

Welcome!!!

Madhu Gottumukkala
Advocacy Officer
Smart Andhra Pradesh Foundation
madhu.Gottumukkala@smartap.foundation

Corporate Social Responsibility...

What it is..?

The concept of Corporate Social Responsibility (CSR) is not new in India. It emerged from the **‘Vedic period’** in India. In that period, Kings had an obligation towards society and merchants displayed their own business responsibility by building places of worship, education, inns and wells. Although the core function of business was to create wealth for society and was based on an economic structure, the business community with their rulers believed in the philosophy of

“Sarva loka hitam” which means “the well-being of all stakeholders

Contd...

Corporate Social Responsibility...

What it is..?

Corporate Social Responsibility (CSR) has a powerful potential to make positive contributions to addressing the needs of disadvantaged communities in developing countries.

Small is beautiful

E. F. Schumacher's



Development does not start with goods; it starts with people and their
education, organization, and discipline.
Without these three, all resources remain latent, untapped, potential.

Why SME?

India with the population of over 1.2 billion people represents 17.31 per cent of the world's populations and over 60 per cent of country's population is the youth and over 40 per cent of the total population falls in the employable population, this makes the SMEs to be the biggest asset for the country.

What is SME?

- Earlier it's called **SSI (Small Scale Industries)**
- In 2006 Named as **Micro, Small & Medium Enterprises**

MSMEs are classified as below - according to MSME 06 act:





Manufacturing Sector

Enterprise Category	Investment in plant & machinery
Micro Enterprises	<25L
Small Enterprises	>25L <5 cr
Medium Enterprises	<05cr and <10 cr

Service Sector

Enterprise Category	Investment in plant & machinery
Micro Enterprises	<10 L
Small Enterprises	>02 Cr and > 10L
Medium Enterprises	>2 Cr and <5 cr

What are those -Sectors ?

Sector	% contribution	
Retail Trade	40%	
Apparel Manufacturing	09%	
Food products and Beverage	07%	
Hotels and Restaurants	04%	

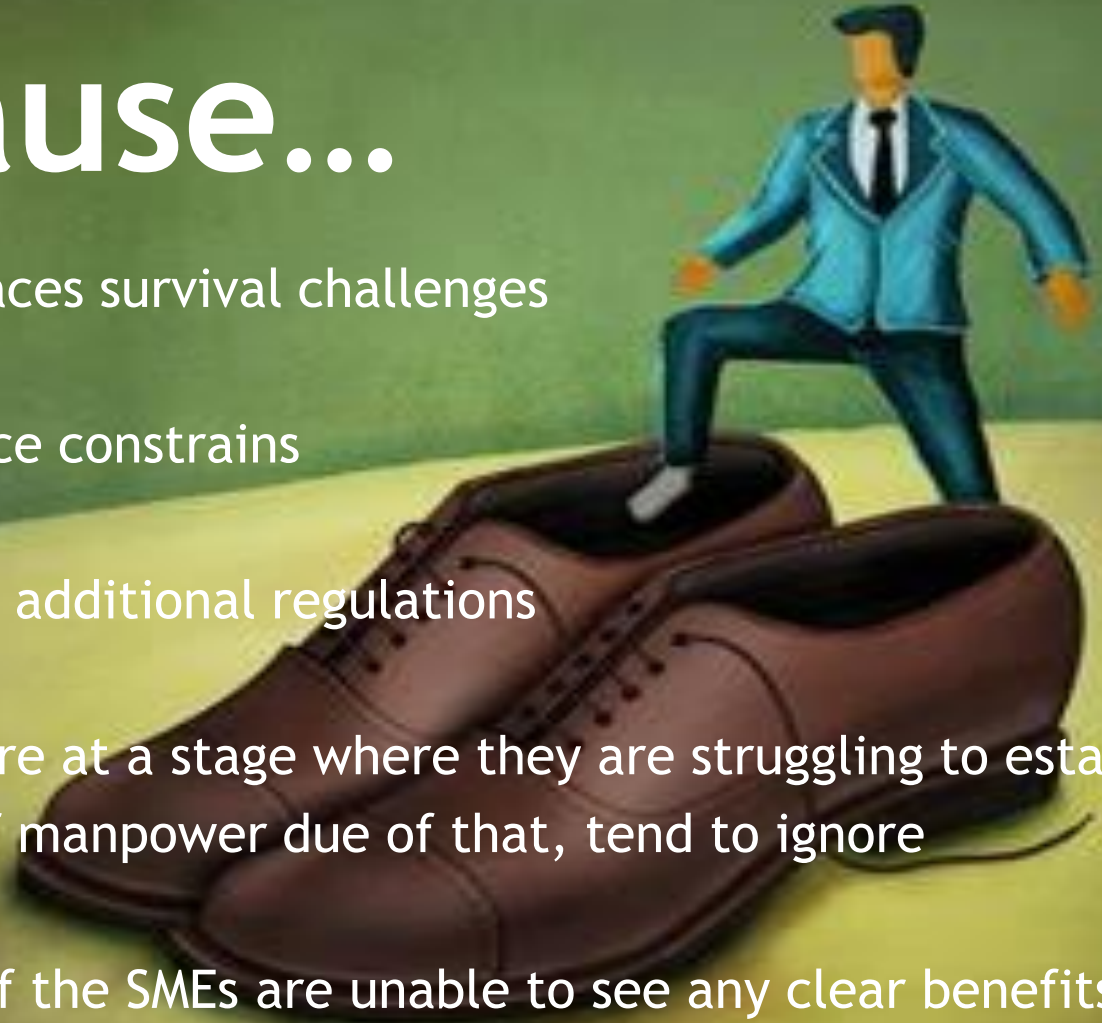
What are those -Sectors ?

Sector	% of contribution	
Sale, maintenance & repair of motor vehicles, retail sale automotive fuel	04%	
Furniture and NEC Manufacturing	03%	
Fabricated metal products, except machinery equipment	02%	
Textile Manufacturing	04%	

Are... SME's step into CSR shoes...? Not really...!

Because...

- SMEs faces survival challenges
- Resource constrains
- Fear of additional regulations
- SME's are at a stage where they are struggling to establish themselves
- Lack of manpower due of that, tend to ignore
- Many of the SMEs are unable to see any clear benefits by following or practicing CSR
- Not at all institutionalized in SMEs.



What if, SMEs step in to CSR....?

- Closer to their customers
- More Flexible
- Access to Small market
- Faster decision
- It is easier to link the staff to the company
- Everyone knows each other
- Easier communication
- Recognition and rewards - such as ASSOCHAM, Business World and FICCI
- Good ROI -
- 350 cr loans 2019 s budget allocation
- 1 crore loan, each SME aloocation 2019 budget





Issues and Constraint for CSR Implementation

- Human Resource and Financial Resource scarcity,
- Capacity constraint
- lack of competency to take up the initiatives for the improvement of the environment and society.
- Poor net work between SMES and Grassroot Organizations
- No dedicated staff to implement CSR activities
- Poor government policies on SMEs-CSR



Thank You

Madhu Gottumukkala
Advocacy Officer
Smart Andhra Pradesh Foundation

madhu.Gottumukkala@smartap.foundation