

The critical role of CSR in rural development in India

To encourage corporates to discuss and appreciate the role of corporate social responsibility in India's rural development, Sehgal Foundation hosted a discussion on May 5, 2017, with Arun Kumar Jain, managing director of Fluor Daniel India Pvt. Ltd. Arun Kumar Jain's experience comprises business operations, risk management, talent development, project management, business development, and creation of innovation capital. He has worked for a broad spectrum of clientele in the power, oil, gas, chemicals, steel, food processing, mining, manufacturing, and diamond industries, and led several volunteer and philanthropic partnerships with nonprofits in India. Sehgal Foundation has partnered with Fluor Daniel India Pvt. Ltd. on a school renovation project in Nuh district, Haryana, for the past year.

Following are some highlights of his views on the need to deepen collaborations between civil society and corporates:

The last three years have been very interesting for Corporate Social Responsibility (CSR) in India. With section 135 of the Companies Act, 2013, in effect as of April 1, 2014, the momentum in work to achieve global goals, i.e., Sustainable Development Goals, and the increased awareness about what harms our planet and affects



our communities has increased significantly. NGOs and trusts have received a significant push to fulfil their vision, and companies have a renewed motivation to support and expand their responsibilities toward the environment and communities.

For success in these efforts, nonprofits and corporates must interact more to understand each other better. Nonprofits need to be mindful of corporates' market-related commitments and how that may impact CSR-related decision-making. Conversely, working with communities requires investing years in understanding the needs and dreams of communities, charting out a plan to fulfil those needs, and subsequently executing the plan. It is thus incumbent upon the civil society to appropriately sensitize corporates about the grassroots realities and challenges. Corporates' ability to be observant of nonprofits' governance and

interpersonal communication among team members directly affects the impact of the project.

Companies are looking at ways to improve employee efficiency and are open to using social work as a means of improving employee efficiency which in turn will lead to better overall business. Hence, projects can include volunteering modules that comprise volunteer training and field work. Employees of corporates can volunteer to work in projects of nonprofits. This will build mutual trust and effective monitoring of implementation. Corporates are also open to rendering support or giving advice in liaising with the government and in providing technical support to projects.

Civil society must also take steps to build trust amongst corporates. CSR is project driven, and corporates want clarity about processes, approaches, challenges, and methods used in measuring the impact of the projects. Companies have an expectation that NGOs will set up systems to improve the proficiency of projects year-after-year and further develop the ability to understand and improve the learning curve of nonprofits' staff. Within the planning framework it is also important to generate an ongoing internal conversation about what made the organization's initiatives succeed rather than what succeeded.

Equalizing the gender ratio in the workforce and increasing women's participation in the field work is a top priority for corporates and nonprofits alike. Both sectors will create better impact in their work by involving more women in their workforce as well as in the communities.

NGOs will strengthen projects and their sustainability by collaborating with each other in projects. Companies want sustainability of projects in which they have invested. Moving forward will require intensified dialogue between corporates and civil society, increased volunteerism, and project-related collaboration to fulfil the collective goals of rural development and empowerment.

(Compiled by Padmavathi S., professional assistant to the CEO, S M Sehgal Foundation)