

## Exploring Corporate Social Responsibility Initiatives and Their Impact On agricultural sustainability in India: A Comprehensive Study.

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### ABSTRACT

This study intends to scrutinise the involvement of Corporate Social Responsibility (CSR) initiatives in its contribution to the agricultural sustainability in our country. It is crucial to examine the impact of abundant CSR activities on sustainable agricultural practices as agriculture stands to be the vital sector for the nation's economy and also forms a primary source of livelihood to an enormous population in India. The present research investigates various CSR mediations implemented by various establishments in the agricultural sector and also evaluates its effectiveness in promoting economic, environmental and social sustainability. The study seeks to identify the stakeholders involved, key areas of focus and the strategies implemented by the entities to contribute to agricultural sustainability by undergoing an in-depth examination of the CSR initiatives. The study sheds light on the various challenges faced by the corporations in aligning the various CSR efforts along with the diverse needs and complexities of the Indian agricultural landscape. With the intention of impact assessment an analysis of both direct and indirect effects of CSR initiatives on agricultural sustainability has been conducted. The direct effects associate various improvements in farming practices, enhancement of farmers' livelihoods and adoption of sustainable technologies, while the indirect effects enclose community development, environmental conservation and the overall socio-economic well-being of the regions where these CSR initiatives are implemented. In addition, this study intends to shed light on the potential synergies between the corporate initiatives and the government policies, fostering a collaborative approach for achieving sustainable agricultural development in India.

**Keywords:** Corporate Social responsibility, Agriculture, Farmers

### 1. Introduction

Agriculture being the heart of India's economic tapestry, plays a crucial role in forming the country's development and growth. However, as the industry struggles with countless challenges like urbanisation, resource depletion, climatic changes and socio-economic discrepancies, fluctuating market prices, diminishing soil fertility and inadequate irrigation, the requirement to reevaluate strategies for sustainable and responsible practices has never been more pivotal. Corporate Social Responsibility (CSR) initiatives has emerged as a catalyst of development which bridges the gap between profit-driven entities and the motive to cultivate a sustainable agricultural future.

Over the last few years, it has come to notice that the significance of integrating CSR initiatives into business operations in India have been increased. Companies have begun to acknowledge moving beyond the traditional concepts of Profit maximisation and accepted their responsibility towards the environments and communities in which they operate. This pattern shift is particularly apparent in the agricultural sector, wherein the CSR initiatives are making significant progress in fostering inclusivity, sustainability, and flexibility.

This study intends to shed light on the varied forms and the tangible impact of the intricate proportions of CSR initiatives within the Indian agricultural scenario. CSR initiatives are reshaping the silhouette of agricultural sustainability in India, like empowering smallholder farmers and reduce environmental footprints to foster innovation and inclusivity.

As we study and analyse deep into the impact assessment of CSR in the agricultural spectrum, the study intends to achieve to disclose the complex relationships between rural communities, corporate entities, and the ecosystem. It is important to understand the various barriers faced by the agricultural sector and its role in addressing these difficulties and challenges, in order to create the way for a more prosperous and stable future. Corporate Social Responsibility, is a concept which rise above and beyond the profit maximisation objectives and envisage entities as representatives of positive change in the society. In the tapestry of Indian agriculture, the majority of the population is dependent on farming, hence, CSR initiatives essential to bridge the pivotal gaps and create transformative change.

The agricultural sector in India requires a concentrated effort to enhance productivity along with preserving the environment. CSR initiatives incorporated by the corporate entities across various industries are channelling resources and efforts towards projects promoting technology adoption, sustainable farming practices, and community development. These initiatives often emphasize long-term partnerships and systemic changes by extending beyond transformative philanthropy. As the companies invest in various sustainable agricultural practices, they not only contribute to the welfare of local farmers but also bring themselves in alignment with global goals, like the United Nations' Sustainable Development Goals (SDGs).

Through a perspective of sustainable development, this study will investigate case studies, success stories and shed light on the strength of CSR initiatives in the Indian agricultural scenario. From educating and inculcating technological empowerment to farmers with training, water conservation, promoting eco-friendly farming practices and CSR initiatives are playing a crucial role in reshaping the silhouette of Indian agriculture. Through fostering sustainable supply chain, the corporations are recognizing the importance to align their corporate interests with the wider objective of ensuring the flexibility and longevity of the agricultural sector. This study seeks to traverse through the network of CSR initiatives in Indian agriculture through interviews and case studies. By a detailed examination of the measure of impact on sustainable practices, effectiveness, and assessing the extent of community involvement, it is intended to provide a comprehensive understanding of the developing landscape of corporate social responsibility in the agricultural sector.

## 2. Objective of the study

- To lay out an overview of the current status of agricultural sustainability in India.
- To examine and describe the current corporate social responsibility (CSR) initiatives in the agricultural sector in India.
- To investigate the involvement of different stakeholders, including government bodies, NGOs, and local communities, in shaping and implementing CSR initiatives in agriculture.
- To propose recommendations for improving the effectiveness and efficiency of CSR initiatives in promoting agricultural sustainability.

## 3. Methodology:

The article of research is a thorough descriptive analysis that is based on secondary data that was gathered from a variety of sources. This information is carefully gathered from a variety of academic sources, such as books, journals, and periodicals, which offer reliable insights into the field.

## 4. Literature Review

<sup>1</sup>Various mechanisms are acting as catalyst in leading to agriculture based economic growth and it is important to identify who and what are building resilience to the Africa's Green Revolution. (Clay & Zimmerer, 2020) .<sup>2</sup>The socioeconomic environment is believed to be greatly impacted by corporate intervention. CSR investment in agriculture is significantly lower than in a number of other industries, including healthcare, education, and the arts and culture.(Upadhyay, 2019).<sup>3</sup>India's CSR has not yet turned its attention to agriculture. Countries with comparatively rapid agricultural expansion had a significant decline in poverty. Therefore, if the Corporates commit additional funds Several of the issues facing the farming industry can be resolved through CSR in agriculture. Businesses who have made agricultural investments as part of their corporate social responsibility initiatives have witnessed notable progress in their project areas with regard to the adoption of better agricultural methods, preservation of natural resources, decreases in the need for outside inputs and cultivation costs, etc.(Balasubramanil, n.d.).<sup>4</sup>It is required to shed more light on regard to the agri-food industry and attempt to give a conceptual framework for the connection and is an early empirical study with the goal of identifying and verifying a key association.(Coppola et al., 2020).<sup>5</sup>It is important to examine the connection between brands and corporate social responsibility (CSR) and how Indian agricultural enterprises are using CSR as a business branding approach through an analysis of empirical and theoretical research. The chapter emphasizes that in place of conventional CSR that is focused on the community, Moreover, focused social responsibility efforts, with a focus on core beneficiaries, may be a path ahead for agribusiness's responsible advertising initiatives.(Raj, 2014).<sup>6</sup>The CSR scenario in agricultural sector in India when compared the activities from 2014 to 19 state the various advantages which could be maximised if more resources were put in the sector.(Ganavi.N. R. Ravishankar S., n.d.).<sup>7</sup>The local producers can become autonomous and independent through the conversion to organic agriculture, with its suggested environmental, social, and medical advantages, as well as through preserving biodiversity. Local farming groups are movements that use sustainable agriculture to raise the social, health, and economic standing of independent farmers in the face of large-scale agribusiness. It examines these groups' philosophies, the political and agricultural ideologies they propagate, the difficulties they have engaging small farmers, and the evaluations these farmers make of their involvement.(Nicolaysen, n.d.).<sup>8</sup>Internet of Things technologies could give power to Somali farmers and support responsible farming practices and economic expansion. The use of IoT in the management of supply chains, intelligent irrigation, animal tracking, and precision agriculture can be beneficial, such as higher crop yields, less resource use, better livestock health, easier access to markets, and a decrease in losses after harvest.(Farah Ali & Farah Ali, n.d.).<sup>9</sup>CSR can bring about a competitive edge over the competitors and also at the same bring about a equitable development of the society, while facing the various challenges by the same.(Samantara& Dhawan, 2020).<sup>10</sup>The advantages of agrivoltaics should be recognised as being rural electrification, water conservation, yield improvement, sustainable revenue creation, and a decrease in pesticide use. Agrivoltaics have the potential to achieve a number of goals, including fulfilling international obligations, creating jobs, fostering economic stability, raising the capacity for producing clean energy, protecting natural resources, and accomplishing a number of other goals.(Mahto et al., 2021).<sup>11</sup>CSR initiatives has its impact on rural people's social and economic development because of which, a few provincial issues have been selected to be the focus of their CSR exercises in relation to progress of the nation. Regardless of size, location, or corporate goal, Indian firms perceive social responsibility as a critical business concern. Therefore, CSR initiatives have a favourable

impact on enhancing rural development in rural regions.(Ganeshan, n.d.).<sup>12</sup>There are various ways that Hungary's agribusiness can use its social responsibility (CSR) as a tool to encourage the implementation of climate-focused solutions and sustainable farming methods. While businesses' climate-focused CSR initiatives are still in their infancy, they are making efforts to lessen the impact of climate change on the application of adaptation techniques. This is in addition to looking at the scope of the mitigation and adaptation activities listed in the companies' CSR portfolios and the specific steps taken to realize them.(Biró & Szalmáné Csete, 2020).<sup>13</sup>It is required to identify potential obstacles to future scale-up as well as how multinational coffee firms are addressing climate change adaptation as part of their corporate social responsibility (CSR) initiatives. The ideal framework for understanding the promotion of climate adaptation in the coffee sector is the "Creating shared value" (CSV) concept.(Bianco, 2020).<sup>14</sup>There is high impact of smart farming in the agricultural sector and it is determined to have a bright future prospect in India.Digital agricultural practices, IoT, precision agriculture, AI powered machinery have gained popularity over the years.(Biswas et al., n.d.).<sup>15</sup>Sustainable agriculture and organic farming benefit the environment and the economy and India is advancing toward accomplishing the Sustainable Development Goals (SDG) and sustainable green revaluation in agriculture and technology.(M et al., 2023).

## **5. CSR Initiatives in Agriculture in India**

### **5.1 ITC:**

The Company made significant contributions to the improvement of agricultural methods, which helped to boost CSR. With the aid of climate-smart farming, which is predicated on the implementation of suitable automation, the propagation of pertinent agricultural methods, and the delivery of formal services, the Sustainable Farming effort seeks to shield producers from the detrimental effects of erratic weather patterns. As of right now, the initiative has been widely embraced by the agricultural sector and covers an area of 8.81 lakh acres. An aggregate of 2.54 lakh producers benefited from the year-long sharing of knowledge among farmers through the functioning of 5,969 Farmer Field Schools and 2,253 ChoupalPradarshan Khets.In addition, 401 Agriculture-related businesses Centers developed cooperative commodity purchasing, enabled agricultural financing links, offered extension services, and rented out equipment for agriculture. In keeping with the goal of increasing organic matter in the soil and promoting long-term sustainability, 2,801 compost units were built this year, for a total of 48,767 units.

Partner Organizations for Implementation:

- Adarsh Yuva Samiti
- BAIF Development Research Foundation
- Bandhan - Konnagar
- Dhan (Development of Humane Action) Foundation
- Deepam Rural Development Charitable Trust
- Development Support Centre
- Society of Indian Institute for Rural Development

### **5.2 JSW Steel Limited**

The Company played a significant role in corporate social responsibility (CSR) by providing assistance towards the improvement of general community infrastructure and supporting welfare initiatives. Collaborating closely with JSW Foundation, over 6000 farmers across 5,800 acres of cultivable land have been actively engaged in a participatory approach. The main objective is to align with local, national, and global goals, particularly the Sustainable Development Goals (SDGs), while striving to enhance both farm and off-farm incomes. This is accomplished through empowering farmers via capacity building, advocating improved agricultural practices, promoting less water-intensive farming techniques, and establishing strategic partnerships. A key focus lies in ensuring that market-driven sustainability leads to increased profits, thereby making agricultural livelihoods a preferred occupation option.

### **5.3 Punjab National Bank**

The Bank has taken a significant step by establishing 12 Farmers Training Centres (FTCs). These centers offer free training sessions covering various fields such as agriculture, allied activities, computers, cutting, tailoring, embroidery, and entrepreneurship development programs. Since its inception, the FTCs have successfully trained an impressive count of 16,24,718 individuals through 52,254 training programs. In order to enhance the training experience, mobile vans equipped with soil testing facilities and LED screens for audiovisual presentations have been provided to the farmers. The Bank's commitment to this initiative is evident in the substantial sum of Rs 385.18 Lakh spent during the fiscal year 2020-21.

### **5.4 Other initiatives:**

Initiatives pertaining to (CSR) in Indian agriculture comprise a variety of tasks intended to advance long-term viability enhance agricultural livelihoods and tackle issues related to the environment and society. The following are a few typical CSR projects in Indian agricultural activity:

**Farmer Capacity Building:** Educating producers on contemporary methods of agriculture, environmentally friendly methods of farming, and maximizing resource utilization.

Farmers can learn about the most recent innovations and current market conditions through seminars and education initiatives.

**Water conservation and management:** putting in place irrigation systems with low water usage. Building of water storage facilities, collecting rainwater frameworks, and check barriers.

programs for educating and reaching out to farmers about water saving techniques.

**Encouragement of Organic Farming:** Advocate for the adoption of organic farming methods. Support in securing certification as organic. Supplying farmers with organic seeds and inputs.

Efforts to assist farmers in diversifying their sources of income, such as agro-processing units, beekeeping, or poultry farming, are referred to as livelihood diversification initiatives.

Assistance and training for starting small businesses.

**Links and Access to the Market:** Assisting farmers in accessing markets through joint ventures with retail chains and agribusinesses. To increase the collective negotiating power, farmer producer organizations (FPOs) should be developed.

**Crop Residue Management:** Education campaigns about the dangers of burning stubble.

offering farmers tools that are mechanized or incentives to use crop residues as an alternative for managing crop residues.

Building rural infrastructure, such as roads, storage facilities, and market yards, is known as rural infrastructure development. Improving communication to facilitate the transportation of agricultural goods.

**Community development programs:** Putting money into rural communities' hospitals and schools. Providing assistance to neighbourhood initiatives that raise quality of living and solve local issues.

**Conservation of Biodiversity:** Measures taken to preserve and improve biodiversity in agricultural environments, programs for planting and replanting. Encouraging the adoption of climate-resilient methods and products is known as "climate-conscious agriculture." Supplying early warning systems and meteorological data to farmers.

**CSR in the Agri-Input Sector:** Purchasing fertilizers, seeds, and insecticides from suppliers that uphold ethical standards. Activities aimed at guaranteeing the security as well as the quality of inputs into agriculture

**Financial Inclusion:** Helping farmers have easier access to financial products and financing.

programs for financing that help marginalized and small-scale farmers.

In order to develop a more equitable and environmentally friendly farming environment in India, business companies frequently carry out these activities in partnership with local communities, government agencies, and non-governmental organizations (NGOs).

## 6. Recommendations:

### 6.1. For the Policymakers:

- Enforcing Stringent Reporting Standards for CSR activities in the agriculture sector and develop specific metrics and key performance indicators (KPIs) that corporations must disclose to demonstrate the impact of their initiatives.
- Incentivizing Agricultural CSR by Introducing tax credits or deductions to encourage corporations actively involved in sustainable agriculture initiatives.
- Promoting Collaboration between corporations, government bodies, and local communities to facilitate platforms for partnerships, fostering joint initiatives that leverage the strengths of each stakeholder to maximize positive outcomes.
- Investing in Research and Development focusing on innovative farming techniques, water conservation, and soil health to enhance the overall sustainability of agricultural operations.

### 6.2. For the Corporations:

6.2.1. Adopting a Holistic Approach to CSR that encompasses the environmental, social, and economic dimensions by integrating sustainability into their core business practices, supply chain management, and product development.

6.2.2. Investing in Skill Development: Establish training programs and workshops for farmers to enhance their understanding and implementation of sustainable farming practices. By investing in the skill development of local farmers, corporations can contribute to the long-term success and resilience of agricultural communities.

6.2.3. Strengthening Supply Chain Sustainability by including collaboration with suppliers to ensure responsible agricultural practices, waste reduction, and the promotion of fair labour standards throughout the production process.

6.2.4. Actively involving local communities, NGOs, and government agencies in the design and implementation of CSR initiatives through open communication channels and seeking input from stakeholders to ensure that initiatives align with the specific needs and priorities of the communities they aim to serve.

## **7. Future Scope of Research:**

### **7.1. Developing Impact Assessment Models:**

- Create robust methodologies for assessing the impact of CSR initiatives on agricultural sustainability. Future research should focus on developing standardized frameworks and metrics that can be universally applied to measure the effectiveness of CSR programs.

### **7.2. Exploring Technological Innovations in Agriculture:**

- Investigate emerging technologies and innovations that can contribute to sustainable agriculture. Research in precision farming, agricultural technology, and sustainable irrigation methods can provide valuable insights for future CSR initiatives.

### **7.3. Examining Social and Economic Dynamics:**

- Explore the social and economic dynamics of CSR initiatives in agriculture. Research should delve into the socio-economic benefits for local communities, including income generation, improved livelihoods, and community development.

### **7.4. Creating Long-Term Sustainability Models:**

- Examine models for ensuring the long-term sustainability of CSR initiatives. Research should focus on creating frameworks that enable the continued success and scalability of CSR programs beyond their initial implementation phases.

## **8. Conclusion:**

In result, this thorough analysis has explored the complex connection between India's agricultural sustainability and social responsibility in business programs. The investigation has produced a number of interesting conclusions that clarify the effects of CSR initiatives in the agriculture industry. First of all, the study has brought attention to the constructive contributions that corporate entities have made to sustainable farming methods. These programs cover a wide range of topics, including community development, environmental preservation, and the advancement of moral corporate conduct. The fact that businesses are willing to make investments in environmentally friendly agriculture is encouraging for the sector's future. The study emphasizes how crucial it is for both the private and public sectors to work together to optimize the effectiveness of CSR programs. A comprehensive and all-encompassing strategy for sustainability in agriculture has the potential, as demonstrated by the effective collaboration models that have surfaced. Notwithstanding, certain obstacles continue to exist, such as the requirement for more openness, measuring criteria, and the enduring dedication of organizations. The report recommends establishing ongoing monitoring and assessment systems to determine the true effect of initiatives relating to corporate social responsibility (CSR) on the sustainable development of agriculture. Essentially, the study's conclusions offer insightful information to decision-makers in government, business, and other relevant fields who are influencing India's sustainable agricultural destiny. Parties may collaborate to improve the beneficial results and tackle the current difficulties by recognizing the advantages and disadvantages of current CSR practices. This will ultimately pave the way for a more resilient and sustainable agricultural future in the nation.

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