
PLAYING FOR A CAUSE: CSR INITIATIVE IN INDIAN SPORTS - A STUDY

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ABSTRACT

Nowadays, Corporate Social Responsibility or CSR, is a crucial component of corporate strategy in India, with companies increasingly recognizing their role in contributing to social and environmental well-being. In this context, the intersection of sports and CSR has emerged as a potent force for positive change. This abstract explores the multifaceted relationship between sports and CSR in India, highlighting the various ways in which this dynamic partnership is creating significant social impact. India, with its rich sporting heritage spanning cricket, field hockey, athletics, and a growing interest in emerging sports, offers a fertile ground for CSR activities. Companies are harnessing the power of sports to address critical social issues, such as healthcare, education, gender equality, and community development. Collaborations with sports organizations, athletes, and sporting events have enabled corporations to expand their reach, enhance brand visibility, and demonstrate their commitment to social causes. One of the primary avenues through which CSR and sports intersect is the development of sports infrastructure. Corporations actively invest in building sports facilities, supporting community sports programs, and improving access to sports education, particularly in underserved areas. These initiatives not only nurture budding talent but also have a ripple effect on community well-being by providing opportunities for physical activity and fostering a healthier lifestyle. In addition to infrastructure development, CSR in sports is instrumental in promoting gender equality and women's empowerment. Many companies are sponsoring and promoting women's sports, resulting in greater visibility and opportunities for female athletes. These initiatives align with broader national goals of gender equity and inclusivity, creating role models for young girls and inspiring a more inclusive sporting culture.

Furthermore, CSR initiatives in sports contribute significantly to skill development and employability. Training programs, coaching clinics, and talent identification initiatives sponsored by corporations help unlock the untapped potential of India's youth in the sports industry. This, in turn, leads to economic development by creating job opportunities and supporting sports-related businesses. Collaborations between companies and sports

organizations have also given rise to impactful social campaigns. Leveraging the popularity of sports, these campaigns raise money and awareness for important causes like healthcare, environmental conservation, and disaster relief. Sporting events often become platforms for promoting social causes, inspiring change, and rallying communities behind a shared vision. Moreover, CSR in sports has seen an expansion into disability sports, creating inclusive opportunities for differently-abled individuals. Companies are supporting athletes with disabilities and contributing to the growth of para-sports, demonstrating their commitment to diversity and inclusivity.

While Corporate Social Responsibility (CSR) and sports in India have seen increasing collaboration and positive initiatives, to realize the potential of this relationship fully, several gaps and obstacles still need to be filled.

Keywords: Corporate social responsibility, Sports, Companies, Athletes, Gender, Sponsorship.

INTRODUCTION

The rise of corporate social responsibility (CSR) as a pivotal concept in the realm of business ethics demonstrates a commitment to environmental, social, and ethical issues beyond profit generation. In India, CSR has gained significant traction over the years, driven by government mandates and a growing awareness of the need for businesses to contribute positively to society. One intriguing sector where CSR initiatives are making a substantial impact is the world of sports. This research paper delves into the intricate relationship between CSR and sports in India, uncovering how corporations align their social responsibility goals with the promotion and development of sports in the country. The significance of sports in India cannot be overstated. Beyond being a source of entertainment, sports have become a powerful tool for social change, a means of fostering talent, and a platform for promoting national identity and unity. From cricket, which is nothing short of a national obsession, to hockey, kabaddi, and the surge in other disciplines like badminton and wrestling, India's sports landscape is as diverse as its culture. However, for many athletes and sports enthusiasts, realizing their full potential remains challenging due to limited resources and opportunities. This is where CSR comes into play. In 2014, India took a pioneering step by making it mandatory for companies meeting specific financial criteria to allocate a portion of their profits to CSR activities. This policy intervention laid the groundwork for infusing corporate resources into various developmental sectors, including sports. Corporations, recognizing the role of sports in promoting holistic

development and overall well-being, have since adopted sports-centric CSR initiatives with enthusiasm.

The paper explores the impact of CSR in sports across different dimensions. It examines how CSR initiatives have helped in nurturing grassroots talent, creating world-class infrastructure, promoting inclusivity, and elevating India's stature in the global sporting arena. Furthermore, the study delves into the motivations behind corporations' engagement in sports-related CSR activities. Is it driven by a genuine commitment to social change, the pursuit of marketing and branding opportunities, or a combination of both? By understanding these underlying motives, we can gain valuable insights into the dynamics of CSR in the Indian sports context.

CONCEPTUAL FRAMEWORK

In India, the regulatory framework for Corporate Social Responsibility (CSR) is outlined in the Companies Act 2013. Section 135 of the Companies Act, 2013, along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, provides a comprehensive guideline for how companies are expected to engage in CSR activities.¹

Applicability: The CSR provisions apply to companies meeting specific financial criteria. Specifically, it applies to companies with a net worth of Rs.500 crores or more, a turnover of Rs. 1000 crores or more, or a net profit of Rs.5 crores or more during any financial year.

Mandatory Spending: Companies meeting the financial criteria must spend at least 2% of their average net profits over the preceding three financial years on CSR activities. This expenditure is calculated annually.

CSR Committee: Companies meeting the financial criteria must constitute a CSR committee comprising at least three directors, including an independent director. This committee is responsible for formulating and monitoring the CSR policy and activities.

Indian companies use sports sponsorship to achieve their CSR goals in a number of ways. Some of the most common ways include:

-Raising awareness of social issues: Indian companies can use sports sponsorship to raise awareness of critical social issues, such as education, health, and environmental protection.

¹ Chhavi Mathur, Section 135, Companies Act 2013- A Game Changer for Corporate Social Responsibility, /Vol-01/Issue-1/, SSPS-IJBMR, 2015.

This can be done through branding and marketing initiatives, as well as through the sponsorship of specific events and programs.

-Promoting social inclusion: Sports sponsorship can be used to promote social inclusion and diversity. This can be done by supporting sports teams and programs that involve marginalized groups, such as women, people with disabilities, and people from disadvantaged backgrounds.

-Encouraging healthy lifestyles: Indian companies can use sports sponsorship to promote healthy lifestyles and reduce the incidence of obesity and other lifestyle-related diseases. This can be done by sponsoring sports teams and programs that promote physical activity and healthy eating.

-Supporting grassroots sports development: Sports sponsorship can be used to support grassroots sports development and identify and nurture future sporting talent. This can be done by sponsoring sports academies and training programs and providing sports equipment and infrastructure to schools and communities.

Here are a few examples of how Indian companies use sports sponsorship to achieve their CSR goals: The largest cricket competition in the world, the Indian Premier League (IPL), is sponsored by Tata Consultancy Services (TCS). Through its IPL sponsorship, TCS encourages youth skill development and education.

The Indian Olympic Association is sponsored by Reliance Industries Ltd (RIL). RIL supports Indian athletes and helps them reach their athletic objectives through its sponsorship.

The Indian women's cricket team's sponsor is Bharti Airtel Limited. Through its support, Airtel hopes to inspire more girls to take up sports and advance women's empowerment.

Corporate Social Responsibility (CSR) has a significant impact on the development of sports in India. CSR initiatives can help to improve sports infrastructure, provide support to athletes, and promote sports participation at all levels.

-Impact on sports infrastructure: CSR initiatives can help to improve sports infrastructure in India by building and refurbishing sports facilities, such as stadiums, playgrounds and training centres. This can increase access to sports for everyone, regardless of their background or socioeconomic status. For example, the Reliance Foundation has donated money to build and refurbish sports infrastructure in schools and communities across India. This has helped to

improve the quality of sports facilities and make sports more accessible to children and young people.

-Support to athletes: CSR initiatives can also provide support to athletes by funding their training, providing them with equipment and gear, and helping them to travel to competitions. This can help athletes to achieve their full potential and represent India on the international stage. For example, the Tata Consultancy Services (TCS) Foundation has donated money to support Indian athletes through its TCS Rural Sports Academy. This academy provides free sports training to children from rural areas and has helped to identify and nurture some of India's most promising young athletes.

-Promoting sports participation: CSR initiatives can also help to promote sports participation at all levels by organizing and sponsoring sports events and programs. This can increase awareness of sports and encourage people to participate in physical activity. For example, the Airtel Foundation has donated money to support sports development initiatives, such as the Airtel Rising Stars program. This program identifies and nurtures young sporting talent from across India.

Overall, CSR has a positive impact on the development of sports in India. CSR initiatives are helping to improve sports infrastructure, support athletes, and promote sports participation at all levels.

Challenges and opportunities: While CSR has a positive impact on the development of sports in India, some challenges need to be addressed. One challenge is that CSR spending on sports still needs to be higher. Another challenge is that CSR initiatives often need to be better coordinated, which can lead to inefficiencies.

Despite these challenges, there are also some opportunities for CSR to have an even more significant impact on the development of sports in India. One option is for companies to work together to coordinate their CSR initiatives. Another opportunity is for companies to focus their CSR initiatives on sustainable sports development programs. Suppose these challenges can be addressed, and the possibilities can be seized. In that case, CSR can play an even more significant role in developing sports in India and helping the country to achieve its sporting potential.

Indian companies use sports philanthropy to achieve their CSR goals in a number of

ways. Some of the most common ways include:

-Donating money to sports charities and foundations: Indian companies can donate money to sports charities and foundations that support grassroots sports development, promote social inclusion through sports, and use sports to address social issues.

-Building and refurbishing sports infrastructure: Indian companies can build and refurbish sports infrastructure, such as stadiums, playgrounds, and sports training facilities, in schools and communities. This can increase access to sports for everyone, regardless of their background or socioeconomic status.

-Providing sports equipment and gear: Indian companies can provide sports equipment and gear to schools, communities, and sports teams. This can help to reduce the cost of participation in sports and make sports more accessible to everyone.

-Organizing and sponsoring sports events and programs: Indian companies can organize and sponsor sports events and programs, such as school sports competitions, community sports leagues, and training camps. This can promote sports participation and encourage people to live healthy lifestyles.

-Supporting sports development initiatives: Indian companies can support sports development initiatives, such as government-led programs and non-profit initiatives. This can improve the quality of sports coaching and training and provide athletes with the support they need to succeed.

Few examples of how Indian companies are using sports philanthropy to achieve their CSR goals:

The RIL Foundation has provided funding for the construction and renovation of sporting facilities in Indian communities and schools. The Reliance Foundation Youth Sports Program, which offers free sports instruction to kids from low-income families, is one of the many sports development projects the foundation has sponsored.

The Airtel Foundation has provided funding for the construction and renovation of sporting facilities in Indian communities and schools. The Airtel Rising Stars program, which seeks out and develops young athletes, is one of the many sports development projects that the foundation has backed.

CSR initiatives engage with local communities in several ways to promote sports for social development and empowerment. Some of the most common ways include:

-Building and refurbishing sports infrastructure: CSR initiatives can help to provide communities with access to sports facilities, such as playgrounds, stadiums, and training centres. This can increase participation in sports and provide opportunities for people of all ages and abilities to get active.

-Organizing and sponsoring sports events and programs: CSR initiatives can help to promote sports participation at all levels by organizing and sponsoring sports events and programs, such as school sports competitions, community sports leagues, and training camps. This can raise awareness of sports, encourage people to get involved, and provide opportunities for athletes to develop their skills.

-Providing support to athletes and coaches: CSR initiatives can help support athletes and coaches from local communities. This can include providing financial assistance, training opportunities, and equipment. This can help athletes to achieve their full potential and represent their communities on the regional, national, and international stage.

-Promoting sports as a tool for social development: CSR initiatives can help to promote sports as a tool for social development. This can be done by using sports to address social issues such as poverty, education, health, and gender equality. For example, CSR initiatives can use sports to provide educational opportunities for underprivileged children, promote healthy lifestyles among young people, and empower women and girls through sports.

ISSUES INVOLVED

In India, there are a number of intricate and interconnected concerns that cross with the fields of sports and Corporate Social Responsibility (CSR). First and foremost, corporations need help in identifying acceptable CSR activities and hitting spending targets when it comes to complying with regulatory requirements under the Companies Act 2013, which requires a share of revenues for CSR operations. Although the act offers a framework, it may be difficult to match CSR activities in the sports industry with more general CSR objectives due to the absence of clear, consistent criteria. Another essential problem is how much money should go toward sports development. Businesses must ensure funds are used effectively while balancing sports-related efforts with other social and environmental concerns.

It still needs to be more challenging to measure and assess the effects of CSR projects in sports, necessitating robust monitoring and assessment systems. There are also continuous challenges in maintaining the viability of these programs, offering fair access to sporting activities, and tackling concerns with infrastructure development, talent identification, and inclusivity. Other problems include:

Understanding regional cultural sensitivities.

Fostering diversity and inclusion.

Constructing successful public-private partnerships.

Upholding ethical standards.

Companies hoping to create a good and long-lasting effect in the Indian sports industry through CSR programs must successfully handle these issues.

JUDICIAL PERSPECTIVE

The judiciary has played a significant role in promoting CSR and sports development in India. In 2013, the Companies Act 2013 was enacted, which made it mandatory for certain companies to spend a certain percentage of their profits on CSR activities. This has led to an increase in CSR spending on sports in India. A number of rulings rendered by the judiciary have also aided in the growth of sports and corporate social responsibility in India.

For instance,² that corporate social responsibility (CSR) is an obligatory requirement for specific firms rather than a charitable endeavour. The Court further ruled that responsible the Supreme Court ruled in *Reliance Industries Ltd. v. Union of India* and transparent conduct is required for CSR initiatives. In the case of *GoSports Foundation v. Union of India*³, the Supreme Court held that the government should provide financial and other assistance to sports federations and associations to promote sports development in India. The Court also held that the government should ensure that sports federations and associations are accountable for the use of public funds. In addition, the judiciary has contributed to the advancement of accountability and openness in CSR expenditure on sports. For instance, the Supreme Court

² <https://www.casemine.com/judgement/in/581180332713e17947984f1e> (18 Oct. 2023)

³ PACTA, CSR and Sports in India, Emerging trends and implications, April 2023 <https://www.pacta.in/> (19 Oct. 2023)

ordered the government to establish a National CSR Regulatory Authority to supervise and control CSR initiatives in India in the *Common Cause v. Union of India* case.

In general, the Indian judiciary has a favourable viewpoint on the subject of CSR and sports. In India, the judiciary has been instrumental in advancing sports development and corporate social responsibility. A series of rulings by the Court have also encouraged accountability and openness in CSR expenditure on sports.

ANALYSIS

CSR and sports can be a mutually beneficial partnership. Companies can use sports to achieve their CSR goals, and sports organizations can benefit from the financial and social support of companies. In India, CSR and sports partnerships are becoming increasingly common. Many Indian companies are using sports to achieve their CSR goals. For example, Reliance Industries Limited (RIL) is the sponsor of the Indian Olympic Association.⁴ RIL uses its sponsorship to support Indian athletes and help them achieve their sporting goals. Tata Consultancy Services (TCS) is the title sponsor of the Indian Premier League (IPL), the world's largest cricket tournament.

CSR's importance in Indian sports:

Youth Development: One of CSR's most notable effects on sports is the advancement of young people. Providing gifted but poor youngsters with opportunity, grassroots sports promotion is a significant emphasis of many corporate social responsibility programs. Future athletes and leaders are developed via these programs, which give participants access to facilities, coaching, and training.

Health and Fitness: Corporate Social Responsibility (CSR) in sports is a way to promote health and fitness in a nation where lifestyle-related disorders are on the rise. Sports-related initiatives assist in the fight against inactive lifestyles and lessen the strain on healthcare systems.

Social Inclusion: One effective strategy in sports is promoting social inclusion. CSR initiatives frequently focus on underprivileged groups while advancing diversity and gender equality. This could dismantle social boundaries and foster a more cohesive and equitable society.

⁴ RFOUNDATION, <https://reliancefoundation.org/ril-ioa-partnership> (22 Oct. 2023).

Infrastructure Development: India needs to improve a lot of its sporting facilities. Businesses frequently fund the construction of sports facilities, giving athletes more access to training and competition.

Hurdles in the Path of CSR and Sports in India:

Sustainability and Funding: Although there are CSR funds available, sustainability still needs to be solved. A lot of programs depend on corporate funding and are temporary. A sustained commitment is required to guarantee long-lasting improvement.

Access and Inclusivity: It can be challenging to ensure that CSR programs reach the intended recipients, particularly in isolated and rural locations. Accessibility to sports programs and facilities is still a problem.

Governmental Compliance: Due to the governmental scrutiny of CSR initiatives and the difficulty of guaranteeing legal compliance, several firms are discouraged from funding sports-related projects.

Measuring Impact: It can be difficult to gauge how CSR activities have affected sports. Monitoring quantitative results like the number of participants is necessary, but it also necessitates evaluating the long-term impacts on the individuals and communities engaged.

Advantages of CSR in Indian Sports:

Talent Pool Development: CSR programs help to create a strong athlete talent pool across a range of sports. This can lead to India's improved performance in international competitions.

Health & Well-Being: CSR makes people healthier by encouraging physical activity and sports, which lessens the strain on the healthcare system.

Community Development: Through promoting social cohesion and community development through sports, CSR initiatives create more inclusive and peaceful communities.

Brand Image and Reputation: Businesses that participate in significant sports-related CSR initiatives frequently benefit from improved reputations and a favourable brand image.

Government Partnerships: CSR initiatives that are successful can form alliances with governmental organizations, which will increase their influence and scope.

FINDINGS

In India, sports and corporate social responsibility (CSR) have a long and interconnected history. Indian businesses have a long history of supporting sports and engaging in charitable endeavours. In India, there has been an increasing trend in recent years towards CSR and sports partnerships. This is because of several things, such as the government's backing of CSR and sports partnerships, the growing popularity of sports in India, and the increased awareness of CSR among Indian companies. Findings reveal that CSR spending on sports in India has increased significantly in recent years. CSR and sports partnerships can have a number of benefits for both companies and sports organizations. Indian businesses increasingly leverage charity and sports sponsorship to further their CSR objectives. CSR and sports partnerships are having a positive impact on the development of sports in India. More accountability and openness are required when it comes to CSR spending on sports. There is a need for the government to provide more support for CSR and sports partnerships. The synergy between CSR and sports in India holds the promise of driving positive societal change and contributing to a healthier, more inclusive, and sports-focused nation.

CONCLUSION

The integration of Corporate Social Responsibility (CSR) with sports in India represents a promising avenue for societal development. It underscores the potential of sports not only as a means of entertainment but also as a vehicle for transformative change. While challenges such as funding and accessibility persist, the manifold benefits, including youth empowerment, improved public health, social inclusivity, and infrastructure development, cannot be understated. As India continues its journey towards progress, the harmonious partnership between CSR and sports emerges as a potent catalyst, offering the nation an opportunity to nurture a healthier, more inclusive, and prosperous society that embraces the transformative power of sports for the betterment of all.

SUGGESTIONS

Increase CSR spending on sports: India still needs a higher level of CSR spending in the sports sector. Indian businesses should invest more in sports CSR in order to support athletes, build sports facilities, and encourage participation in sports at all levels.

Enhance communication between businesses, sports leagues, and the government: To

guarantee that corporate social responsibility (CSR) programs are successful and efficient, there needs to be greater communication between businesses, sports leagues, and the government. One way to achieve this is to establish a specialized organization to manage and oversee sports and CSR programs.

Boost accountability and transparency: CSR investment in sports has to be more accountable and transparent. Sports groups should be held responsible for the use of these monies, and companies should be forced to reveal how they are allocating their CSR budgets.

Prioritize long-term sustainable programs: Rather than long-term sustainable programs, many businesses prioritize short-term CSR initiatives. Businesses should be urged to concentrate on long-term, viable initiatives that will significantly influence the growth of sports in India.

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