

## **Sustainable Development Goals in the Health Sector- The Smart CSR Strategies in India**

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### **Abstract-**

**Objectives and Purpose:** The main objective of this research paper is to examine the health sector initiatives covered under Corporate Social Responsibility (CSR) after the existence of Companies Act, 2013. The purpose is also to find out the funding by the corporate as a tool of mandatory CSR practices penetrating the weaker section of the population to achieve sustainability development goals.

**Design/Methodology/Approach:** The main source of data collection was through primary data of various companies in India. Comprehensive dialogues with the stalwarts of company's various departments had taken place. Secondary data was collected from the Annual Reports of topmost 100 companies. Analysis was carried out by using statistical tools. CMIE and Prowess was used to carry the secondary information.

**Findings:** Some results point out additional center of attention on health sector development in slums and the rural sector. Corporate houses are getting attracted towards the improvement of health of the people in the communities in the region of their location. CSR activities are gaining momentum in the health sector after the implementation of the Companies Act, 2013. Net profits after tax for health issues have headed for new stance. The health sector was not given so much of enormity by the corporate sector in the past. This makes the results extraordinary in nature.

**Conclusion/ Improvements:** To conclude, there has been a conceptual transfer in the attitude of the corporate sector in Indian companies after the substantiation of CSR in India. Nevertheless, Indian companies require more focused way of functioning in the health sector. Findings show that there is no company which has taken the health sector as their only CSR activity. This concludes that single activity is highly pointed and incurs lot of effort and expenditure.

**Originality/Value:** The paper has introduced a configuration that smart CSR strategies in India can lead to sustainable development goals in the health sector of weaker section.

**Key Words:** *Companies Act 2013, Corporate Social Responsibility, Health Sector, Weaker Section*

## INTRODUCTION

Health is one of the most vital pedals for social, economic and political revolution. A healthy population fortified with pertinent awareness, attitudes and abilities is crucial for economic and societal development. Health is the most powerful instrument for building an impartial and fair society. Recognizing the importance of health and corporate expenditure on health increased rapidly during the recent years. Health should not be simply regarded as absence of illness but as a state of ample physical, mental and social comfort.

A study by Sudhansu Kumar Das (2009) shows that companies dominating goal is not only maximization of profit but also contribute to economic development through the community development especially by improving the health.

Many multinational corporations used the term 'Corporate Social Responsibility' during 1960s and 1970s to describe organizational activities which had a great impact towards a superior health environment. CSR's main seed was germinated in philanthropy. An organization's total responsibility towards the business environment is what is known as CSR. At present CSR leads to the usual company behaviors that are not heading for profits. Naturally, such projects have a sturdy developmental move toward company capital to promote non-profit organizations and communities.

The text exposes that even though the term CSR may come into view to be abstemiously new to the corporate world but the advancement of the thought has taken situation for greater than quite a few eras. The certainty that the terminologies itself has distorted in excess of this moment in time also suggests that the connotation accredited to notions such as CSR will keep on growing in synchronization with business, political and social improvements.

## OVERVIEW

As per the data of World Health Organization, India carries 20% of the globe's load of illness. 117% of the world's communicable disease has taken place in India. British charity Oxfam report suggests that the highest number of maternal deaths is recorded in India. This contradicts the fact that India is the third largest manufacturer of pharmaceuticals as per the study conducted by Price Waterhouse Coopers (PWC). Even, India is the home for 381 medical colleges. Globally, this count is the largest. These colleges produce approximately 50,000 medical graduates each year.

The main dichotomy is because of the fact of its poor financial resources to manage the healthcare path. India needs to work on the improvement of its healthcare indicators. India has a large size population of 1.252 billion people. Majority of the population resides in the rural area with a very little knowledge of health care facilities accruing to them. Moreover, many healthcare programmes are funded by government funds, international loans, grants and aids. It is also sometimes funded by the charitable organizations as their philanthropic practices.

According to the survey by Sehgal (Sr. Director, Deloitte), India's expenditure towards healthcare is only a very small part of GDP and the share of the government is as less as only 1.4%. This kind

of expenditure towards healthcare is considered to be the lowest across the globe. The repercussion of such expenditure has a further adverse effect to the general health of the overall population of the country. Government budgets are not in pace with population growth aspects in the health care sector.

The most important step forward will be possible through the spending as Corporate Social Responsibility. This will be mainly possible in India because of inclusion of CSR in the Act.

### **BOTTOM OF ECONOMIC PYRAMID**

Prahalaad and Allen Hammond (2002) in a study viewed that the transnational companies are capable of improving the lives of multiple destitute people especially their health issues and help create a more stable, less dangerous world. Unless business leaders confront their own preconceptions-particularly about the value of high volume, low margin businesses -companies are unlikely to master the challenges or reap the rewards of these developing markets.' The rural poor also represent a large untapped opportunity for companies. It is easy to flourish in the untapped markets at the bottom of economic pyramid especially if the companies take extra effort for the health of the people residing in the nearby vicinity of the location of the factories. Growth can be extremely high although the biggest change has to come from executives of top companies.

### **SOCIAL NETWORKING**

Vanita Shastri and Preeta Banerjee feel that the time is right for entrepreneurs to aim high and step in to solve social challenges in health sector innovatively and inexpensively, customizing their solutions to local conditions. As the global economy shrinks and the government and private sector cut back on spending on health programs, the need to address these pressing social issues on health becomes more urgent. This becomes an opportunity for building up new models through public-private partnerships.

Companies are in the hunt to put together codes of conduct and guidelines into their company cultures and organization systems. The dispute for Corporate Responsibility is that each business is different; each segment has different priorities. The very same business in one region may face different challenges in other parts of globe. Yet the stakeholders, especially clients and investors, are keen for various point of comparability with which they can appraise corporate performance. Health sector needs may be aligned to CSR initiatives of the companies.

Interestingly, as administrative and political governance in global era is finding it difficult to deal with the problems of people to its dismay regarding the health related issue so there is an increasing dependence on the corporate world as one having some solutions to the problems-certainly not without the dichotomy, dispute, debate and doubt of their capability-related to wealth distribution, creation of opportunities of the marginalized people and the sustenance of the natural health environment. What once started as a moral plea for the corporate to share their wealth for the society and community is today, showing signs of maturity as one being part of the

company process and policy formulation. The strategic aim is being a requirement as business is finding the new enlargement areas of corporate sustainability are where the people with unsaturated satisfaction or plainly the poor people live in. This CSR activism is in stroke with the thinking of one leading group of thinkers who consider that corporate are in a better place to resolve the local and also may be, global problems of health sector.

Baxi and Rupamanjari Sinha Ray (2009) admit that the professional companies are not focusing on impact on the society. Baxi and Sinharoy argue that there is an urgent need to develop a transparent reporting standard in India. Companies are projected to be conscientious bodies with a logic of sense of duty towards universal surroundings. Infosys is utilizing its core competence in the area of technology to bring larger good to the health of the community.

## **REVIEW OF LITERATURE**

The literature exploring the characteristic of India is viewed that it is a country of inestimable contradictions. On the one hand, it has developed to be one of the leading economies in the globe, and an all the time more imperative team member in the budding international category, on the other hand, it is still habitat to the prime figure of natives living in absolute poverty with a very poor health condition and the leading number of undernourished children.

Studies have revealed that companies have been the target of this irregular progress and as a consequence, their assistance to civilization is under strict inspection. It is believed that this inquiry will only augment over moment in time and collective expectations will be on the rise. Governments as well as regulators have responded to this unrest .and the National Voluntary Guidelines for Social, Environmental and Economic Responsibilities of Business mandated CSR clause within the Companies Act, 2013.

According to Indian Institute of Corporate Affairs, a minimum of 6,000 Indian companies will be required to undertake CSR projects in order to comply with the provisions of the Companies Act, 2013 with many companies undertaking health related initiatives for the first time. Companies need to follow their CSR activities more proficiently.

As Rakesh Bharti Mittal (2014) points out that a vigorous and prosperous development sector is central to India's mission for unbiased and sustainable growth in health sector. India's advance sector has evolved significantly over the last few decades and is now witnessing extraordinary attention and hoarding across the value chain.

## **AGENDA 21 AND CSR**

The preamble to Agenda 21 suggest that we are into such a state which is surrounded by a situation of more people below poverty line, illiteracy, ill health, hunger and continuous deterioration of our eco-system. Agenda 21 addresses the problems of today and prepares the world for the challenges which it may face in the next century. It is not possible to attain it on its own. Chapter 1 of Agenda 21 is where health is the core area. The programmes core area is the

mechanisms for sustained community involvement in health activities including optimum utilization of community financial and human resources. No uniform solution can be found for global application. This is where Corporate Social Responsibility can be the key driver of Agenda 21 by adopting few slums and villages and work on their health related issues.

### **SECTION 135 OF COMPANIES ACT 2013**

The Companies Act 1956 has changed after 57 years to New Companies Act, 2013. The Companies Bill was pending in both the houses for a long time as for the first time CSR was getting legalized. Schedule VII and Section 135 of the Companies Act in India deals with such activities. Moreover, health care needs carefully met by the corporate sector are leading towards United Nation's sustainable development goals.

### **METHODOLOGY**

Two phases have been used for the methodology of collection of data. Mutually probability and non-probability sampling has been used for study. The phases involved in the methodology are done through the extensive review of literature and then validate it through annual reports of companies and in-depth interviews.

The variables are derived from the different models of CSR in practice. The data is collected from the top 100 organizations. In Stage A, it is projected to be done by going through the literature of their CSR practices from the published Annual Reports. In Stage B it is planned to follow the process of in-depth interview.

Initially, a structured questionnaire was administered on stratified random sampling basis to top 100 companies based on the revenue generated and identified by Forbes India. Random sample procedure was followed and the top executives of the companies were contacted personally to collect primary data.

Findings of Primary Data Analysis of 48 companies had taken place by general correspondence with the questionnaire by a dialogue with the respondents. The data collected and data analyzed show few essential outcomes.

Hence, the technique chosen to undergo this investigation was executed with the help of questioning method. Many experts of CSR of different industries had been interviewed personally to understand their view and also the work done by them.

Comprehensive dialogue is conducted to recognize health related categories of industries and also the different sectors. It is a perception of the Senior Executives, Vice Presidents and Stalwarts of Company's foundations and Corporate Social Responsibility departments. All types of sectors were considered for study. These companies are listed companies and are under the umbrella of top 300 companies as per turnover. All these corporate have taken up CSR initiatives in various structure and majority of them considered the health care issues.

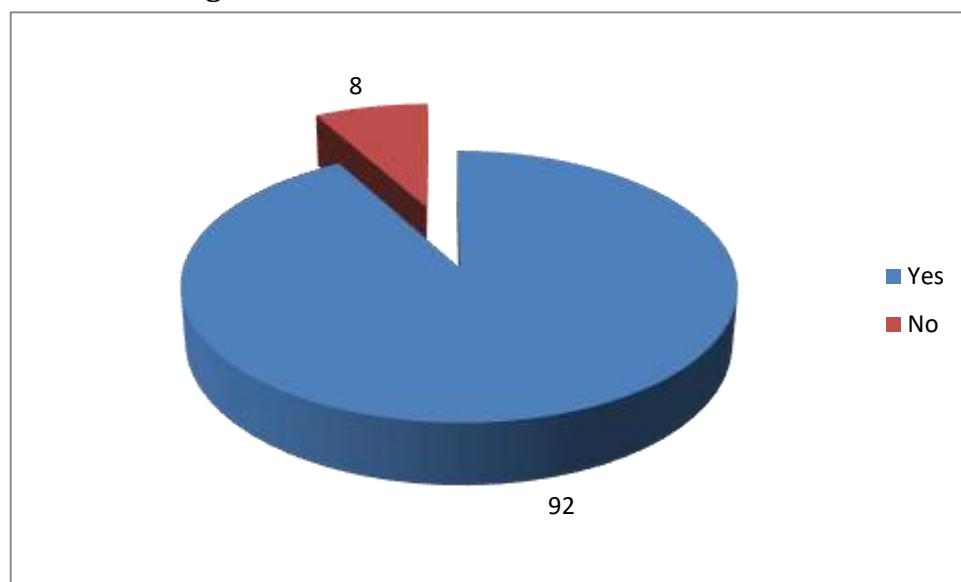
The secondary data was collected through the Annual Reports by checking the websites of different companies. The CMIE and Prowess was used to collect the secondary information.

## FINDINGS

Annual reports of 100 top companies were studied to hold the perception that CSR is a main concern of firms to regulate the health sector. The areas apart from general health treatment some specialized initiatives covered under CSR by different organizations are reducing child mortality, maternal health and maternal mortality; combating diseases; construction of health centers and camps; operating mobile medical clinics and emergency ambulance services; special provisions for AIDS and TB patients. HIV therapy centers are opened for the underprivileged. The on time specialized services, collaboration with Jaipur Artificial Limb Centre Nurses training centers are open by some companies to have a better treatment drive. Many organizations set up their Blood Donation camp for the urban and rural poor households. Oral polio vaccine drives are undertaken in collaboration with Rotarians for children up to 5 years old. Cornea operation and knee replacement are other areas which have been given special priority by these organizations.

**Table 1: Health Sector Initiatives under CSR**

Health Sector	Frequency
Yes	92
No	8
Total	100

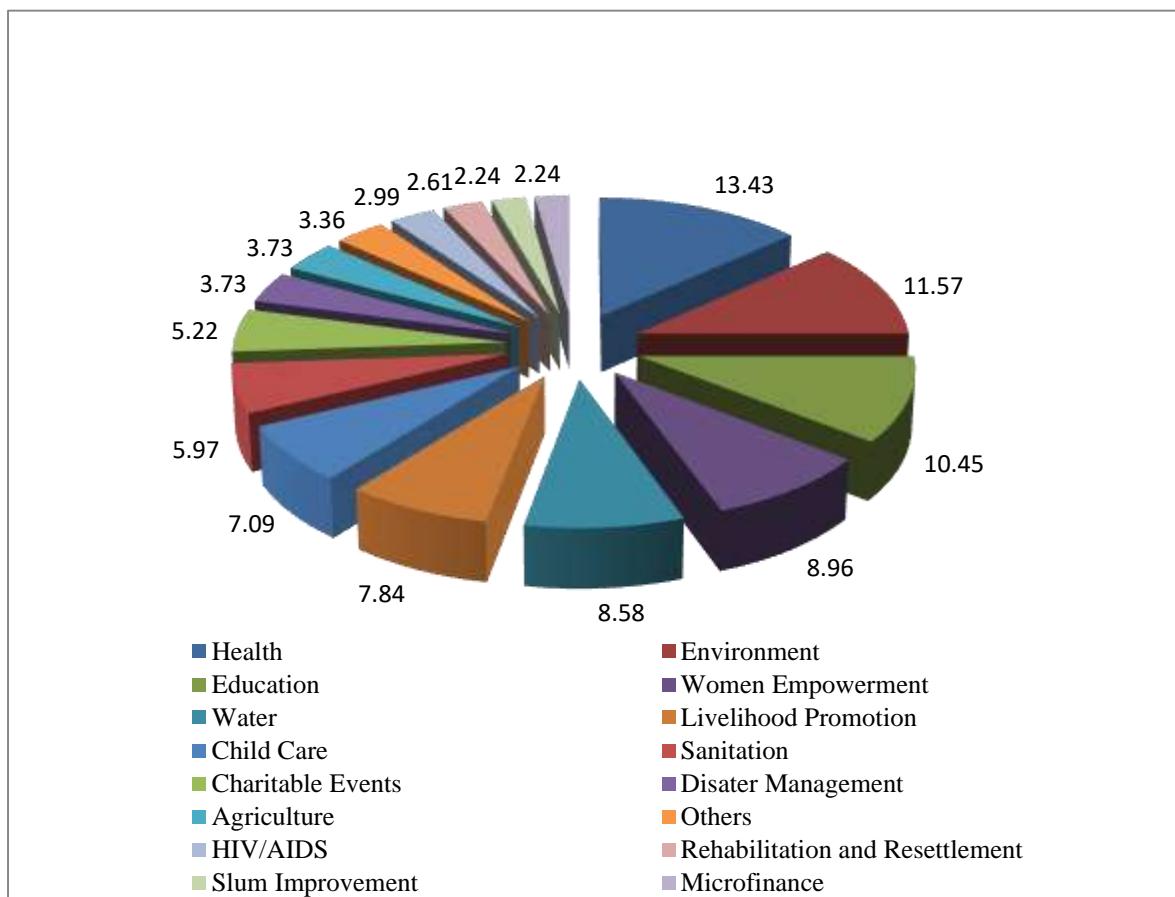
**Fig 1 Health Sector Initiatives under CSR**

As per the study of the Annual Reports of top corporate, it was revealed that 92 % of the companies have given importance to health care initiatives. On the basis of selection of companies under study, the researcher has categorized the CSR activities taken by the respondent companies under

primary study. These activities are in accordance contemporaneous with the initiatives proposed in Schedule VII of Companies Act, 2013 as CSR activities. The researcher further looked into the priority given by these companies for the activities. The performances are prioritized on the basis of the number of activities conducted by the companies and also the fund allocation by the companies.

**Table 2 Specialized CSR Initiatives taken by the Respondent Companies**

<b>Issues Covered</b>	<b>Frequency</b>	<b>Percentage</b>
Health	36	13.43
Environment	31	11.57
Education	28	10.45
Women Empowerment	24	8.96
Water	23	8.58
Livelihood Promotion	21	7.84
Child Care	19	7.09
Sanitation	16	5.97
Charitable Events	14	5.22
Disaster Management	10	3.73
Agriculture	10	3.73
Others	9	3.36
HIV/AIDS	8	2.99
Rehabilitation and Resettlement	7	2.61
Slum Improvement	6	2.24
Microfinance	6	2.24

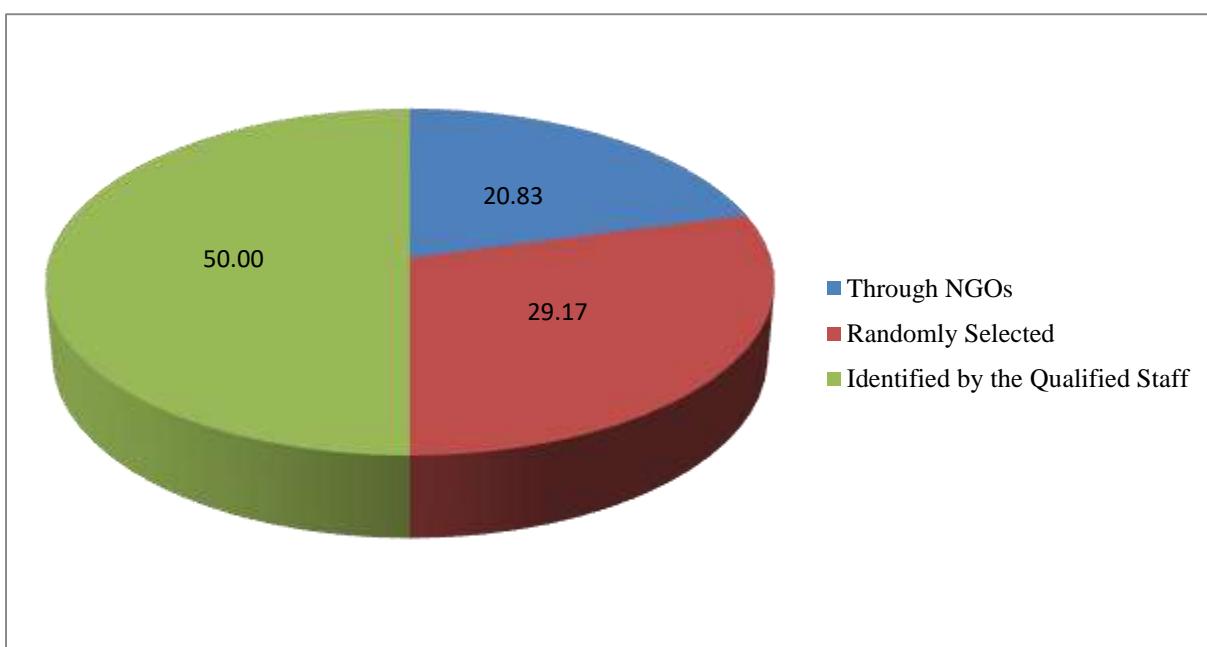
**Fig 2 Specialized CSR Initiatives taken by the Respondent Companies**

Diverse companies have dissimilar specialized initiatives under CSR. Respondents show multiple CSR programmes undertaken by them. It was very surprising to see that not a single organization had only one unique CSR programme undertaken by their organization. Taking up a unique programme becomes an extreme case and is highly pointed. To focus on a single particular programme involves a huge rise in total annual expenditure, time and energy. This happens because the visible impact is under scrutiny. It also requires lots of expertise and knowledge in the field.

However, the health has been the topmost priority by most of the organizations with 13.43% followed by Environment with 11.57% and Education 10.45%. The least prioritized areas were Rehabilitation and Re-settlement, Micro-Finance and Slum Improvement with 2.61%, 2.24% and 2.24% respectively. It is found through the survey that health and education are the flagship programmes of most of the companies. It ranges from infant mortality to construction of health centers and mobile medical clinics.

**Table 3 Person Identifying the Beneficiaries for Health Issues**

<b>Person Identifying the Beneficiaries</b>	<b>Frequency</b>	<b>Percentage</b>
Through NGOs	10	20.83
Randomly Selected	14	29.17
Identified by the Qualified Staff	24	50.00
<b>Grand Total</b>	<b>48</b>	<b>100</b>

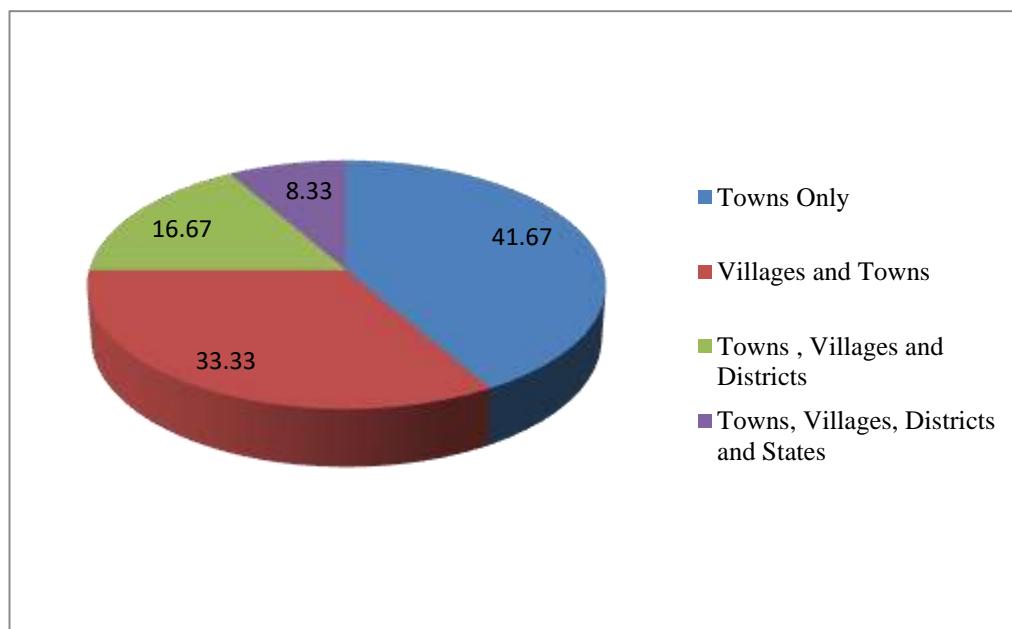
**Fig 3 Person Identifying the Beneficiaries for Health Issues**

It has been very nice to note that 50% of people who are benefitted are recognized by the officers who are working in the company's foundation and CSR department. They try to foster the health related needs of the community which is close to the location of their factories. These employees are motivated about CSR initiatives and can take CSR activities to a higher platform especially for the health sector aligning with the sustainable development goals. The data shows that 20.83% beneficiaries are identified through various kinds of NGOs in collaboration with these organizations and 29.17% of the beneficiaries are selected randomly.

Study by Dutt, show that the beneficiaries in the health sector through the CSR initiatives are mainly taken from the poor people from the rural areas, people from the neighboring vicinity and also from the inner-city slums. The study shows that very less center of attention is given to the tribal community. Even the Companies Act, 2013 have not taken any special health care for the tribal community, although the health and sanitation issues are alarming in this community.

**Table 4 Coverage and Scope of CSR Initiatives by Companies in Health Sector**

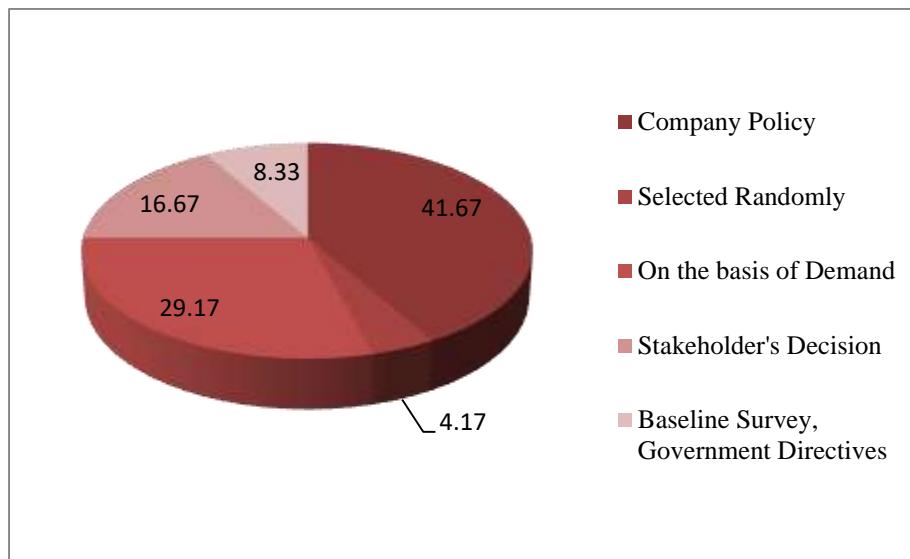
Coverage and Scope of CSR Initiatives	Frequency	Percentage
Towns Only	20	41.67
Villages and Towns	16	33.33
Towns, Villages and Districts	8	16.67
Towns, Villages, Districts and States	4	8.33
<b>Total</b>	<b>48</b>	<b>100.00</b>

**Fig 4 Coverage and Scope of CSR Initiatives by Companies in Health Sector**

The study from the above data reveals that very few companies have taken the coverage of CSR initiatives to different districts and states. Most of the companies have restricted themselves to different towns and villages only.

**Table 5 Basis behind Targeting the States, Districts, Villages for Health Initiatives**

Basis Behind the Assortment	Frequency	Percentage
Company Policy	20	41.67
Selected Randomly	2	4.17
On the basis of Demand	14	29.17
Stakeholder's Decision	8	16.67
Baseline Survey, Government Directives	4	8.33
<b>Total</b>	<b>48</b>	<b>100</b>

**Figure 5 Basis behind Targeting the States, Districts, Villages for Health Initiatives**

The research shows that the basis behind targeting the States, Districts and Villages for the assortment criteria by different companies, 41.67% is on the basis of Company Policy; 4.17% of the companies select them randomly; 29.17% is on the basis of the demand, 16.67 % on the stakeholder's decision and 8.33% is on the basis of baseline survey and Government Directives. So, the company policies are given the most importance while targeting the States, Districts, Villages and Towns for performing the CSR activities.

### **HYPOTHESIS VERIFICATION**

Following are the hypotheses framed in this research:

#### **Hypothesis:**

Null Hypothesis  $H_0$ : CSR is not a supportive mechanism for bringing constructive change with reference to health care initiative.

Alternate Hypothesis  $H_1$ : CSR is a supportive mechanism for bringing constructive change with reference to health care initiative.

### **TESTING OF HYPOTHESIS**

**Hypothesis 1:** CSR is a supportive mechanism for bringing constructive change with reference to health care initiative.

**Statistical Tests:** Binomial Test

**Variable for Measurement:** Statements from respondents were taken on, "Whether CSR is a supportive mechanism for bringing constructive change with reference to health care initiative" using a 3-point scale (1= Yes, 2=No, 3= Can't Say)

Conversion took place from 3-point scales to 2-point scale using cut point option as “2” for the sake of ease of binomial test. Hence, the newly created categories are  $\leq 2$  : Yes,  $> 2$ : No.

### **Test Proportion:**

Test Proportion was taken as 0.75. Hence  $P=0.75$

$H_0$ : Percentage of responses demonstrating “CSR is not a supportive mechanism for bringing constructive change with reference to health care initiative.”  $P \leq 0.75$

$H_1$ : Percentage of responses demonstrating “CSR is a supportive mechanism for bringing constructive change with reference to health care initiative”  $P > 0.75$

Level of Significance  $\alpha=0.75$

**Table 5 Binomial Test**

<b>Binomial Test</b>		Category	N	Observed Prop.	Test Prop.	Exact Sig. (1-tailed)
CSR is a supportive mechanism for bringing constructive change with reference to health care initiative	Yes	$\leq 1$	40	.83	.75	.027
	No and Can't say	$> 1$	8	.17		
	Total		48	1.00		

### **Interpretation:**

Observed Proportion=0.83, Test Proportion=0.75, P value= 0.027

The null hypothesis is rejected since the P value (0.000) is  $<$  level of significance (0.75). Hence, the proportion of response indicating “CSR is a supportive mechanism for bringing constructive change with reference to health care initiative” is more than 75%.

Therefore, the hypothesis “CSR is a supportive mechanism for bringing constructive change with reference to health care initiative” is accepted. Hence, the null hypothesis is rejected.

### **CONCLUSION**

India's nationwide procedures validated that the government of India had taken varied approaches to toughen health care sector by supporting its expansion procedure.

While considering the measurability criteria, it is seen that different companies monitor different dimension metrics therefore there is no customary technique which can be considered for the magnitude of CSR on the community and also the involvement of the health sector. Global Reporting Initiative is the most standard measure acknowledged for the whole world but even for

that there has been no bifurcation especially for the health sector initiative.

It has been observed that companies are doing their level best to reach out for the community health care project providing worthy health care services to the patients and their families making it available to their doorsteps. This confirms planned and unplanned health and economic welfares.

To conclude, there has been a conceptual transfer in the attitude of the corporate sector in Indian companies after the legalization of CSR in India. Nevertheless, Indian companies need more focused way of functioning in the health sector. There is no company which has taken the health sector as their only CSR activity. Single activity is highly pointed and incurs lot of effort and expenditure.

## **SUGGESTIONS**

If the corporate social responsibility has taken place for health sector development of a particular community then the improvement in the community should be visible enough to see a positive change in which the corporate have worked. The focus area should be clearly identified. Evidence of the model is necessary in which the corporate are working as a social project. The companies should always take a year wise target and try to reach the goal. Continuous monitoring of the program is inevitable. There should be yearly audit by the external auditor. Mid-term assessment should take place and the recommendations given by them should be applied thoroughly.

The corporate houses by their CSR project should enter each small community; train them to face the existing health related problems which had an adverse effect in the economy for many years. If the companies engage in Corporate Social Responsibility to full extent then perhaps the above mentioned doctrine can be met easily.

Corporate houses must coordinate among themselves for more and better results, e. g. health awareness programme of various corporate houses must be coordinated. Public Private Partnership is the most important need of the hour.

Many SMEs (Small and Medium Enterprises) have the potential to perform CSR activities but they are not invited to involve themselves. More involvement of SMEs and governments are required to have larger coverage of the communities which will assist that company's play a precious role in addressing a variety of health related issues. A token amount of expenditure should be borne by the beneficiary so that they take responsibility for proper utilization and maintenance.

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