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# Corporate Social Responsibility in the Environmental Protection as an Element of Public-Private Partnership

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## ABSTRACT

*Business parlance these days often includes the phrase “Corporate Social Responsibility” (CSR). CSR occurs when a company voluntarily incorporates social, environmental, and ethical principles into its operations for the betterment of its employees, the community, and society at large. CSR is now considered a standard operating procedure for every successful organization. CSR proposes that firms should think about social goals in addition to financial ones. Businesses should be aware that they may contribute to sustainable management of their operations by doing things like providing environmental protection, encouraging social responsibility, and securing the interest of their customers while still making a profit. Managing company operations in a manner that fosters economic growth and competitiveness protect the environment and advances social responsibility and consumer interest is a key component of sustainable development and should not be overlooked by companies in their pursuit of profit. In its early stages, the evolution of CSR focused on involving corporate managers and employees in defining and following socially responsible practices that were often consistent with business success. Today, public and non-profit sectors are also participating in the debate and contributing socially responsible business efforts through various ways of collaboration. Regardless of the strengths and weaknesses of its core elements, public-private partnerships (PPP) are always mutually beneficial and fruitful. The PPP has a positive effect on the community; however, the extent and severity of the impact can vary. When properly carried out, such partnerships greatly enhance the efficacy of any given intervention.*

**Keywords:** *Corporate Social Responsibility, Environmental Protection, Sustainable Development, Public-Private Partnerships.*

## I. INTRODUCTION

Since the industrial revolution, companies have contributed a portion of their income to society out of gratitude for the societies help in obtaining resources, selling their products, and ensuring

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the sustainability of resources after damaging the environment, as well as out of the trusteeship principle or moral obligation. Do some moral or ethical behaviours need legal guidance? Is morality solely enforced by law?<sup>3</sup>

The ultimate degree of duty, whether to oneself or society as a whole, is encapsulated in the Sanskrit phrase “Atithi Devo Bhav,” which interprets as “the one who comes to you for being served, should be taken to be as God.” Thus we can say that CSR has a long tradition of being linked to how it affects the actions of companies.

The main focus in the 1950s was on the companies societal obligations as well as performing good deeds for their well-being. The main events, individuals, and theories of the 1960s were influential in defining the social changes that occurred during this ten-year era. When coping with CSR problems in the 1970s and 1980s, corporate managers used conventional management functions. Business and social concerns got closer in the 1980s, and businesses became more attentive to their stakeholders. The idea of CSR gained widespread acceptance in the 1990s. CSR became an immensely important strategic concern in the 2000s.<sup>4</sup>

As per sustainability, the principle of “Triple Line Bottom”<sup>5</sup> stresses that organizations can not only contribute to monetary value but focus on ecological and social ideals as well.<sup>6</sup>

According to the “World Business Council for Sustainable Development” (WBCSD) CSR is “the commitment of business to contribute to sustainable economic development, working with employees, their families & the local communities”.<sup>7</sup>

### **(A) Objectives of the study**

- To analyze CSR initiatives from the perspective of environmental safeguarding.
- To study the legislative framework relating to CSR concerning environmental protection in India.
- To focus on the judicial strategy in this field.
- To offer suggestions based on the findings.

### **(B) Research methodology**

The present research is based on both primary and secondary data sources acquired from

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<sup>3</sup> Jimmy Lewis, *The sustainability revolution* (New Society Publishers, 2005).

<sup>4</sup> Cadwell, Richie, *CSR: The Need of the Hour* (Business & society 1999).

<sup>5</sup> Peter Wagh and Jason Clarke. “The triple bottom line, the global reporting initiative, and corporate sustainability reporting” 21 *Journal of Business Ethics* 118.1 (2013).

<sup>6</sup> Sumit Patni, *Corporate Social Responsibility in India* (SAGE Publications India, 2008).

<sup>7</sup> UN General Assembly, *Report of the World Commission on Environment and Development*, GAOR, UN Doc 42/187 (December, 1987).

constitutional provisions, statutes, reports, case laws, books, articles, legal journals, newspaper articles, and internet databases for doctrinal study.

The ILI citation method is used for references.

## II. CSR MODELS

Today's industry has transformed and evolved. Intense competition, rapid growth, innovative products and services, and unique market activities have changed the business profile. In a limited strategy, the business aims to increase profit.<sup>8</sup> Be it as it might, when found in a general plan, the point of business is to assist the organization in achieving the defined goal. There is a consensus on this fact that the business's primary aim is to amplify the owner's welfare. The cost of the organization's shares depends on the procurement of boundaries, as well as on mutual behaviours, consumer partnerships, quality administration, and social responsibility fulfillment.<sup>9</sup>

Basically, four main types of CSR have been implemented in India:-

- Ethical Model.
- Statist Model.
- Liberal Model.
- Stakeholder Model.

### (A) Merits of CSR

- Helps in improving financial performance.
- Enhance brand image and reputation.
- Increase customer loyalty and sales.
- Increase ability to attract and retain employees.
- Easier access to capital.
- Help to improve the employee's morale and motivation.

## III. CORPORATE ENVIRONMENTAL RESPONSIBILITY

Corporate Environmental Responsibility (CER), also known as "Green CSR" has been gaining popularity across the world for some time. The acronym stands for "Corporate Social

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<sup>8</sup> *Supra* note 5.

<sup>9</sup> *Ibid.*

Responsibility,” which is the obligation of companies to lessen or eliminate their harmful effects on society and the natural world. While everyone has a part to play in preventing environmental damage, studies have shown that corporations are particularly effective in halting global warming.

Businesses have a huge responsibility to take care of the environment. They contribute to global warming at a huge level and also destroy wildlife habitats and contaminate water sources, including marine life. In a nutshell, there is an immediate need to identify means by which businesses may be made to lessen or perhaps eliminate the negative effects they have on the surrounding natural environment.

#### **IV. PROGRESSIVE ENVIRONMENTAL PROTECTION AND CSR LEGISLATIVE FRAMEWORK IN INDIA: AN ANALYSIS**

Businesses in the modern day are not only expected but mandated to monitor sustainable development, a key component of preserving our planet’s natural habitat. It’s a chance to express gratitude to the community that supports their business, and it also demonstrates a feeling of pride in being a part of the larger society.<sup>10</sup> They must recognize their duty to contribute to the common good of their local community.<sup>11</sup>

Indian standards for corporate social responsibility have also advanced beyond simple charitable endeavors to integrate a business’s ideals with the societies in which it operates. For Indian businesses, philanthropy and CSR are not novel concepts. It is generally agreed that protecting the environment is more of a public good than a private one. The government has taken on the primary duty of making the world a safe place, and it has ordered businesses to comply with standards that are on par with the laws and policies it has enacted.

Below are the instances that can be pointed out:-

##### *(A) Constitutional Commitment vis-a-vis CSR*

The constitution makers never even considered the concept of environmental protection. As an outcome, the word “environment” was originally absent from the constitution. The Constitution of India makes some reference to the aforementioned idea of peaceful coexistence with nature.

The Constitution of India guarantees its citizens the right to life under Article 21<sup>12</sup> and this

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<sup>10</sup> Edward Lewis, *Virtual Worlds: A First Hand Account of market and Society on the Cyberian Frontier*, (2016), available at : [http://papers.ssrn.com/so13/cf\\_dev//AbsbyAuth.cfm?per\\_id=465186#show917433](http://papers.ssrn.com/so13/cf_dev//AbsbyAuth.cfm?per_id=465186#show917433) ((last visited on Feb. 24, 2023).

<sup>11</sup> Government of India, “Report of the High-Powered Expert Committee on Companies and MRTP Acts” (Sachar Committee Reports August, 1978).

<sup>12</sup> Protection of life and personal liberty.

provision has motivated the country's court to explore new terrain in this area. In India, the High Courts had already gone forward with rulings protecting the right to a healthy and clean environment under Article 21 of the constitution, but it took the Supreme Court a long time to make that ruling clear. The right to life and the obligation to maintain and enhance the environment serve as justification for the burden of damages on the erring industry for creating disruption. The right to a healthy and clean environment emerged as a result of judicial interpretations that gave Article 21, a new meaning. Nevertheless, the 42nd amendment<sup>13</sup> added Article 48A<sup>14</sup> and Article 51A(g)<sup>15</sup>, making it the responsibility of the state and its inhabitants to safeguard and enhance the natural environment. These additions have served as a cornerstone upon which to construct the nation's environmental law. For businesses to engage in a positive role in achieving the goals of sustainable development, they need to take a holistic strategy that considers all three of these pillars: economic growth, social development, and environmental protection.<sup>16</sup>

*(B) National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business 2011.*

The "National Voluntary Guidelines for the Social, Environmental, and Economic Responsibilities" of business is mostly an enhancement over the 2009 guidelines.<sup>17</sup> Companies of any size, in any industry, and in any part of the world are encouraged to adhere to the Guidelines.<sup>18</sup> These principles have been organized into a set of Nine Principles, with corresponding important aspects. Principle 2 lay that "businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle."<sup>19</sup> Principle 6 emphasizes that "businesses should respect, protect, and make efforts to restore the environment."<sup>20</sup>

*(C) The Companies Act, 2013*

India was one of the first nations to make CSR obligatory after amending the Companies Act, 2013<sup>21</sup> in April 2014. Before this historic development, CSR was not a well-known term in

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<sup>13</sup> The Constitution (Forty-second Amendment) Act, 1976.

<sup>14</sup> Protection and improvement of environment and safeguarding of forests and wild life.

<sup>15</sup> Duty of every citizens of India to protect and improve the natural environment including forests, lakes, rivers and wild life, and to have compassion for living creatures.

<sup>16</sup> Justice Jasti Chelameswar and Justice Dama Seshadri Naidu, *M.P. Jain Indian Constitutional Law* 98 (Lexis Nexis, Calcutta, 8th edn., 2018).

<sup>17</sup> Government of India, "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" ( Ministry of Corporate Affairs, 2011).

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

<sup>21</sup> The Companies Act, 2013 (Act 18 of 2013).

India, as evidenced by historical documents. Now as part of every CSR compliance, companies must spend a portion of their earnings on areas such as poverty, gender equity, schooling, hunger, etc.

Companies having either: -

- “a net worth of Rs 500 crore or more”;
- “a turnover of Rs 1000 crore or more”;
- “a net profit of Rs 5 crore or more”.

in any financial year, must devote 2% of profit to corporate social responsibility.<sup>22</sup>

Schedule VII<sup>23</sup> shows a list of CSR activities a corporation may incorporate into its policy. Safeguarding environmental sustainability is one of them.

The CSR Rules previously allowed up to 5% of CSR spending or Rs. 50 lakh for impact assessment. The Amendment Rules limit the cost of social impact evaluations, which can be considered CSR spending, to 2% of all CSR spending or Rs. 50 lakh, whichever is higher.<sup>24</sup>

#### *(D) Environmental Laws*

The corporate environment is more responsible because of many statutory laws that place obligations on businesses. For instance, Section 25<sup>25</sup> of the “Water (Prevention and Control of Pollution) Act, 1974” allows the pollution control board of the state to provide clearance certificates for new discharges and outlets following environmental impact assessments. Even the “Air (Prevention and Control of Pollution) Act, 1981”<sup>26</sup> has a clause quite similar to this.

To prevent the destruction of forest cover due to the construction of non-forest uses like roads, dams, and buildings, the “Forests (Conservation) Act, 1980”<sup>27</sup> was passed.

Section 16<sup>28</sup> of the “Environmental Protection Act, 1986” States that-

“Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of, the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.”

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<sup>22</sup> The Companies Act, 2013 (Act 18 of 2013), s. 135(1).

<sup>23</sup> The Companies Act, 2013 (Act 18 of 2013), sch. VII.

<sup>24</sup> The Companies (CSR Policy) Amendment Rules, 2022.

<sup>25</sup> The Water (Prevention and Control of Pollution) Act, 1974 (Act 06 of 1974), s. 25.

<sup>26</sup> The Air (Prevention and Control of Pollution) Act, 1981 (Act 14 of 1981).

<sup>27</sup> The Forests (Conservation) Act, 1986 (Act 69 of 1980).

<sup>28</sup> The Environmental Protection Act, 1986 (Act 29 of 1986), s. 16.

Section 15<sup>29</sup> of the “Environmental Protection Act 1986”<sup>30</sup> states that-

“Whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued there under, shall, in respect of each such failure or contravention, be punishable with imprisonment for a term which may extend to five years or with fine which may extend to one lakh rupees, or with both, and in case the failure or contravention continues, with additional fine which may extend to five thousand rupees for every day during which such failure or contravention continues after the conviction for the first such failure or contravention.”

## **V. ELEMENTS OF PROTECTION OF ENVIRONMENT AND SUSTAINABILITY UNDER CSR**

In addition, to enhance people’s lives, CSR initiatives help keep the environment safe by reducing the amount of pollution that releases poisonous chemicals into the atmosphere. Companies have agreed to abide by parliamentary regulations enacted to ensure a stable ecosystem and safeguard the citizen’s interests.

CSR’s focus on environmental conservation was particularly noteworthy among its many initiatives. To comprehend the implications of the CSR requirements, several components are detailed in this portion of the text.

- **Sustainability of the Environment:** Whether or whether the planet’s natural resources will be preserved for future generations is at the heart of this issue. Some of the environmental problems we face as a planet include water scarcity, inappropriate discarding of dangerous chemical wastes, and a lack of readily available sustainable energy. CSR has undertaken and promised to maintain Mother Earth’s integrity, therefore reducing the adverse effects and damage done to the environment.
- **Agroforestry:** It is a way to grow shrubs, trees, crops, and animals together in a way that gets better results with less expensive tools. It uses technology that makes the best use of available resources and meets the growing demand for agroforestry products like fuel, wood, animal feed, fiber, and food. To ensure that the steady supply of vital agriproducts does not compromise environmental safety, CSR initiatives are implemented.
- **Animal Welfare:** Animal lives are just as valuable as human lives when it comes to

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<sup>29</sup> The Environmental Protection Act, 1986 (Act 29 of 1986), s. 15.



keeping the ecological balance in check, and that's why it's important to provide for their basic requirements like housing and food as well as professional services like those offered by veterinarians, as well as to take strong stances against animal cruelty, vaccination, and population control.

- **Maintaining a Healthy Ecosystem through Safeguarding Flora and Fauna:** Flora includes herbs and bushes, whereas fauna includes animals. Deforestation, illicit trade, poaching of tigers, loss of habitat, expansion of industry near forest reserves, noxious pollutants and emissions contaminating the air in forests cause species extinction and destroy existing plant life. CSR detects these issues and targets particular locations and zones. In addition, the government has issued many notifications and regulations declaring particular places to be protected and imposing severe penalties on businesses that do not comply. CSR activities mitigate the environmental harm caused by such undertakings.
- **Preservation of Ecological Stability:** It is a term that keeps the balance between the environment and living things. If an ecological flow gets messed up, problems like overpopulation, diseases that spread easily, running out of resources, and not being able to get rid of waste would threaten the environment. CSR involves actions and the performance of surveys to increase the flow of necessary and optimal use of resources.
- **Maintenance of Soil, Water, and Air:** Overuse of resources, such as fertilizer sprayed on crops, runoff from lawns and roads, and floods and droughts, all contribute to water pollution and the death of aquatic life. Projects that can be undertaken by CSR to increase ecosystem productivity include promoting Research & Development, creating awareness among people, using eco-friendly biocultural produce in the agricultural sector, harvesting rainwater, and constructing reservoirs like ponds and tanks, etc.

## VI. PRINCIPLES OF ENVIRONMENTAL MANAGEMENT

The principles of environmental measures must be adhered to by all businesses and governments since they serve as tight guidelines to ensure that individuals do not breach the authority's rules and regulations. They assist the court and decision-makers in grasping legal concepts. The following are the main five principles:-

- **Precautionary Principle:** It enables precautionary measures to be performed before the harm intensifies or accumulates when the hazard is unclear.
- **Polluter Pay Principle:** It imposes sanctions on the individual who litters the

environment and requires them to reimburse the cost of the harm that they caused.

- **Prevention Principle:** It forecasts and attempts to prevent the environmental harm forecasted by planning policy in the near future.
- **Integration Principle:** For the sake of sustainable development, this guarantees that every government agency is held accountable for the impact that it has on the surrounding natural environment.
- **Environmental Damage Rectifies at Source:** It assures that corrective measures will be performed at the point of origin to restore environmental harmony.

## VII. JUDICIAL DICTUM TOWARDS CORPORATE ENVIRONMENTAL LIABILITY

It's hardly a radical notion to say that individuals and, by extension, businesses, need to do their part to preserve the natural environment. Principle 1<sup>31</sup> of the Stockholm Conference states man's "solemn obligation" to preserve and improve the ecosystem. Other versions have emphasized this obligation's individuality. Subsequently, the world charter for nature requires "each human to act in accordance with the terms." The proposed principles on human rights and the environment indicate that "All individuals should protect and maintain the environment." Though none of these instruments bind individuals lawfully. Yet, they do give a rationale for implementing international environmental law via criminal liability.

It wasn't until the "Bhopal Gas Leak" tragedy that environmentalists, societal workers, the general public, and government institutions started considering new solutions to prevent such catastrophes from occurring again. This encouraged legislative and administrative activism. It is only very recently that people have begun to believe that there is widespread concern for the environment.

As Caldwell observed, "at the beginning of the twentieth century, neither the environment as an integrative ecological concept nor the biosphere as a planetary life support system was an object of public international concern."

The Bhopal gas leak tragedy, one of the worst industrial catastrophes in human history, happened around two years before the notion of absolute liability was established by the Supreme Court. When it comes to compensating victims of tragedies like the Bhopal gas tragedy, the court simply cannot act quickly. There is a wide range of impacted interests, and the severity of harm and suffering varies from victim to victim. It has been a difficult effort to

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<sup>31</sup> UN General Assembly, *United Nations Conference on the Human Environment*, GA Res 2994, GAOR, UN Doc A/Res/2994 ( Dec. 15, 1972).

determine an appropriate amount of reimbursement for the damage, psychological trauma, misery, and death.

By interpreting the power under Article 32<sup>32</sup>, the Supreme Court established the doctrine of absolute liability in *M. C. Mehta v. Union of India*<sup>33</sup>. The court has stated that this power may be used to create novel remedies and procedures.

In *Deepak Nitrate Ltd v. State of Gujarat*<sup>34</sup>, the Supreme Court ruled that culpability cannot be established without a connection to the degree of negligence. The amount of compensation should be proportional to the severity of the injury, not the industry's overall financial stability.

The sad event that unfolded in rural Rajasthan is reported in the case of the *Indian Council for Enviro-legal Action v. Union of India*.<sup>35</sup> The shady factories were harming the environment by dumping their waste in it. The Supreme Court ruled that the government must calculate and recoup the cost of corrective actions from the defendants. Under its terms, the government is authorized to "take any such actions as it considers necessary or expedient for safeguarding and enhancing the quality of the environment".<sup>36</sup>

In certain cases, scientific certainty may be an illusion. The quest for scientific certainty is often used as a shield by those who pollute to conceal their activities. The polluters and potential polluters current strategy of playing hide-and-seek violates the precautionary principle. In the *Sludge Case*<sup>37</sup> and the *Vellore Citizen's Forums*<sup>38</sup> Case, the polluter pays principle and the precautionary principle was recognized as legitimate legal concepts.

In *T. Dhamodar Rao v. Special Officer, Municipal Corporation of Hyderabad*<sup>39</sup>, the High Court of Andhra Pradesh used Articles 51A(g)<sup>40</sup> and 48A<sup>41</sup> in its decision to block the development of a residential complex on land designated as open space. The court ruled that individuals are bound to take measures to save the environment and that this duty is shared with the state.

The Uttaranchal High Court of Utranchal used Articles 48A<sup>42</sup> and 51A(g)<sup>43</sup> in *Mohd Hazi Rafeeq v. State of Uttaranchal*<sup>44</sup> to emphasize the state's responsibility to maintain and protect

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<sup>32</sup> Right to Constitutional Remedies.

<sup>33</sup> AIR 1987 SC 1086.

<sup>34</sup> AIR 2004 SC 3407.

<sup>35</sup> AIR 1996 SC 1446.

<sup>36</sup> The Environmental Protection Act, 1986 (Act 29 of 1986), s. 3.

<sup>37</sup> *Supra* note. 33.

<sup>38</sup> AIR 1996 SC 2715.

<sup>39</sup> AIR 1987 AP 171.

<sup>40</sup> *Supra* note. 13.

<sup>41</sup> *Supra* note. 12.

<sup>42</sup> *Ibid.*

<sup>43</sup> *Supra* note. 38.

<sup>44</sup> AIR 2006 U'chal 18.

forests, even if doing so would harm the petitioner's commercial interests.

The Supreme Court of India recognized a letter as a valid writ petition in the case of *Rural Litigation Entitlement Kendra v. State of Uttar Pradesh*<sup>45</sup>. The court ruled that this was the first case of its sort in the nation including the challenges of ecology and ecological balance. Rural Litigation Entitlement Kendra is a non-profit group based in Dehradun that wrote the letter. Since the issues were so crucial, the courts have also used their epistolary jurisdiction in other instances.

In *Ratlam v. Vardichand*<sup>46</sup>, Shri Vardichand initiated a legal action to remove unhygienic conditions that constituted a public nuisance. The court observed:-

“The officer in charge and even the elected representatives will have to face the penalty of law if what the constitution and follow-up legislation direct them to do are defied or denied wrongfully. The occupier has a legal obligation to advise the employees, chief inspectors, local government, and the general public of any health hazards present in the manufacture, transportation, storage, and other procedures at the facility. Details on the nature and disposal of wastes must be provided. The occupant also has the responsibility of creating and communicating an ‘on-site emergency plan’ and comprehensive ‘disaster controlled measures’ to the staff and neighbors.”

## VIII. CSR INITIATIVES BY INDIAN COMPANIES

Every year, several Indian corporations undertake projects to better the economy and the lives of its citizens by developing long-term strategies to encourage and educate the general population about the best ways to put the country's abundant natural resources to use. A few such initiatives are as follows:-

### (A) TATA Steel

The State of Orissa and TATA Steel collaborated on a plan called “Mission 2020 for Agricultural Development,” to help struggling farmers by creating additional employment opportunities and addressing the issue of poverty and food security. The program's stated objective was to help 7000 family farmers improve their financial situation via education and training in horticulture and the deployment of cutting-edge irrigation techniques. 344 farmers benefited from the development of these irrigation systems.

### (B) Coca-Cola

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<sup>45</sup> AIR 1985 SC 652.

<sup>46</sup> AIR 1980 SC 1622.

Coca-Cola, a major soft drink manufacturer, launched a program called “Alag Karo Har Teen Din Bin” to facilitate the proper disposal of trash and the separation of wet /dry wastes. In January 2017, the Coca-Cola Foundation teamed up with the NGO Sahass, the packaging company TetraPak, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to take on this initiative in Gurugram. This initiative aimed at achieving the following: -

- Educating a population of 150000.
- In 60 designated locations, 9000 families were to source-segregate garbage.
- Raising awareness of recycling and waste management systems in 50 business establishments and 50 educational institutions.
- Preventing trash from being dumped in landfills.

### *(C) ITC Group*

The ITC Group, a multinational corporation with holdings in the hospitality, FMCG, agribusiness, information technology (IT), and packaging industries, has put considerable effort into developing environmentally responsible and socially responsible initiatives. Six million people’s livelihoods have been improved as a direct result of the company’s CSR efforts.

More than four million farmers were a part of their e-Choupal initiative, which uses the internet to bring together farmers in rural areas so that they may buy agricultural supplies more efficiently. Social empowerment initiatives, such as micro-enterprises or loans, have helped over 40000 women in rural areas achieve sustainable livelihoods.

## **IX. ROLE OF PUBLIC-PRIVATE PARTNERSHIP TOWARDS SUSTAINABLE DEVELOPMENT GOALS**

In public-private partnerships (PPPs), public authorities and private entities work together to create, fund, build, and run a public-sector service or facility. PPPs are complicated, long-term contracts that shift service provision or facility operating risk to the private sector, which provides finance and the capacity to meet project deadlines and financial/budget targets. PPPs are a viable choice for implementing the most crucial infrastructure projects since conventional public sector profit streams (e.g. taxes) are insufficient to cover their costs. This is particularly significant in developing countries.

Partnerships between public and private entities working toward the same objective are essential for accomplishing sustainability. The importance of PPP is highlighted in Goal 17 of the United Nations Sustainable Development Goals (SDGs) which aims to “strengthen the means of

implementation and revitalizing the Global Partnership for Sustainable Development”.<sup>47</sup>

In its “Draft Guiding Principles on Good Governance in People-First Public-Private Partnerships for the UN Sustainable Development Goals”, the “United Nations Economic Commission for Europe” (UNECE) promoted PPP as an effective instrument for nations to accomplish the SDG.<sup>48</sup> The PPP arrangement’s potential to aid in achieving the SDGs has been widely recognized because of its focus on justice and efficiency, which addresses some of the issues with government failure and market failure.<sup>49</sup>

In accordance with this, the Addis Ababa Action Agenda promotes successful public-private partnerships and builds on the partnership’s expertise and resourcing techniques.<sup>50</sup> “Partnering for Green Growth and the Global Goals 2030”, is one such initiative. The SDGs and the Paris Agreement are the focus of this international effort to create long-term plans for their implementation. India is a major signatory of the Paris Accord. India has pledged to satisfy 50% of its energy needs via renewable sources by 2070 at the Conference of Parties 26 (COP26).<sup>51</sup>

India is determined to reach its goal of being net zero and to fulfill its SDG obligations at the same time. With this goal in mind, the nation has implemented several programs to increase renewable energy production, energy efficiency, water conservation, and waste reduction. The private sector may play a significant role in this scenario since it is the engine of economic growth via industrialization, the creation of new technologies, financial instruments, and communication tools, and the provision of one-of-a-kind training and job possibilities. PPPs are a great way to overcome resource and capacity constraints by simultaneously improving the quality and efficiency of public services and attracting new financial resources.<sup>52</sup>

An effective strategy to incorporate the private sector is via Public-Private Partnership (PPP). Throughout the last several years, there has been encouraging progress in the private sector’s involvement in infrastructure development, especially via PPP. While the corporate sector is largely responsible for financing and executing CSR initiatives, the governmental sector is responsible for developing policies and priority areas based on social and environmental

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<sup>47</sup> UN General Assembly, *Transforming our world : the 2030 Agenda for Sustainable Development*, GAOR, UN Doc A/RES/70/1 ( Oct. 21, 2015).

<sup>48</sup> UN Economic Commission for Europe, *Promoting Good Governance In Public-Private Partnerships*, UN Doc CECI/4 ( May 03, 2018).

<sup>49</sup> Hu Tao, Shan Zhuang, et.al., “The Instrumentality of Public-Private Partnerships for Achieving Sustainable Development Goals” 179 *Environmental Finance: An Interdisciplinary Review* 3 (2022).

<sup>50</sup> UN General Assembly, *Agenda 2030: Promoting effective private sector engagement through development co-operation*, UN Doc A/71/296 ( Aug. 04, 2016).

<sup>51</sup> Ministry of Environment, Forest and Climate Change, *Press Information Bureau*, available at: <https://pib.gov.in/PressReleasePage.aspx?PRID=1795071> (last visited on Feb. 27, 2023).

<sup>52</sup> *Ibid.*

concerns. Throughout the last several decades, PPP has maintained its position as the leading model in the international infrastructure market.<sup>53</sup> The World Bank reports that PPPs are being utilized to construct public infrastructure and acquire public services in at least 135 countries worldwide.<sup>54</sup>

## X. THE PPP PROCESS

The PPP process is illustrated in the diagram below:-

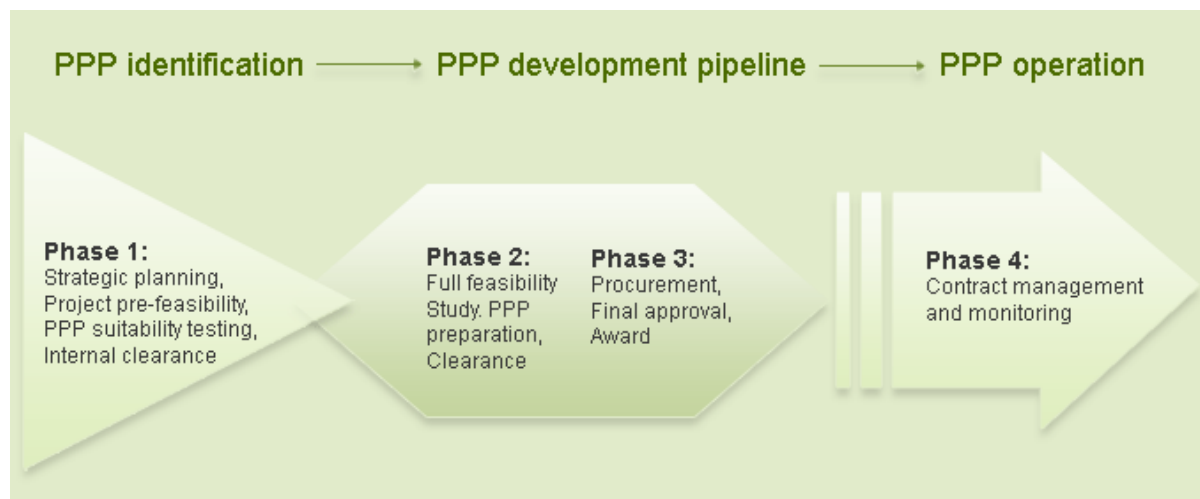


Figure 1: Showing the Public-Private Partnership Process

## XI. TYPOLOGY OF PUBLIC-PRIVATE PARTNERSHIP IN INDIA: SELECTED CASE STUDIES

In its early stages, the evolution of CSR focused on involving corporate managers and employees in defining and following socially responsible practices that were often consistent with business success. As a result, a wide range of CSR techniques and monitoring mechanisms based on the firm's social and environmental aspects have arisen. Today, public and non-profit sectors are also participating in the debate and contributing socially responsible business efforts through various ways of collaboration.

It was in 2005 that the Government of Karnataka (GoK) began an initiative to improve the quality of water supply service by enlisting the aid of the private sector in smaller communities around the state. All of the Urban Local Bodies (ULBs) in the state would be benefited from this program since it is a component of a bigger project designed by GoK to boost the efficiency

<sup>53</sup> W. J. Zhai, J.Y. Ding, et.al., "Investment risk grade evaluation of new town construction PPP projects: Perspective from private sector" 147 *Journal of Urban Planning and Development* 2 (2021).

<sup>54</sup> The World Bank. Procuring Infrastructure Public-Private Partnerships Report, available at: [https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/2018\\_EN.pdf](https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/documents/2018_EN.pdf). (last visited on Feb. 24, 2023).

of the urban water sector. The World Bank provided financial support for the design and implementation of the project known as the Karnataka Urban Water Sector Improvement Project (KUWASIP) via the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC), the state's primary agency for projects receiving external funding.<sup>55</sup> This series of efforts comprised reform-based programs to improve Karnataka's water supply and sanitation sector and targeted projects to increase water availability and service delivery at the ULB level.

In 2009, in response to the flood disaster that hit Karnataka as a result of heavy rains. The Karnataka government launched a Relocation and Rehabilitation scheme called Aasare, which was executed through a public-private partnership. The Biocon Foundation, along with other firms, was invited to assist in the rebuilding of villages in new areas. Villages on the Malaprabha River banks were moved to higher ground. The population didn't have to relocate too far, since the new settlement was established within one kilometer of the previous one. The Biocon Foundation constructed 411 houses to help those who had lost their houses during the flood, which were distributed in December 2012, with new residents acquiring ownership.<sup>56</sup>

One of the most significant applications of public-private partnerships is the idea of creating a sustainable eco-village. An eco-village is a traditional or urban community that restores its social and natural ecosystems on purpose via locally owned, participatory processes in four key areas: social, cultural, ecological, and economic. In India, the German Gesellschaft für Internationale Zusammenarbeit (GIZ) and Hindustan Unilever Limited (HUL) are collaborating on the developPPP project "From Local to Global - Creating a Model for Eco-Villages," which seeks to secure access to potable water, stimulate zero waste to landfill management, and promote carbon neutrality to establish a model for eco-villages.<sup>57</sup>

The above scenario is relevant to CSR public-private partnership management. The aforementioned situation applies to the administration of CSR public-private partnerships. Public administrations should utilize their resources to create and regularly update a list of requirements that can be used to coordinate CSR initiatives with the private sector when the

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<sup>55</sup> Vinay Baindur, *Unpacking the impact of Urban Reforms in Karnataka through World Bank and ADB loans-2011*, available at: [https://www.researchgate.net/publication/326260964\\_Unpacking\\_the\\_impact\\_of\\_Urban\\_Reforms\\_in\\_Karnataka\\_through\\_World\\_Bank\\_and\\_ADB\\_loans-2011](https://www.researchgate.net/publication/326260964_Unpacking_the_impact_of_Urban_Reforms_in_Karnataka_through_World_Bank_and_ADB_loans-2011) (last visited on Mar. 02, 2023).

<sup>56</sup> "Endless wait for flood victims?", *The Times of India*, Aug. 10, 2010, available at: <https://timesofindia.indiatimes.com/city/hubballi/endless-wait-for-flood-victims/articleshow/6289137.cms> (last visited on Feb. 10, 2023).

<sup>57</sup> Sasmita Nayak, *Public-Private Partnership Projects: An instrument to amplify Sustainable Development Initiatives in India*, ET-Edge, available at: <https://etinsights.et-edge.com/public-private-partnership-projects-an-instrument-to-amplify-sustainable-development-initiatives-in-india/> (last visited on Feb. 11, 2023).



public sector is unable or ineffective in meeting social and environmental needs directly.

## **XII. WAY FORWARD**

So, the study finds that CSR may be economically valuable in the globalized world and should be pursued alongside the goal of maximizing profits. Companies must operate ethically and orient their operations around corporate social responsibility. It is intended that CSR would function as a background mechanism underlying many corporate practices. This is supposed to be their way of life. CSR has to be seen as a tool for eradicating unfairness. Through CSR, corporations are urged to invest in well-being. This is not a pity act on the part of for-profit enterprises; rather, it is a critical social obligation.

CSR has made a legal obligation to corporations by the government. This law mainly emphasizes the responsibility of the corporation towards sustainability, human values, and obligations towards society as a stakeholder.

Regardless of the individual skill sets of the parties involved, the PPP always turns out quite well. Whereas the government can provide enormous financial resources and scalability, the private sector has capabilities in management, execution, capabilities and manages and executes programs on a routine basis. Private parties are best equipped to do the planning and can quickly mobilize personnel. The government, on the other hand, encounters many organizational challenges while operating on the ground and often finds it challenging to coordinate measures. When done correctly, such partnerships increase the effectiveness of any action. The PPP has a positive effect on the community; however, the extent and severity of the impact can vary. When properly carried out, such partnerships greatly enhance the efficacy of any given intervention. Working together in the construction field is assumed to produce the finest outcomes and have the most influence. As a result, it is proposed that all PPP models, particularly those providing a public service, be established.

Considering the current position of India's economy, PPPs have become a workable strategy for long-term growth. More public and private organizations need to work together to tackle development goals and highlight strategies for a more sustainable way of life in the country.

## **XIII. SUGGESTIONS**

For the nation to provide a well-established, diverse, and comprehensive CSR execution, a combination of guaranteeing, promoting, coordinating, and facilitating practices must be included in a more comprehensive policy framework. Implementation steps are often rooted in the type of position that the government selects, and thus government can take the following

steps:-

- Establishment of a committee consisting of government representatives, private company directors, and NGOs which will serve as a pivotal spot for information, formal conferences, and meetings between concerned stakeholders.
- The government should play a role in putting together corporate groups, and governmental and non-governmental organizations for a transparent and open discussion on CSR strategy and implementation measures.
- Educational and Institutional research to encourage smooth operation, data generation, and monitoring in key areas of CSR such as public policy, the business case for CSR, civil society engagement, and societal development.

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