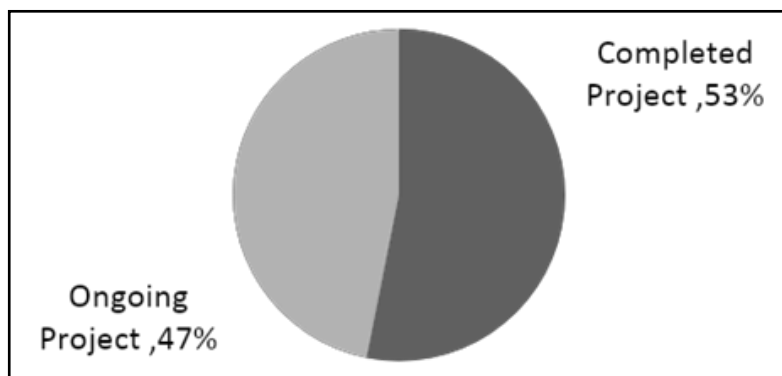


**Graph 2***Rural Development Expenditure at Koraput (in Lakh)*

Source: Data and Information collected and compiled from the State CSR Website of Odisha

**Rural Development Projects in Koraput and the Role of Companies:** Seven companies have been continuously investing in CSR at Koraput since the CSR reporting was made mandatory in India. These companies, i.e., Hindustan Aeronautics Limited (HAL), National Aluminum Corporation Ltd. (NALCO), BILT Graphic Paper Products Limited Unit Sewa (BILT), Orissa Mining Corporation (OMC), State Bank of India (SBI), Orissa Hydro Power Corporation Ltd. (OHPCL), and Toshali Cement are actively making CSR interventions for rural development in the district. HAL, NALCO, and OMC are the three frontline companies in the CSR

intervention in the district, and their descriptions are presented in Graph 5. OMC spends the highest amount on Rural Development, followed by HAL and NALCO. Political existence and economic gain propel the companies to take up rural development ventures, which are the priority agenda in this backward district's government policy planning. A longitudinal analysis of rural development sectors shows that the Koraput district witnesses the launch of 32 rural development projects for the financial years 2014 to 2020. Among them, 53 per cent have witnessed completion, and 47 per cent are ongoing, which is projected in Graph 3.

**Graph 3***Project Status in Rural Development*

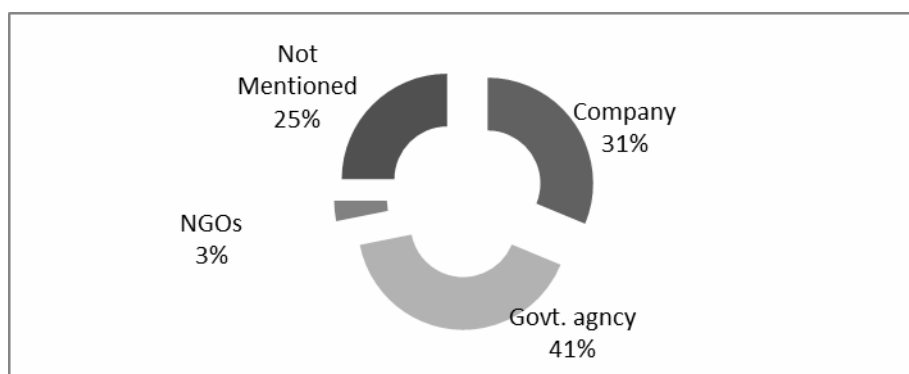
Source: Data and Information collected and compiled from the State CSR Website of Odisha

The rural development projects of CSR are implemented by a different agency that looks into its scope. It appears that CSR-driven projects are a big supplement to government-run projects as secondary literature establishes, while the data finds 41 per cent of rural development projects are

implemented through State agencies, 31 per cent by companies, a meagre number of 3 per cent by non-government organisations, and 25 per cent projects keep anonymity about their implementing agencies (Graph 4).

#### Graph 4

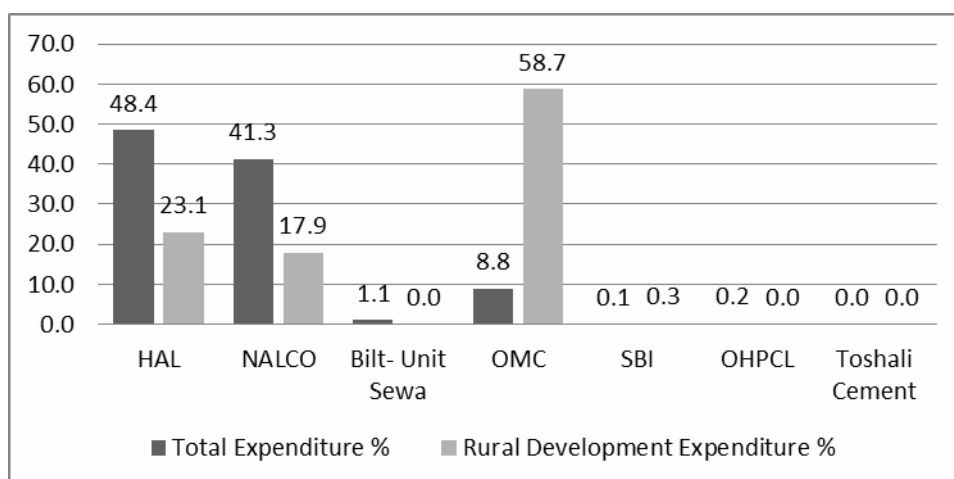
*CSR Implementing Agency in Rural Development Projects*



Source: Data and Information collected and compiled from the State CSR Website of Odisha

#### Graph 5

*Company-wise CSR Expenditure at Koraput*



Source: Data and Information collected and compiled from the State CSR Website of Odisha

Thus, the researcher concluded that the State is gradually shedding its patron model of implementing rural development programmes and

gradually shifting to a partnership model. The CSR units render the major partnership.

### ***Rural Development Projects through an ASRSS***

**Lens:** In this part of the article, the research has tried to analyse the empirical insights derived from the beneficiaries of rural development programmes managed by the CSR Units under study. This has been done by making an ASRSS estimation from the sampled beneficiaries. ASRSS is a model innovated by the researcher to understand how rural development projects benefit the community with their achievements, shortfalls, reasons for the shortfall and suggested strategies by the community members.

Looking into the need, scope, types, and intensity of different rural development activities at Korpuat, the research has concentrated on four essential rural development infrastructural projects, namely construction of toilets, construction and repair of roads, installation of solar street lights, and construction and repair of water service infrastructures. Though these four projects signalise the creation of physical capital; ultimately, they contribute to the development of financial and human capital in rural setups. The discussion will hover around two major points - project at a glance and the perception of the beneficiaries. The project outlay, vision, and coverage are sourced from the company activity report and the Odisha CSR Portal, while the perceptions of the beneficiaries are captured through their voices documented by the researcher from the fields.

#### **Projects at a Glance**

Overviews of the projects and beneficiary perceptions under study are delineated in detail below.

**Construction of Toilets:** To give a fillip to the Swachh Bharat Abhiyan and accelerate the environment engagement of CSR, the construction of toilets has been given prima facie importance in the rural development agenda of CSR projects. However, the researcher noted a void in the clear-cut budgetary allocation of the construction of toilets in the villages of Koraput district by CSR agencies. But under the broad nomenclature of Swachh Bharat Abhiyan and the environment sector, a total amount of Rs.404.67 lakh has been

allocated by the companies during the financial year 2014 to 2020. Toilet constructions are done in households, schools and public places to avoid open defecation and to ensure better sanitation. The agency behind the move has been the Central government, and the direction has been initiated by the Centre under the Swachh Bharat Abhiyan, ODF Villages scheme and Swachh Vidyalaya Abhiyan.

It has been found from the study areas that corporate constructed toilets at the backside of houses without any water supply system nearby. The villagers of Kapsiput cited the difficulty to collect water from open water sources located far away in the absence of piped water supply, and added that most of them, thereby, prefer open defecation. In Bhatarmarichmal village, community members complained about the congestion of space and low-quality toilets infrastructure; as a result, people are using the space to store household items. In the case of Kapsiput and Nuaguda, villagers complained over the construction of lower-quality infrastructure and were concerned about its longevity and sustainability. Jhulaguda villagers were happy as NALCO has constructed the toilets with a continuous piped water supply system from the open stream. Most of the villagers in the studied villages agreed that people still lack awareness of health, hygiene, and sanitation. Beneficiary perception through their narratives on the construction of toilets and their utility is projected in Tables 3 & 4.

**Construction and Repair of Road:** Construction and repair of roads are the priority areas of CSR agendas to facilitate rural economic development. The construction and repair of roads aim at the physical capital building and developing intra-village communication, and connecting the villages with the outside village market and other key points. Even if it is a priority area, individual CSR units are silent on this particular head's budgetary allocation and expenditure details. However, the researcher could discover from the State CSR portal that during the financial years from 2014 to 2020, a total of Rs.1028.66 lakh has been earmarked for the construction and repair of village

roads by CSR implementing agencies in Koraput, which is almost 48 per cent of the total CSR expenditure in the district. Construction and repair of roads constitute the bulk of the expenditure. The internal roads are constructed with cement and concrete, and the outside roads with bitumen.

In all the studied villages, it has been observed that the main road or intra-road of villages has been neither constructed nor repaired for a long period. Though every villager is happy with the construction of internal cement concrete roads and their quality, everyone has concerns over the intra or main roads. In every studied village, community members said that though they bring it to the notice of the corporate and government, no one takes it as a priority issue. The villagers of Routput have been facing severe hurdles in accessing the outer world due to the lack of a proper main road to the village, and they are using earlier railway tracks. The villagers raised concerns over accessing education and ambulance facilities in their village. Other studied villages also have concerns over difficulties faced by children in reaching schools during rainy seasons.

In order to make a match of investment input and the output and benefits received by the beneficiaries, the researcher tried to capture beneficiary perception and narration on this particular rural development project of the CSR units under study, which is presented in Tables 3 and 4, respectively.

**Installation of Solar Street Lights:** Installation of solar street lights in the village comes under the CSR environment sector head. The researcher could gain the impression that both the HAL and NALCO CSR have given much priority to this head to make the life comfortable. Expenditure on solar street lights installation was Rs. 257.73 lakh in Koraput, which is again a huge spending by the studied CSR units.

In all the observed villages getting HAL and NALCO CSR aid, priority was given to installation of solar street lights. Most of the projects have already taken up by the companies before the electrification of villages. In the group discussion,

the villagers of Bhitargarh at NALCO Damonjodi sites and Rajpalma of HAL Koraput sites brought to notice that the batteries of solar street lights were stolen from almost all sites. Though they have informed the authority of corporate houses concerned, they neither visited nor took any action to reinstall the batteries. In all the studied villages, villagers agreed that most of the installed street lights are dysfunctional. After installation, no one attends to repair works or take care of these assets. In all the group discussions, villagers said that solar street lights helped in making their night life active and evenings productive.

To make a cross-comparison of the investment and the value yielded, the perception and narration of beneficiaries have also been documented by research which is presented in Tables 3 and 4, respectively.

**Construction and Repair of Water Service Infrastructure:** Water services are basic to rural development projects. In this context, CSR units have accommodated them as a major area of their activities. Investment in the construction and repair of water service infrastructure in villages has been noticed mostly under CSR's Health Care, Sustainable Development and Rural Development sectors. Construction and repair of water service infrastructure include installation and repair of tube and wells, construction and repair of village water bodies like ponds and streams, borewells with lift pumps, construction of overhead water tanks for water storage, stream-based piped water supply and installation of the piped water supply system. Even if some activities are undertaken under CSR units, no specific data on each anatomised unit is present. The secondary data suggest that an amount of Rs.148.25 lakh was invested by CSR units in the Koraput district during the period mentioned. In comparison to other rural development activities, it appears that investment in this head is meagre.

The villagers of Kapsiput and Rajpalma complained of groundwater level depletion. In the group discussions at Kapsiput, Bhitargarh, Bhitarmarchimal, and Jhulaguda, villagers raised concerns over the pollution of open water bodies

**Table 3***Project Impact Assessment through ASRSS Lens*

<b>Project</b>	<b>Achievements</b>	<b>Short Falls</b>	<b>Reasons for the Shortfall</b>	<b>Suggested Strategies</b>
<b>Construction of Toilets</b>	<ul style="list-style-type: none"> <li>• Toilet construction is selective and motivated by political will. Thus, it is parochially implemented, not universally targeted.</li> <li>• However, toilet construction is preceded by the construction of water tanks in rural schools, which is a welcoming step. It serves the twin purposes of water supply and sanitation provision.</li> </ul>	<ul style="list-style-type: none"> <li>• Toilets are constructed without the provision of water and electrification.</li> <li>• Corporations play number games without caring about the quality. Very often, the toilets constructed have low-quality infrastructure, making them unusable within a few days of construction.</li> <li>• People use them as storage space which the implementers do not monitor. So, toilets fail to serve their basic purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• Toilet construction is not accompanied by public sensitisation about their use and utility. So, many of them hardly bring a change in the practices and habits of open defecation in the villages. Corporations never consulted with beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>• Feasibility study, awareness generation through doorstep campaigns, village-level meetings and opinion leaders' consultation should be carried out before designing any project under CSR and their implementation.</li> </ul>
<b>Construction and Repair of Roads</b>	<ul style="list-style-type: none"> <li>• Construction of internal roads and external connecting roads reduces the drudgery of the villagers helps them undertake multiple activities, makes them resilient, increases school attendance of children and changes their health-seeking behaviour and heightens their access to health services. But it is noted that CSR Units provide a lopsided emphasis on inter-village and outer-village road connectivity, which is supposed to be creating a more enabling and empowering environment for the villagers.</li> </ul>	<ul style="list-style-type: none"> <li>• The highly trumpeted road construction under CSR is often seen to be suffering from the malady of inferiority in quality.</li> <li>• CSR units over-emphasise intra-village road connectivity as an eyewash while putting little stress on outer-village connectivity. So, road connectivity yields minimal results for the villagers.</li> </ul>	<ul style="list-style-type: none"> <li>• Villages are neither consulted nor allowed to participate in the road-building process. So, their needs hardly get reflected in CSR endeavours, and roads fail to serve the purpose for which villagers need them.</li> </ul>	<ul style="list-style-type: none"> <li>• Community consultancy, community participation, community involvement and community ownership need to be steered by CSR units.</li> </ul>

*Contd...*

Project	Achievements	Short Falls	Reasons for the Shortfall	Suggested Strategies
<b>Installation of Solar Street Lights</b>	<ul style="list-style-type: none"> <li>The installation of solar streetlights has no doubt minimised power consumption and has increased the volume of activities in post evening period. Thus, it has contributed to increased productivity of the villagers and has extended their productive hours.</li> </ul>	<ul style="list-style-type: none"> <li>CSR units install solar lights with no sustainable arrangements for maintenance and repair and protect the batteries from theft.</li> </ul>	<ul style="list-style-type: none"> <li>Companies make a one-time installation of solar lights and do not transfer the ownership to the community. So, community involvement becomes zero to keep them in order.</li> <li>No training is given to the community to ensure the maintenance of solar lights, which are quite costly. This keeps the costly solar lights dead without serving the purpose.</li> </ul>	<ul style="list-style-type: none"> <li>Solar street lights need to be installed and rural youths need to be trained to own and maintain them. This will ensure longevity to the lights.</li> </ul>
<b>Construction and Repair of Water Service Infrastructure</b>	<ul style="list-style-type: none"> <li>Facilitating round-the-clock water supply and reducing drudgery for water collection from distant places.</li> <li>Providing filter water conducive to beneficiaries' health and facilitating running water harvest.</li> </ul>	<ul style="list-style-type: none"> <li>Most of the tube &amp; bore wells, and piped water supply systems have become dysfunctional and malfunctioning.</li> <li>Pollutants are not properly treated on a regular basis.</li> </ul>	<ul style="list-style-type: none"> <li>Companies make one-time provisions without supervision and maintenance provisions, making the investment redundant and superficial or fruitless.</li> <li>The water table is hardly considered while digging tube or bore wells.</li> </ul>	<ul style="list-style-type: none"> <li>Pipe water supply needs to be preferred, and the supply of good quality pipes can ease the water issue.</li> <li>Villagers must be properly trained to maintain water reservoirs and their regular treatment procedures to ensure quality water supply.</li> <li>Expert views on groundwater stock must be considered while making water provisions.</li> </ul>
Source: Field Data Collected by the Researcher.				

due to industrial dust and the flow of garage water from NALCO mines, and added that no one is taking responsibility for that. The overhead water tank and piped water supply system at Kapsiput villages have not been functional since its construction. People depend on river and stream water, which is muddy, unhygienic, and unsafe. Due to low water level, the tube and bore wells in most of the villages were defunct. All villagers

further pointed out that water bodies were drying, creating difficulties in getting water every summer. The villagers of Rajpalma highlighted the problems faced by women to fetch water from an open well during summer.

**Perception of the People:** The beneficiaries' perception of this is presented in Table 3. However, it becomes pertinent here to put the villagers' voices, which are presented in Table 4.

**Table 4**

*Narration of the Deliverables*

CSR Rural Development Programme	Villages from narratives are collected	Narratives within quote
Construction of Toilets	Kapsiput	<i>"Till date, we prefer open defecation even toilets are constructed at the backside of our houses. We were eager to use them to save time, comfort, and personal hygiene. But our expectations remained unfulfilled as there is no piped water connection to the toilets till date. We prefer open defecation near the water reservoir than collecting and carrying water miles together to use the toilet."</i>
	Bhitaramarichamal	<i>"Toilets are too narrow in size and have no space to allow us to sit freely. We feel stuffy within the four walls of the toilets. So, we have used these concrete buildings for storage purposes and continue with our previous practices of using open space for toilet purposes."</i>
	Nuaguda	<i>"We are not using the toilets as their construction quality is low, and we feel they are life-threatening."</i>
	Jhulaguda	<i>"Toilets have changed our lifestyles. Our longstanding cultures of using open spaces have been transformed. We are really happy with the toilets and the pipe water supply."</i>
Construction and Repair of Road	Routput	<i>"The village is not externally connected, so we still face issues in accessing schools, markets, institutional health services and ambulances fail to cater to our needs at the time of health crisis."</i>
	Rajpalma	<i>"Internal roads built by companies have become beneficial for us. During the rainy season, we could not leave our houses, and even within the village, we stayed disconnected. The pukka roads not only connect us but it has also created easy access to each house and the key points of the village. The roads are used by us for processions, staging dances during cultural festivals and drying rice and wheat after cleaning."</i>

*Contd...*

CSR Rural Development Programme	Villages from narratives are collected	Narratives within quote
Installation of Solar Street Lights	Bhitargarh	<i>"Solar lights thrilled us on the day of their installation and inauguration. But our happiness evaporated when after a few days as many of them became defective. After repeated communication, the CSR officers came and discovered that their batteries were stolen and some lights were dysfunctional. When we asked about when they will be again replaced and repaired by them, they said they couldn't give us any detailed reply. Since then, the structures have been there without delivering any function."</i>
	Kapsiput	<i>"Solar lights have made the dull night life active. Now we find equal enthusiasm and activism among the children, young and old, and there is no longer any fear of rodent bites and attacks of thieves. This has really been a boon."</i>
Construction and Repair of Water Service Infrastructure	Bhitargarh, Jhulaguda	<i>"Company has made provisions for the supply of pipe water and overhead tanks. It had created hopes that we will relax by getting water at our doorstep without walking longer in the quest for water. But soon, we were dismayed to see that the pipes became dysfunctional, were choked with pollutants, and could not provide us with safe potable water. Pipes are not maintained, nor are they supervised and monitored, and pollution control at the source waterbodies is not taken up by the company. Only physical pipe connections serve the purpose of the company, but not the consumers like us."</i>
	Rajpalma, Bhitarmarchimal	<i>"Bore wells and tube wells constructed by the companies hardly have the suction ability to draw water from the ground. The groundwater level has gone down in our villages, and the company, without assessing their level, has constructed tube wells and borewells that serve no purpose. With such constructions occupying the common space of our village, we are still dependent on the river and stream water, which is muddy, unhygienic and are bringing health hazards to us."</i>

*Note:* To keep the respondents' anonymity, the villagers' names have not been placed but their voices are presented verbatim.

### Observations and Findings

The following observations and findings are the result of analysis of CSR projects and expenditure data on rural development activities at the micro and macro levels.

Firstly, the paper finds that rural development activities practised by corporate under CSR can be divided into three broad categories, i.e., Rural Infrastructure, Rural Livelihood, and Rural Service and Communication. Rural infrastructure development (particularly road construction) is



considered as dominating CSR expenditure under rural development.

Secondly, CSR activities reports are loud in their spells on the projects and expenditures they make on rural development, which is fluidly defined for them without a standardised guideline. Particularly, there are misleading and missing representations of CSR investments under rural development projects in government guidelines and CSR portals. This overarching creates confusion and gives an upper hand to the CSR units to define it as their convenience and to hoodwink the public and the policymakers about their role in rural development.

Thirdly, CSR investment in rural development activities in the Koraput district of Odisha was found unstable both in terms of spending and activities. Though investments made are hefty next to the educational and skill development sector, the ins suggest that they lack clarity about the components of rural development, the investments are not properly projected, and head-wise disaggregated data is still missing.

Fourthly, the analysis shows that the State is gradually shedding its patron model of implementing rural development programmes and shifting to a partnership model with corporate.

Fifthly, from the studied CSR projects, i.e., construction of toilets, construction of roads, installation of solar street lights, and construction of water service infrastructure, it is revealed that these activities are not only filling the rural infrastructure development gap but also benefiting the disadvantaged communities and villages in accessing basic rural services and facilities, thereby helping in improving their quality of life. But, the corporates were found constructing the physical structure through CSR, focusing on quantity aspects, and forgot about other associated responsibilities and quality of rural infrastructure, which are considered major shortfalls of these programmes. As a result, the sole purpose of the project is lost. Major reasons behind the shortfall of the programmes include low-quality infrastructure, lack of need assessment, awareness,

maintenance, proprietor and community participation. Absence of impact assessments further questions the sustainability of the rural development projects in the study area.

### Conclusion

Thus, the study could discover that the CSR activities for rural development in Koraput district look lucrative from the outside. The investments made are hefty. But the ins suggest that they lack clarity about the components of rural development, the investments are not properly projected, head-wise disaggregated data is still missing, and investments have not been able to bring a spectacular rural transformation. The researcher, therefore, suggests that it is high time to develop an exhaustive CSR manual by clearly specifying the needs under rural development in order to guide the companies. There seems to be a lack of proper spirit and will to carry forward the CSR programmes in the backward villages. People have a feeling that the corporates are poor in their deliveries and the infrastructure created is unsustainable. Project design without desire and project implementation without popular participation has paralysed the CSR venture in rural development.

The research and discussion of the aforementioned sectors lead to the conclusion that the majority of rural development initiatives are bridging the infrastructure development deficit in rural areas. The projects that improved the infrastructure have pleased and benefited the beneficiaries. Yet, corporates simply built the physical building or activities through CSR, omitting other duties in the process and losing sight of the project's original goal.

The paper suggests that the corporate houses or CSR implementing agencies need to go for need assessment and feasibility of the projects before its initiation, followed by community or beneficiaries' consultancy and participation, priority and need-based activities, maintenance and knowledge transformation, awareness campaign, and impact assessment for better sustainability. Further, looking into the state of development, the backward

and hill areas and tribal dominance of the district, the paper suggests intensifying rural development activities across the district through CSR activities for the overall development of the region and its people. Here, corporate houses need to intensify activities and expenditure on rural development and develop a multi-agency comprising corporate, State, and voluntary sector joint action plan for better delivery and sustainability of the projects.

It is high time now for the CSR units to turn strategic for positive results and revisit their rural development agenda by summoning people's

active participation. This can reduce discrepancies and bring parity between the Ins and Outs of the CSR rural development programmes.

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