

Corporate Social Responsibility Practices in MSMEs in India

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Abstract:

The setup and flourishing of Micro Small and Medium Enterprises is a resourceful input leading to the rapid development of economic and social prospects. MSMEs are the medicines which Indian Economy needs at this moment. CSR activities can help to a great extent in improving the survival rate of MSMEs and may offer more opportunities for business competitiveness, nationally and internationally. CSR helps to create and develop entrepreneurial foundation of the nation by supporting the enterprises through supply of raw materials and a range of components required for production or manufacturing. The main aim of this research paper is to examine the role of CSR activities in the betterment of MSMEs. Another motive is to examine the impact of strategies of CSR on expansion of MSMEs in INDIA. This paper gives evidences that CSR activities are not only helping the Big Companies but also small enterprises by creating competitiveness amongst MSMEs.

Key Words: *Micro Small and Medium Enterprises, Corporate Social Responsibility, Competitiveness, Entrepreneurial, Production, Manufacturing.*

Introduction:

Micro Small and Medium Enterprises sector has emerged as highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialisation of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. This sector enormously contributes to the socio economic development of the country.

A widely cited definition of CSR in business and social context has been given by European Union (EU). It describes CSR as “the concept an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly, and contribute to economic development while improving the quality of the life of the work force and their families as well as the local community and society at large.....”

In reality CSR is an umbrella term for corporate responsibility, corporate citizenship, responsible business and corporate social opportunity whereby organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.

Objective:

This paper focuses on the involvement of corporate social responsibility and its impact on growth of Micro Small and Medium Enterprises. So on the basis of this the main objectives of the study are as follows:-

1. To understand and analyse the need of strategic CSR implementation sustainability in MSME in India.
2. To highlight the recent developments under the head CSR activities by MSMEs.
3. To study the trend of Performance and Growth of MSMEs in India.