



ORIGINAL RESEARCH PAPER

Social Science

THE CORPORATES SOCIAL RESPONSIBILITY IN KARNATAKA STATE: ANALYSIS OF TRENDS AND DYNAMICS

KEY WORDS: CSR, Karnataka, Regional, Development.

Suma K G*

Assistant Professor, Department of Social Work, Vijaynagara Srikrishna Devaray University, P G Centre Nandihalli, Sandur, Ballari- Karnataka, India.
*Corresponding Author

Laxman Toli

Teaching Faculty, Department of Social Work, Vijaynagara Srikrishna Devaray University, P G Centre Nandihalli, Sandur, Ballari- Karnataka, India

ABSTRACT

The current article is an outcome of a review of data. After 2014, the contribution of corporate social responsibility (CSR) has expanded significantly in India, and it is regarded as a game-changer in the development process. A growing number of businesses are getting involved in this procedure, which is mandated by the government under Section 135 of the Companies Act 2013. Karnataka is a major state in southern India, and it is home to a number of large-scale industries. Karnataka has also seen a significant increase in corporate social responsibility investment when compared to other states. This paper conducts a thorough investigation into the trends in CSR expenditure in Karnataka from 2014 to 2021, as well as the spending patterns by districts.

INTRODUCTION:

The notion of CSR is gaining traction as the company expands via trade and commerce. As the majority of economies in the world are managed by market forces, markets have become an integral aspect of a country's government. In a democratic setting such as India, with a constitution that promotes the welfare of the people, the machinery of government is incapable of meeting and exceeding the ambitions of many members of society. As a result, the role of nongovernmental groups, civic societies, and notably business houses is critical in meeting the expectations of the society's citizens (UNIDO, 2018).

CSR is crucial to an organization's social performance development. Social performances, like financial, economic, and social performance, are similar possibilities inside an organization. Domestic workers are considered members of society since they contribute to its progress, either directly or indirectly. Thus, a robust CSR program must be created inside the organization to handle social duties; when social responsibilities are addressed, organisational performance increases as well (Lumen Learning, 2012).

CSR has always been viewed as a charity activity in India. And, in keeping with Indian custom, it was a done-but-not-deliberated activity. As a result, evidence on particular actions associated with this notion is scarce. However, it was apparent that much of this had a national flavour to it, whether it was endorsing institutions or actively engaging in India's liberation struggle, all of which were embodied in the concept of trusteeship (Downtoearth.org, 2020).

As several observers have noted, CSR in India has shifted away from philanthropy and toward institutional creation (educational, scientific, and cultural) and toward community development through various programmes. Additionally, as global influences and communities become more active and demanding, there appears to be a discernible trend that, while CSR remains largely focused on community development, it is becoming more strategic in nature (that is, more linked to business) than philanthropic, and a growing number of companies are reporting on their CSR activities through their official websites, annual reports, sustainability reports, and even through the publication of white papers (CHRON, 2018).

CSR is regulated in India under clause 135 of the Companies Act, 2013, which was enacted by both Houses of Parliament and gained presidential assent on 29 August 2013. The Act's CSR rules apply to enterprises having an annual revenue of at least 1,000 crore INR, a net worth of at least 500 crore INR, or a

net profit of at least five crore INR. The new standards, which will take effect upon enactment of the Act, define a set of activities that qualify as CSR. Companies may carry out these operations after obtaining board permission and taking into consideration local restrictions.

The Objective Of The Paper:

The Primary objective of this article is to Analyze the trends and Dynamics in CSR Spending in Karnataka.

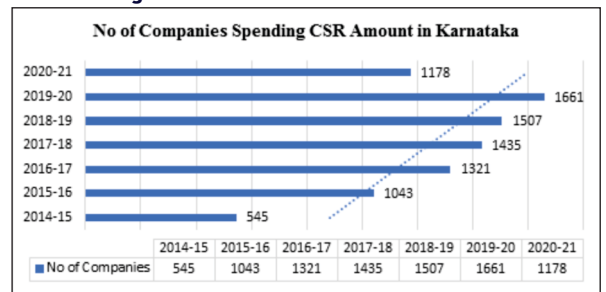
METHODOLOGY:

The data has been collected from the official website of the Government of India, the collected data has been consolidated into various dimensions and analyzed accordingly to the objective of the paper.

Table No 01: CSR Spending In Karnataka Since 2014 to 2021

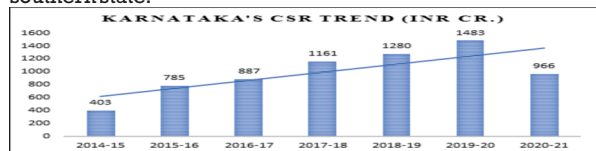
S. No	Year	No of Companies	Karnataka's Amount (INR Cr.)	India's Total CSR (INR Cr.)	% of Karnataka to the National CSR Amount
1	2014-15	545	403	10066	4.00%
2	2015-16	1043	785	14517	5.41%
3	2016-17	1321	887	14344	6.18%
4	2017-18	1435	1161	17098	6.79%
5	2018-19	1507	1280	20163	6.35%
6	2019-20	1661	1483	24864	5.96%
7	2020-21	1178	966	20360	4.74%

Source: csr.gov.in



The data above summarizes the amount spent on CSR in Karnataka and its share of India's total. It is noted that only 545 companies spent Rs. 403 crore on CSR in 2014. Since 2015, the number of companies and the amount of CSR have gradually expanded. Karnataka spent the sustained CSR amount and contributed more than 5% to national spending in 2016, 2017, and 2018. CSR expenditures have reduced slightly in the year 2021. Karnataka has the greatest CSR spending of any

southern state.



It is noticeable that the number of companies in Karnataka has expanded since 2014. From 2014 to 2010, the number of companies spending on CSR has consistently increased. However, in the year 2021, it is noted that the number of companies has decreased significantly; we may anticipate that COVID-19 has contributed to this decline in the number of companies.

Table No 01: CSR Spending In Karnataka From 2014-2021 (In Lakhs)

S. No	District	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Bagalkot	49	80	87	117	28.25	291.87	22.73
2	Bangalore Rural	4711	27652	144	1386.36	1764.23	1353.72	1311.16
3	Bangalore Urban	7523	4010	55	2947.72	1166.18	2137.49	5098.25
4	Belgaum	38	308	205	128.54	230.16	880.59	302.46
5	Bellary	201	1319.4	183.5	598.79	828.34	1037.99	1084.38
6	Bidar	0	10	80.89	38.55	18.26	33	25.42
7	Chamarajanagar	0	3	0	24.67	0	76.42	96.64
8	Chikkamagaluru	30	33	15	6.1	63.5	293.93	113.04
9	Chitradurga	1	20.29	825	25884.08	1749.69	368.21	593.22
10	Chikkaballapur	0	7	0	0	137.47	389.33	364.97
11	Dakshina Kannada	34	72	111.5	383.15	6004.59	8319.11	3787.05
12	Davanagere	1	0	1	0	9.16	127.19	68.98
13	Dharwad	54	163	642	256.62	479.02	2588.87	2595.32
14	Gadag	0	155	129	301	40	79.28	123.06
15	Gulbarga	155	30	15	14.25	41.09	11.53	38.52
16	Hassan	0	108	154	103	20.88	124.47	112.95
17	Haveri	0	64	14	70.12	60.29	134.06	107.4
18	Kodagu	1	24	104	123.03	278.02	202.5	390.66
19	Kolar	64	809	959	419.52	986.34	1513.9	945.52
20	Koppal	36	22	56	29.88	128.86	47.48	100.66
21	Mandya	2	1	21	25	24.69	32.88	197.85
22	Mysore	81	439	445.16	473.94	732.88	2855.17	907.42
23	Raichur	173	201	8	0	498.55	451.2	171.7
24	Ramanagara	0	169.12	76	1197.15	1523.31	2052.96	3053.03
25	Shimoga	85	236	55.68	18.2	403.07	668.88	215.43
26	Tumkur	210	80.37	76	164.2	443.29	870.1	179.84
27	Udupi	225	7101	156	173.57	1049.51	1754.2	320.36
28	Uttara Kannada	26	46	276.5	204.93	961.63	484.07	376.85
29	Vijayapura	0	0	0	182.61	0.36	0	112.72
30	Yadgir	0	0	0	0	3	73.57	96.86
31	NEC/ Not mentioned	26647	35302.56	83872.91	80892.87	107756.2	117074.1	73747.6
	Grand Total	40347	78465.74	88768.14	116164.85	127430.82	146328.07	96662.05

Source: csr.gov.in

Table No 02: Percentage Distribution of District wise CSR Spending From 2014-2021

S. No	District	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Bagalkot	0.12%	0.10%	0.10%	0.10%	0.02%	0.2%	0.02%
2	Bangalore Rural	11.68%	35.24%	0.16%	1.19%	1.38%	0.9%	1.36%
3	Bangalore Urban	18.65%	5.11%	0.06%	2.54%	0.92%	1.5%	5.27%
4	Belgaum	0.09%	0.39%	0.23%	0.11%	0.18%	0.6%	0.31%
5	Bellary	0.50%	1.68%	0.21%	0.52%	0.65%	0.7%	1.12%
6	Bidar	0.00%	0.01%	0.09%	0.03%	0.01%	0.0%	0.03%
7	Chamarajanagar	0.00%	0.00%	0.00%	0.02%	0.00%	0.1%	0.10%
8	Chikkamagaluru	0.07%	0.04%	0.02%	0.01%	0.05%	0.2%	0.12%
9	Chitradurga	0.00%	0.03%	0.93%	22.28%	1.37%	0.3%	0.61%
10	Chikkaballapur	0.00%	0.01%	0.00%	0.00%	0.11%	0.3%	0.38%
11	Dakshina Kannada	0.08%	0.09%	0.13%	0.33%	4.71%	5.7%	3.92%
12	Davanagere	0.00%	0.00%	0.00%	0.00%	0.01%	0.1%	0.07%
13	Dharwad	0.13%	0.21%	0.72%	0.22%	0.38%	1.8%	2.68%
14	Gadag	0.00%	0.20%	0.15%	0.26%	0.03%	0.1%	0.13%
15	Gulbarga	0.38%	0.04%	0.02%	0.01%	0.03%	0.0%	0.04%
16	Hassan	0.00%	0.14%	0.17%	0.09%	0.02%	0.1%	0.12%
17	Haveri	0.00%	0.08%	0.02%	0.06%	0.05%	0.1%	0.11%
18	Kodagu	0.00%	0.03%	0.12%	0.11%	0.22%	0.1%	0.40%
19	Kolar	0.16%	1.03%	1.08%	0.36%	0.77%	1.0%	0.98%
20	Koppal	0.09%	0.03%	0.06%	0.03%	0.10%	0.0%	0.10%
21	Mandya	0.00%	0.00%	0.02%	0.02%	0.02%	0.0%	0.20%
22	Mysore	0.20%	0.56%	0.50%	0.41%	0.58%	2.0%	0.94%
23	Raichur	0.43%	0.26%	0.01%	0.00%	0.39%	0.3%	0.18%
24	Ramanagara	0.00%	0.22%	0.09%	1.03%	1.20%	1.4%	3.16%

25	Shimoga	0.21%	0.30%	0.06%	0.02%	0.32%	0.5%	0.22%
26	Tumkur	0.52%	0.10%	0.09%	0.14%	0.35%	0.6%	0.19%
27	Udupi	0.56%	9.05%	0.18%	0.15%	0.82%	1.2%	0.33%
28	Uttara Kannada	0.06%	0.06%	0.31%	0.18%	0.75%	0.3%	0.39%
29	Vijayapura	0.00%	0.00%	0.00%	0.16%	0.00%	0.0%	0.12%
30	Yadgir	0.00%	0.00%	0.00%	0.00%	0.00%	0.1%	0.10%
31	NEC/ Not mentioned	66.04%	44.99%	94.49%	69.64%	84.56%	80.0%	76.29%
	Grand Total	100%	100%	100%	100%	100%	100%	100%

Source: csr.gov.in

The data above illustrate the percentage of CSR funds spent per district from 2014 to 2021. The variances in spending indicate unequivocally that cities with a heavy proportion of industries can receive a greater share of CSR funds than other locations. In 2014, Bangalore's urban and rural areas had the greatest CSR contributions (11.68 percent & 18.65 percent). In the same year, the Ballari, Udupi, and Tumkur districts received more than half a percent. Nine districts – Bidar, Chamarajanagar, Chikkaballapur, Gadag, Hasan, Haveri, Ramanagar, Vijayapura, and Yadgiri – did not get any funds under CSR. In 2015, Bangalore rural and urban areas received 40% of the overall CSR expenditure for the year, whereas Davanagere, Vijayapura, and Yadagir districts received no CSR funding. CSR funding increased slightly in 2016; the districts of Dharwad, Belgavi Chitradurga, Kolar, Mysore, and Uttara Kannada got more than 200 lakhs. In 2020, seven districts got more than 1% of overall expenditure on CSR; during this period, only one district (Vijayapura) received no CSR funds. In 2021, CSR money was more evenly distributed; six districts (Bangalore Urban-Rural, Ballari, Dakshina Kannada, Dharwad, and Ramanagara) received more than 1% of total CSR expenditure. It is critical to understand that all districts will indeed be covered by CSR investment in 2021.

DISCUSSION AND CONCLUSION:

India has a long and storied history of business involvement in national development projects. Since ancient times, CSR has been recognized as social responsibility or charity, but its meaning has evolved with time, and it is now often referred to as CSR. Social and environmental issues have a long history in business, stretching back to the dawn of trade, which resulted in excessive affluence.

Since 2014, the state of Karnataka has experienced an increase in CSR spending and firms. In comparison to other states, Karnataka has shared more than 5% of overall CSR spending each year. The data clearly indicates that Karnataka's CSR spending has been increasing for over six years. Karnataka's statistics demonstrate that CSR contributions are critical to the state's substantial development, in addition to the government's developmental operations.

REFERENCES

1. Briefing India (2018). *Corporate Social Responsibility in India - India Briefing News*. India Briefing News. <https://www.india-briefing.com/news/corporate-social-responsibility-india-5511.html/>
2. CHRON. (2018). *The Difference Between Corporate Philanthropy & Corporate Social Responsibility*. Chron.com. <https://smallbusiness.chron.com/difference-between-corporate-philanthropy-corporate-social-responsibility-65129.html>
3. Downtoearth.org. (2020). *This is not CSR: 6 dimensions with 5 shades of risk perception for assessing*. www.downtoearth.org.in
4. Lumen Learning. (2012). *Corporate Social Responsibility | Introduction to Business [Deprecated]*. Lumenlearning.com. <https://courses.lumenlearning.com/wmopen-introbusiness/chapter/corporate-social-responsibility/>
5. UNIDO. (2018). *What Is CSR?* Unido.org. <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>