

# North East CSR Report 2020-21

**Difficult Trends in CSR Investments  
in North East India During and Post  
Covid-19 Pandemic**

June, 2022

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# Executive Summary

1. All the NER states except Sikkim and Mizoram saw a fall in CSR investment in 2020-21.
2. Data from the Ministry of Corporate Affairs (MCA) show that four North-Eastern States – Tripura, Manipur, Meghalaya, and Sikkim have seen a jump of 200% in CSR spending from 2014-15 to 2018-19.
3. Data till 2019-20 also reveals that all the states in the NER except Mizoram have seen a rise in the number of companies engaged in CSR activities. The number of companies spending on CSR is the highest in Assam, increasing from 59 in 2014-15 to 124 in 2018-19. This is followed by Manipur, Meghalaya, Arunachal Pradesh, and Sikkim.
4. States like Assam had witnessed a rise in CSR investment from 2014-15 to 2019-20. Assam has been the one of the few states which saw a consecutive rise in CSR investment in the last few years. States like Arunachal, Nagaland, Tripura, and Mizoram have not seen a consecutive increasing trend. However, during the pandemic, all the states except Sikkim and Mizoram have seen a fall in 2020-21.
5. Assam has seen a rise in CSR investment from 2014-15 to 2016-17, a decline from 2016-17 to 2018-19, and a rise again in 2019-20. However, a fall post-pandemic has taken it closer to the 2015-16 level.
6. Arunachal Pradesh has seen an uneven trend in CSR investment from 2014-15 to 2019-20. However, the post-pandemic fall has taken it lower than the 2014-15 level.
7. Nagaland has seen a rise in CSR investment from 2014-15 to 2019-20. This rise has however been very slow. The post-pandemic fall is huge if we look at its previous trends.
8. Manipur has seen a rise in CSR investment from 2014-15 to 2016-17, a decline from 2016-17 to 2017-18, and a rise again in 2019-20. However, a fall post-pandemic has taken it closer to the 2015-16 level, similar to the case of Assam.
9. Mizoram has seen a substantial fall in CSR investment from 2014-15 to 2020-21. In 2017-18, it saw an increase which fell substantially even pre-Covid. Although, there seems to be a rise after 2018-19, this is a very slow rise and the amount of CSR investment in the state is still very less.
10. Tripura has seen no change in CSR investment from 2014-15 to 2017-18, followed by a significant rise in 2018-19, and a fall thereafter.
11. Sikkim has seen an uneven trend of CSR investment from 2014-15 to 2020-21. It is the only other state apart from Manipur which has witnessed a rise in CSR investment post pandemic. Unlike Mizoram, Sikkim's rise is a positive turn and is the highest amount of CSR investment in the state.
12. Assam has seen a rise in CSR

investment from 2014-15 to 2019-20 but witnessed a rapid decline post-pandemic.

13. There is also a difference in CSR investment in terms of sectors and companies.

14. In terms of the total number of companies, there is a huge gap between Assam and all the other states. Sikkim

comes second but the difference in the number of companies investing in Assam and Sikkim is massive.

15. In terms of total number of sectors invested in, Assam once again leads the other states. Arunachal Pradesh, Tripura, and Sikkim come second but they only invest in 7 sectors as compared to 10 in Assam.

# 1. Introduction

The Covid-19 pandemic has had a devastating impact on communities all over the world by wiping out several years of development gains made in the past several years. The social sector and the government sector cannot alone undo the damage done by the pandemic. This is where the role of Corporate Social Responsibility (CSR) becomes important.

India became the first country to mandate CSR in 2014. The law says that businesses with a turnover of more than Rs 1000 crore, net worth of Rs 500 crore, net profit of Rs 5 crore or more, must spend at least 2% of the average net profits earned during three preceding financial years to CSR activities. However, this calculation was made pre-pandemic. This may not be enough in a post-pandemic world, marked by increasing inequalities and need for social infrastructure.

The pandemic also saw many companies playing an effective role during the crisis. Reliance Industries supplied medical oxygen for free to the worst-hit states, Radio Khaitan produced sanitizers, Amazon donated critical medical equipment, CISCO started supporting digital education, and so on.

The government has also changed its policy focus which used to be primarily around growth but now includes livelihood security and revival as the government is embracing the Public-Private-Philanthropic (PPP) partnership models to deliver welfare to its citizens<sup>1</sup>. The PPP model seems to be effective on paper and needs to be tried out. Here, the role of the corporate sector becomes very important. With growing

political and social pressure on businesses to prioritize sustainability and health, CSR becomes an important topic of debate. Is the pre-pandemic 2% mark viable and enough in this post-pandemic world?

The pandemic also saw a sharp division of CSR investment within regions. The North Eastern Region (NER) of the country remains vulnerable and has seen a decline in CSR investment.

Since India became the first country to legally mandate CSR in 2014, the activities eligible across sectors include hunger and poverty, education, health, gender equality, women empowerment, skills training, environment, social enterprise projects, and promotion of rural and national sports.

In our previous policy brief titled “Bridging the CSR Divide in North East India”, it was mentioned that since the CSR law is relatively new to the country, the real impact of CSR cannot be completely measured or understood.

However, according to the CSR journal, it is observed that the amount spent on CSR is concentrated in few states, leaving out states that require development. It is also feared that CSR expenditure can further accelerate the regional differences between states. States which are already developed tend to gain more benefits from CSR activities as compared to states with less number of companies, accelerating the already evident regional economic gap between the high-income states and low-income states. It is also seen that the sector-wise spending of CSR has also been non-uniform with certain sectors taking up more expenditure. This is especially alarming in a

<sup>1</sup><https://economictimes.indiatimes.com/small-biz/sme-sector/the-need-for-innovative-csr-models-in-post-pandemic-world/articleshow/87390378.cms>

post-pandemic world when talking about a region like the NER.

The North East India Region (NER) has its own set of issues. If we compare the region in terms of its SDG achievement, we see that Assam, Arunachal Pradesh, and Manipur are still in aspirant category (0-49) as per the first SDG goal of 'No Poverty'. As per the second goal of 'Zero Hunger', Assam, Meghalaya, and Tripura are still aspirant states. As per the third goal and fourth goals of 'Good Health and Well Being' and 'Quality Education' respectively, Assam and Nagaland are both aspirant states. The region does not do well in the fifth goal of 'Gender Equality'; where all the states including Sikkim are dubbed as non-performers. As per the tenth goal of 'Reduced Inequalities', Tripura and

Arunachal Pradesh need improvement.

The role of CSR in this region can, thus, be immense. Through this policy brief, we will first look at the CSR spending in each state, compare this along with the rest of the country, understand the areas that CSR activities in the region are most allocated in, and analyze the various challenges and divide in CSR allocation in the region.

The policy brief seeks to bring attention towards the importance of increasing CSR presence and investments in bridging the regional social and development gaps of the region vis-a-vis rest of the country. The brief also seeks to focus on the various nuances of CSR expenditure, activities and impact within the region and the sectors the spending is done on.

## 2. State of CSR Investment in NER Pre-Pandemic from 2011-2020

Data from the Ministry of Corporate Affairs (MCA) show that four North-Eastern States – Tripura, Manipur, Meghalaya, and Sikkim have seen a jump of 200% in CSR spending from 2014-15 to 2018-19. The growth of CSR funds in the same time period in Assam is 53%, which is lesser than 6 NE states – Tripura, Meghalaya, Sikkim, Manipur, Arunachal Pradesh, and Nagaland.<sup>2</sup> In fact, Mizoram is the only exception recording a fall of 90% in CSR activities. Tripura showed a massive rise in CSR spending. The region also saw an increase in the number of companies investing from 2014-15.

Data till 2019-20 also reveals that all the states in the NER except Mizoram have seen a rise in the number of companies engaged in CSR activities. The number of companies spending on CSR is the highest in Assam, increasing from 59 in 2014-15 to 124 in 2018-19. This is followed by Manipur, Meghalaya, Arunachal Pradesh, and Sikkim.

However, the rise in percentage of this from 2014-15 to 2018-19 seems much larger given that the initial count was much lower. For example, states like Nagaland, Tripura, and Manipur had very few companies

engaging in CSR activities in 2014-15 to begin with. Although the positive rise in the number of companies in the region is a welcome improvement, the region still has a long way to go.

According to the data from the MCA website, Assam is the largest benefactor of CSR funds in the region with an allocation of Rs 205.60 crore in 2018-19. This has increased from Rs 134.78 crore in 2014-15. Arunachal Pradesh follows next from an allocation of Rs 11.04 crore in 2014-15 to Rs 24.49 crore in 2018-19.

Tripura is the third largest benefactor with a hefty rise from Rs 1.33 crore in 2014-15 to Rs 23.06 crore in 2018-19. Meghalaya, Manipur, and Sikkim have also witnessed a decent rise from 2014-15 to 2018-19 in CSR fund from Rs 3.53 crore into Rs 16.67 crore, Rs 2.44 crore to Rs 7.64 crore, and Rs 1.19 crore to Rs 4.58 crore respectively. Nagaland has witnessed a rise from Rs 1.11 crore to Rs 2.11 crore in the same time period. Mizoram, on the other hand, saw a decline from Rs 1.03 crore to Rs 0.1 crore in the same time period.

Although the region has witnessed positive improvements, this has mostly been in favor of Assam and the final amount still is very less when compared to the rest of the country.

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<sup>2</sup>Ministry of Corporate Affairs. *CSR Data and Summary*. <https://www.mca.gov.in/content/mca/global/en/data-and-reports/company-statistics/csr-data-summary.html>

### 3. State of CSR Investment in NER Post-Pandemic: FY 2020-21

The pre-pandemic status of CSR investment in the state has been mapped in the previous chapter. Despite positive increase in CSR investment in the region, the NER still falls behind when compared to the rest of the country. This has been further

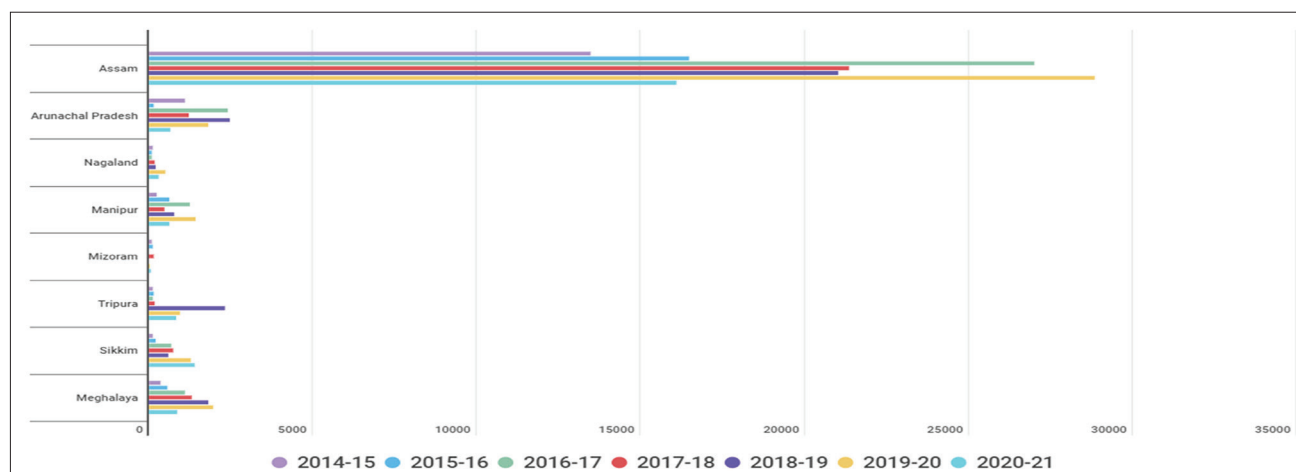
accelerated in the post-pandemic world. The NER, like most states of the country, saw a decline in CSR investment post-pandemic. In fact, all the NER states except Sikkim and Mizoram saw a fall in CSR investment. The table below makes this clear.

State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Assam	13478	16460	26991	21359	21022	28848	16077
Arunachal Pradesh	1105	148	2404	1223	2455	1802	642
Nagaland	111	95	92	181	214	509	298
Manipur	244	628	1235	481	781	1420	628
Mizoram	103	107	8	148	10	25	49
Tripura	133	147	125	188	2306	940	819
Sikkim	119	198	683	745	586	1272	1385
Meghalaya	353	558	1097	1320	1811	1973	871

**Table 1: CSR Expenditure in total in various FY (in lakhs) (Source: Ministry of Corporate Affairs Website)**

This is particularly evident when we look at the graph below. States like Assam had witnessed a rise in CSR investment from 2014-15 to 2019-20. Assam has been the one of the few states which saw a consecutive rise in CSR investment in

the last few years. States like Arunachal, Nagaland, Tripura, and Mizoram have not seen a consecutive increasing trend. However, post-pandemic, all the states except Sikkim and Mizoram have seen a fall.



**Figure 1: CSR Expenditure in total in various FY (in lakhs)**



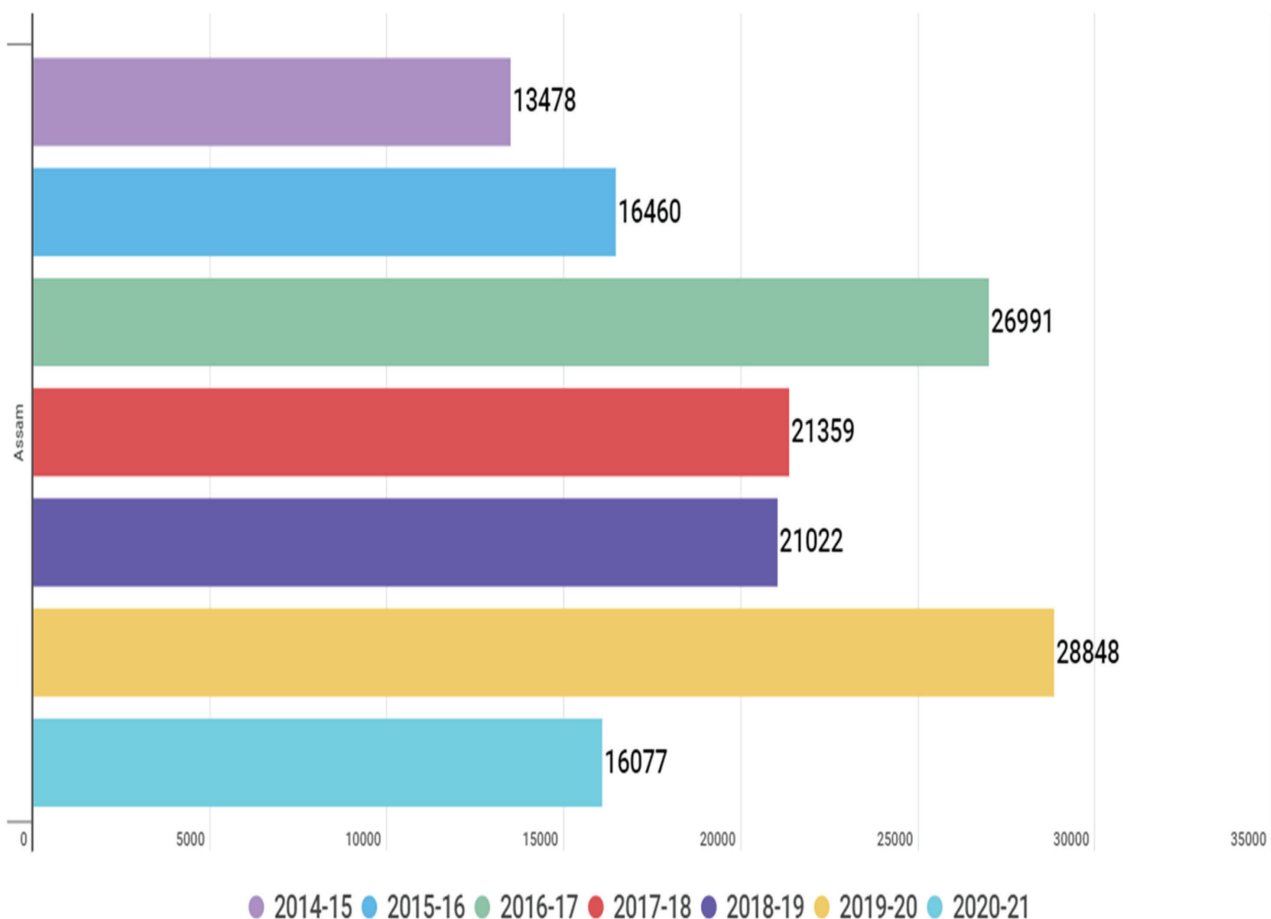
The other thing the graph highlights is the difference in CSR investment within the region which has already been addressed in the previous chapter. Even post-pandemic fall, the CSR investment in Assam is very as compared to the rest of the region. While Sikkim and Mizoram have seen rise in CSR

investment post 2019-20, the absolute investment amount in these two states is very less as compared to Assam.

A state-wise and sector-wise look is also done to understand the fall in CSR investment better.

## Assam

Assam has seen a rise in CSR investment from 2014-15 to 2016-17, a decline from 2016-17 to 2018-19, and a rise again in 2019-20. However, a fall post-pandemic has taken it closer to the 2015-16 level.



**Figure 2: CSR Expenditure in total in Assam**

## Arunachal Pradesh

Arunachal Pradesh has seen an uneven trend in CSR investment from 2014-15 to 2019-20. However, the post-pandemic fall has taken it lower than the 2014-15 level.

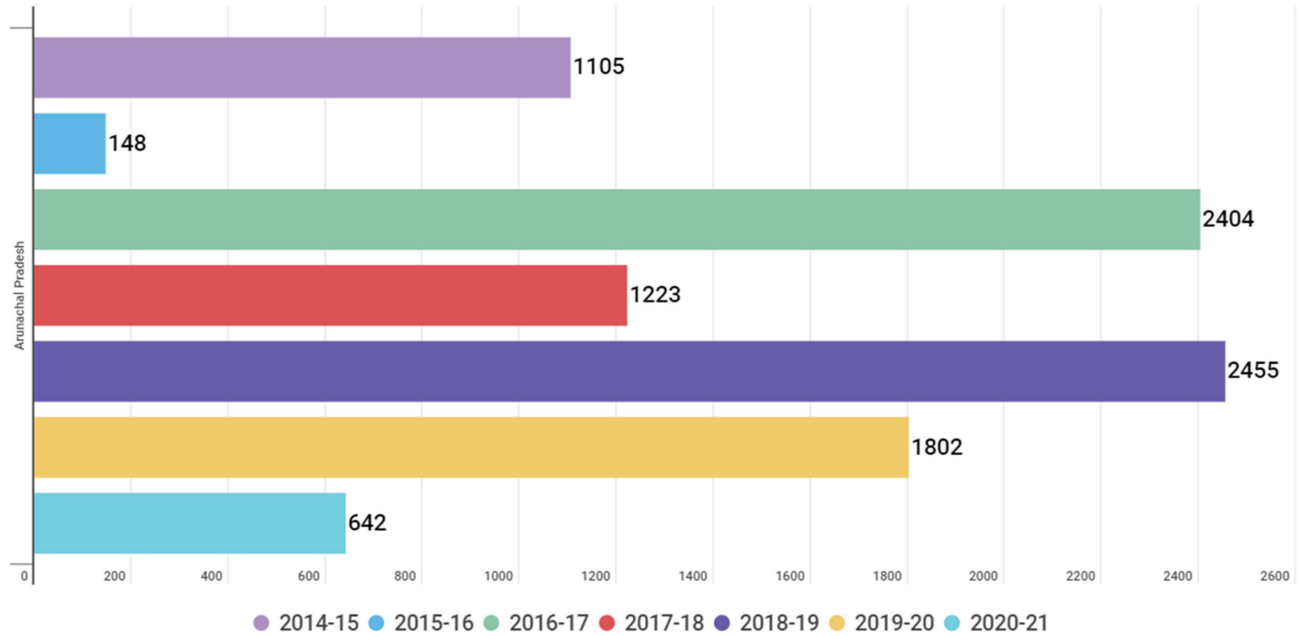


Figure 3: CSR Expenditure in total in Arunachal Pradesh

## Nagaland

Nagaland has seen a rise in CSR investment from 2014-15 to 2019-20. This rise has however been very slow. The post-pandemic fall is huge if we look at its previous trends.

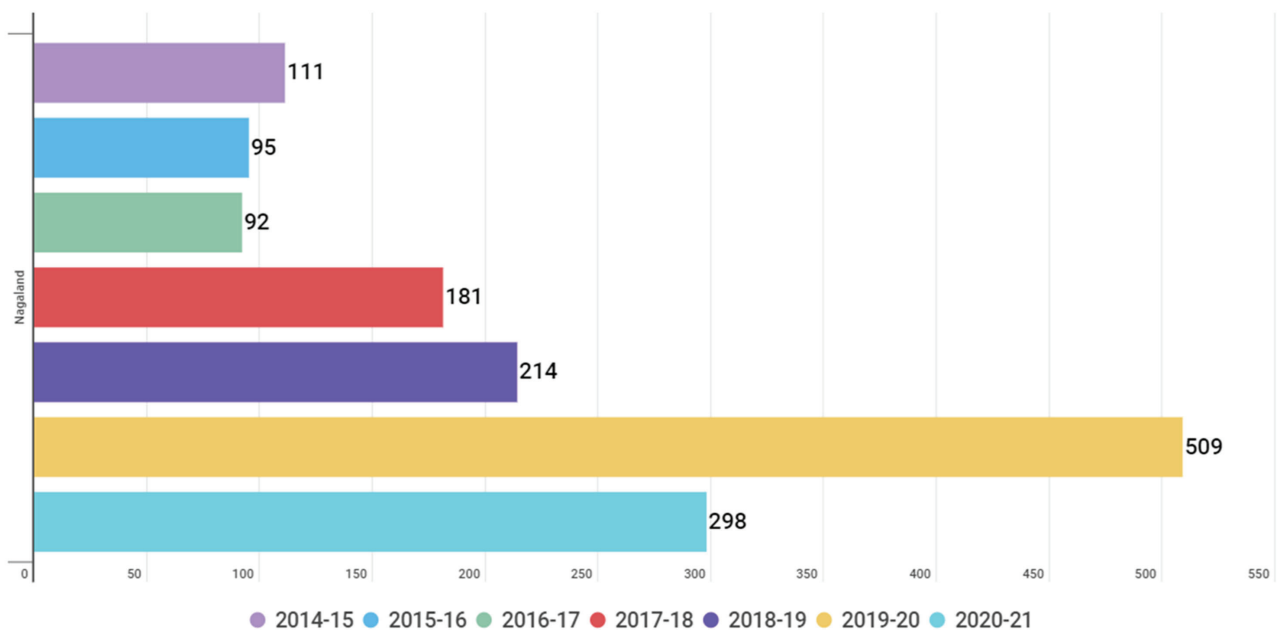
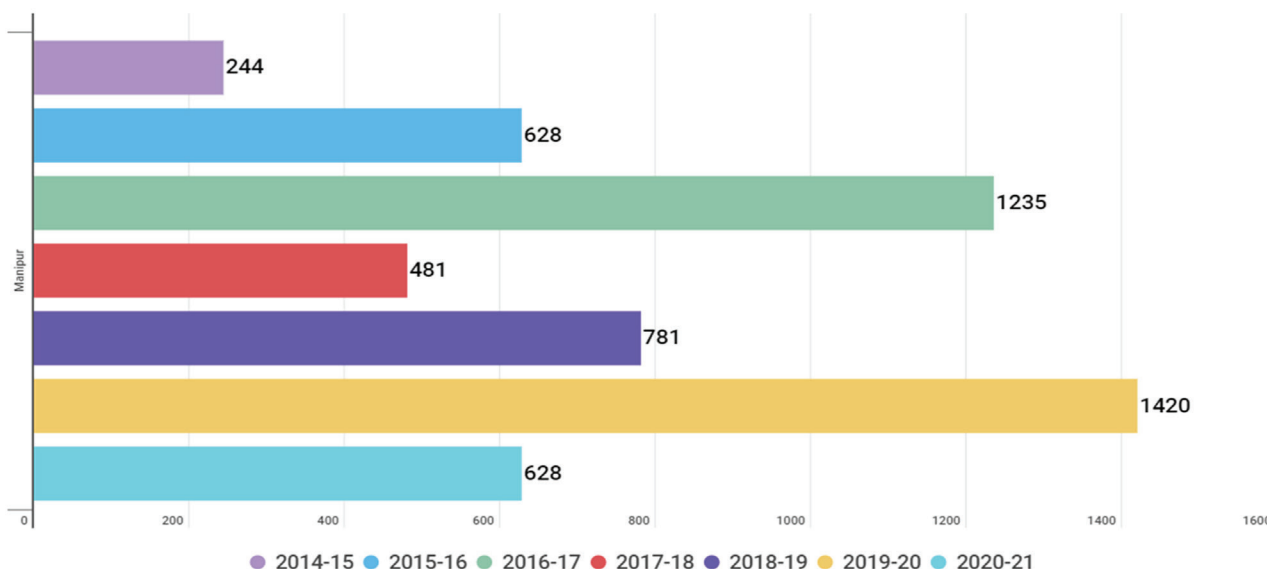


Figure 4: CSR Expenditure in total in Nagaland

## Manipur

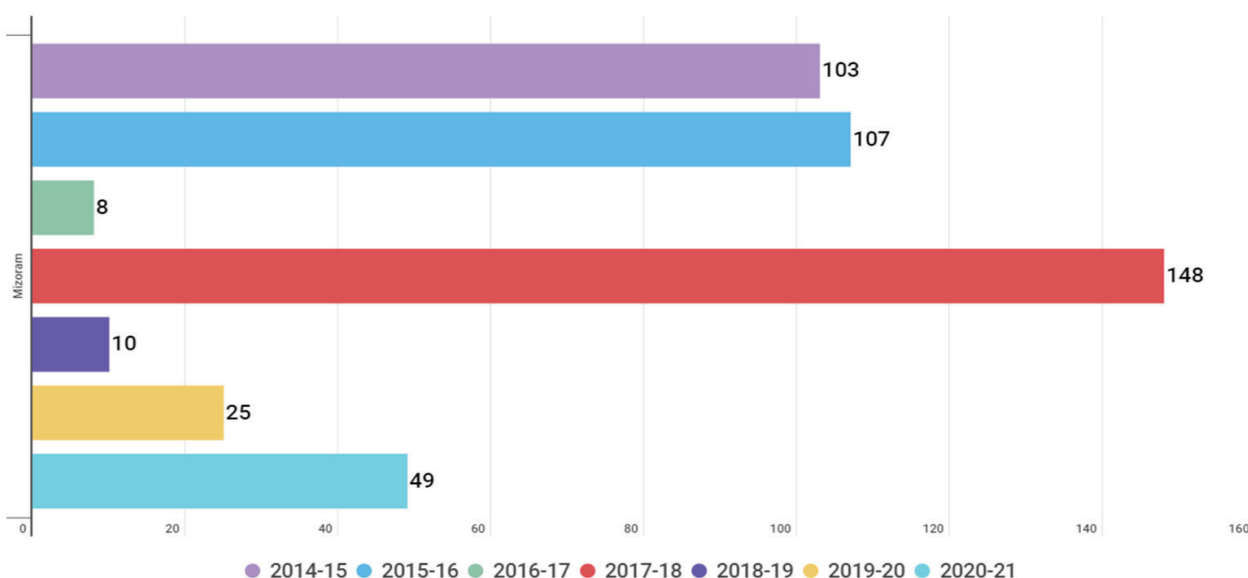
Manipur has seen a rise in CSR investment from 2014-15 to 2016-17, a decline from 2016-17 to 2017-18, and a rise again in 2019-20. However, a fall post-pandemic has taken it closer to the 2015-16 level, similar to the case of Assam.



**Figure 5: CSR Expenditure in total in Manipur**

## Mizoram

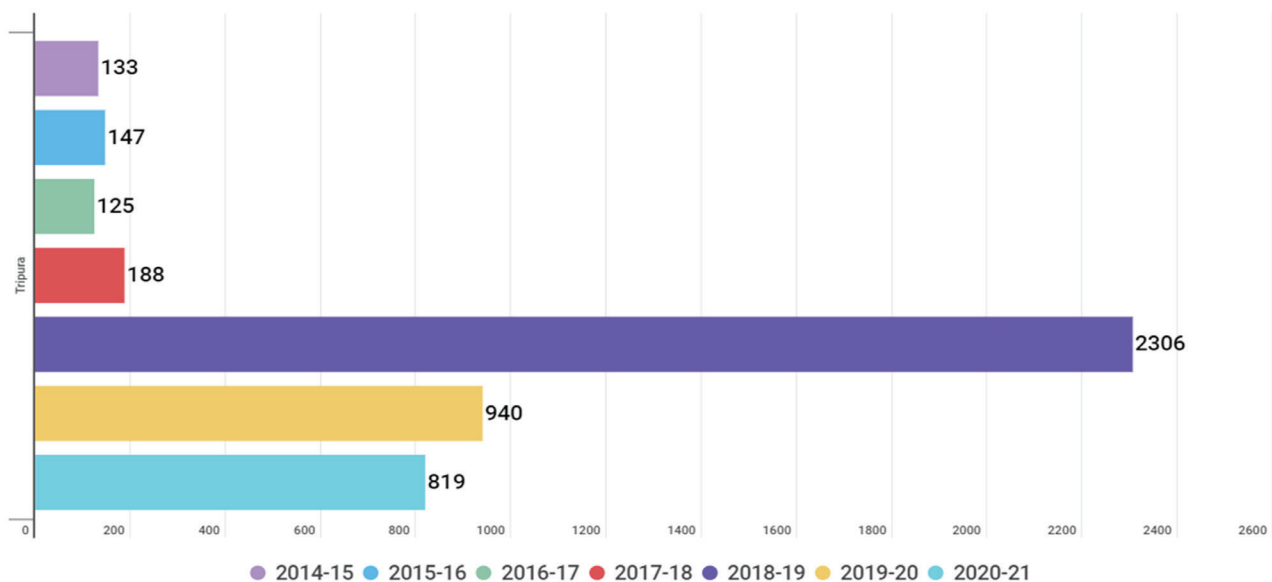
Mizoram has seen a substantial fall in CSR investment from 2014-15 to 2020-21. In 2017-18, it saw an increase which fell substantially even pre-Covid. Although, there seems to be a rise after 2018-19, this is a very slow rise and the amount of CSR investment in the state is still very less.



**Figure 6: CSR Expenditure in total in Mizoram**

## Tripura

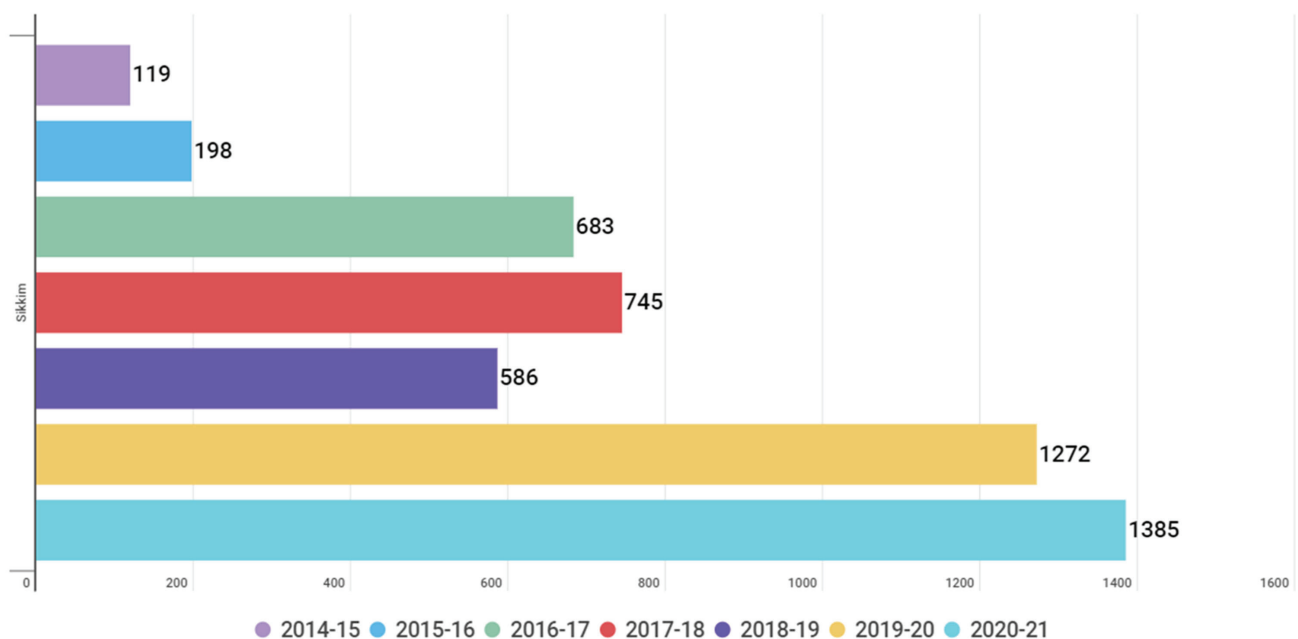
Tripura has seen no change in CSR investment from 2014-15 to 2017-18, followed by a significant rise in 2018-19, and a fall thereafter.



**Figure 7: CSR Expenditure in total in Tripura**

## Sikkim

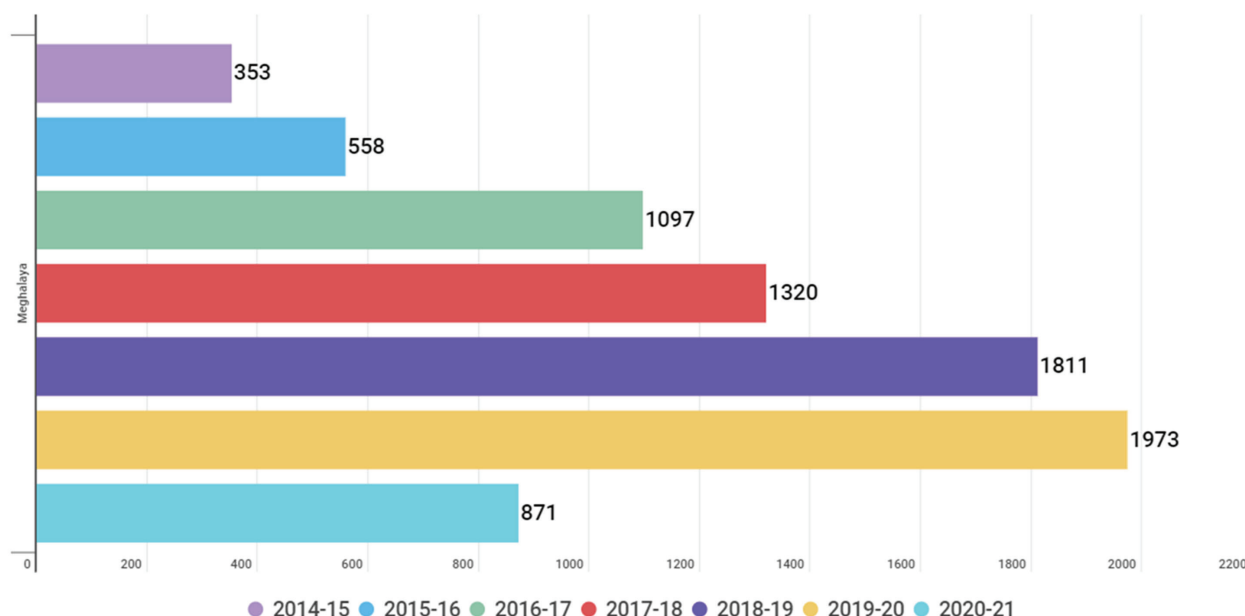
Sikkim has seen an uneven trend of CSR investment from 2014-15 to 2020-21. It is the only other state apart from Manipur which has witnessed a rise in CSR investment post pandemic. Unlike Mizoram, Sikkim's rise is a positive turn and is the highest amount of CSR investment in the state.



**Figure 8: CSR Expenditure in total in Sikkim**

## Meghalaya

Assam has seen a rise in CSR investment from 2014-15 to 2019-20 but witnessed a rapid decline post-pandemic.



**Figure 9: CSR Expenditure in total in Meghalaya**

## CSR Investment: Sectors and Companies

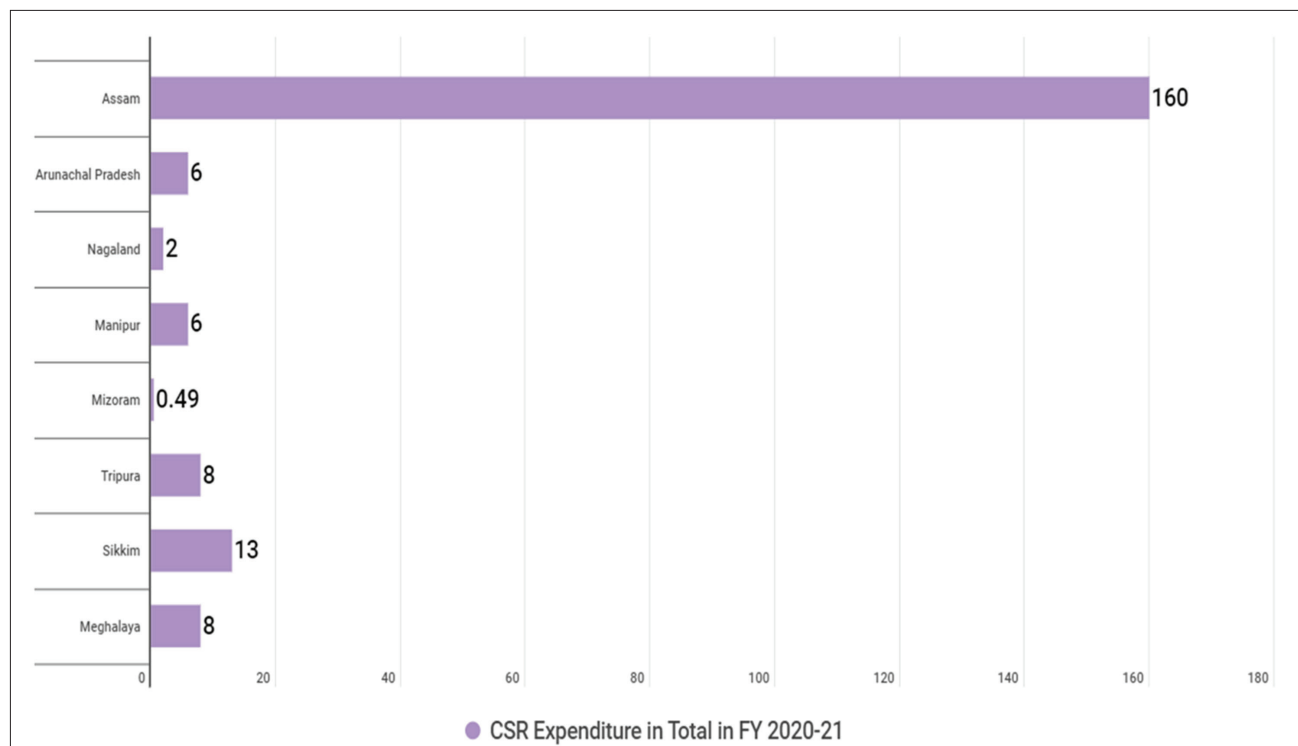
There is also a difference in CSR investment in terms of sectors and companies. The table below looks at the CSR scenario in 2020-21.

State	CSR Expenditure in Total in FY 2020-21	Total Companies	Total Sectors
Assam	160	117	10
Arunachal Pradesh	6	16	7
Nagaland	2	7	4
Manipur	6	19	5
Mizoram	0.49	4	4
Tripura	8	16	7
Sikkim	13	20	7
Meghalaya	8	16	5

**Table 2: CSR Expenditure in total companies and sectors in 2020-21 (Source: Ministry of External Affairs website)**

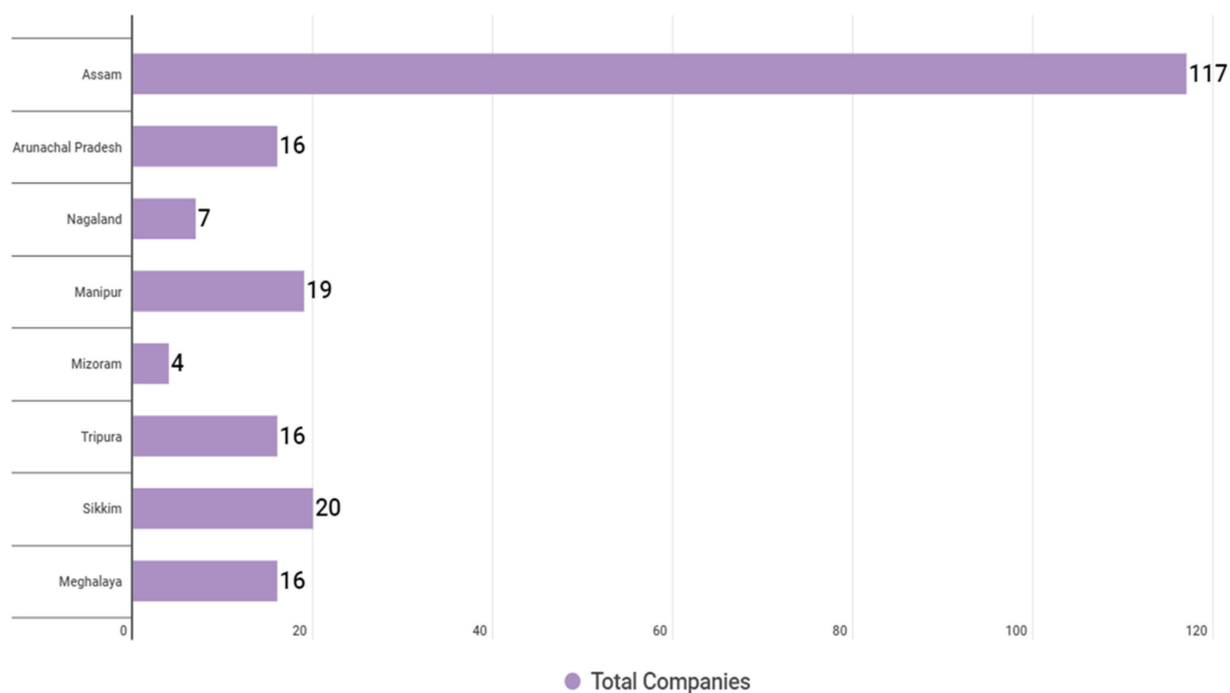
Assam in 2020-21 has the highest CSR investment in the region, just like the previous years. As seen from the section above, all the states except Mizoram and Sikkim, have witnessed a fall in CSR investment post-pandemic. However, a look at the amount invested gives a true picture of how far the other states are lagging behind in terms of CSR investment in the region.

The figure below makes this more evident.



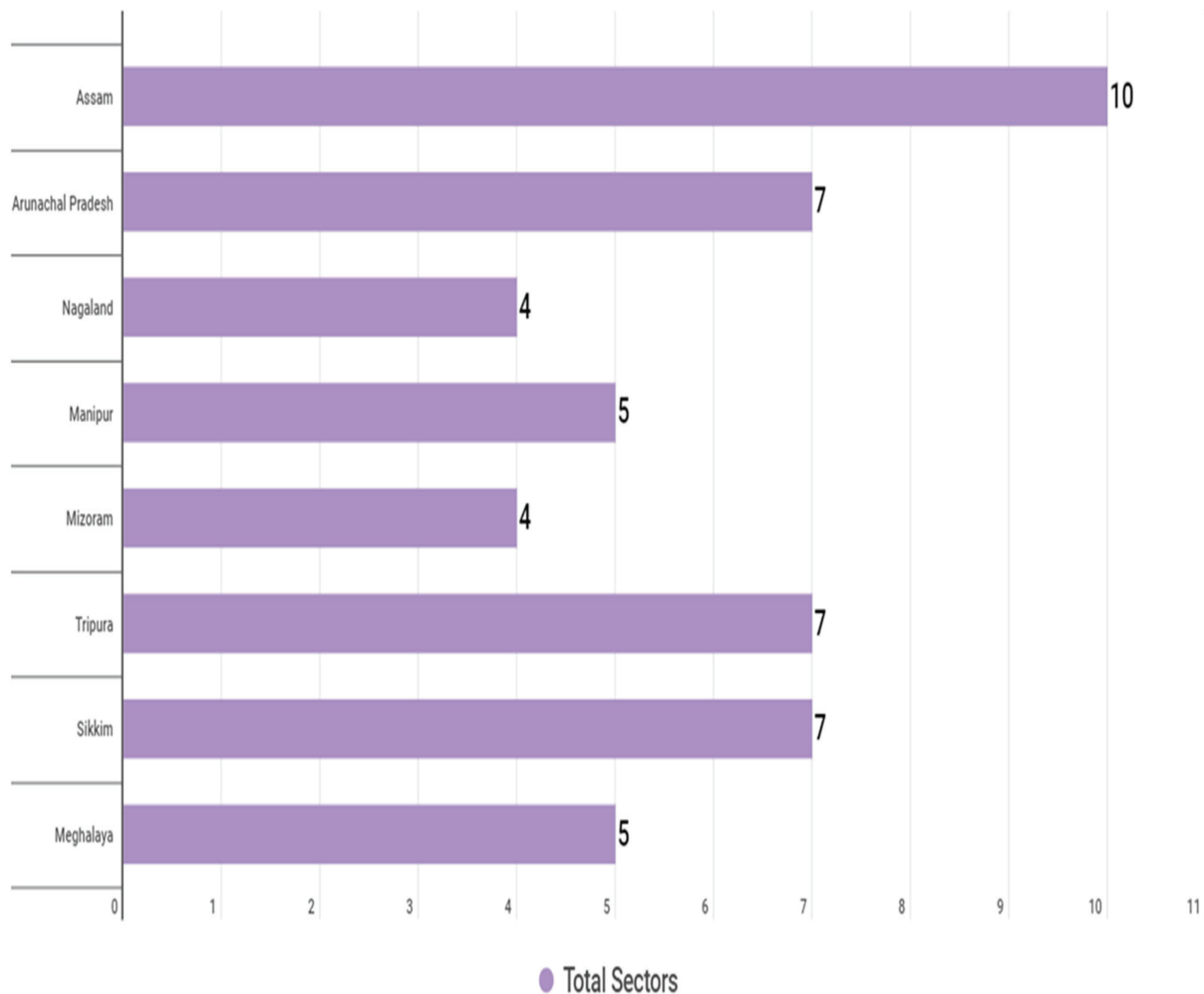
**Figure 10: CSR Expenditure in total in 2020-21**

In terms of the total number of companies, there is a huge gap between Assam and all the other states. Sikkim comes second but the difference in the number of companies investing in Assam and Sikkim is massive.



**Figure 11: CSR Expenditure in total companies in 2020-21**

In terms of total number of sectors invested in, Assam once again leads the other states. Arunachal Pradesh, Tripura, and Sikkim come second but they only invest in 7 sectors as compared to 10 in Assam.



**Figure 12: CSR Expenditure in total sectors in 2020-21**

## 4. Comparing CSR in NER in 2020-21 to the Rest of the Country

Past data released by the Ministry of Corporate Affairs reveals that the CSR contribution in North East India in the financial year 2017-18 is 3.6% of the total all-India CSR fund. Assam gets the highest percentage of this allocation, which is 68.3% followed by Arunachal Pradesh which is 8.38%. Tripura gets 6.1%, Sikkim 5%, and Manipur 4.11%. Meghalaya, Nagaland, and Mizoram get a meagre 3.68%, 2.77%,

and 1.6% respectively. Although states like Meghalaya, Sikkim, and Manipur have witnessed massive growth in CSR allocation from 2014 to 2019, the percentage of allocation is still meagre<sup>3</sup>.

<sup>3</sup>Singh, S. (February 2<sup>nd</sup>, 2021). *CSR in North East India: Tripura Stands Out, More Than 200% Growth in Meghalaya, Sikkim, Manipur*. The CSR Universe. <https://thecsr.universe.com/articles/csr-in-north-east-india-tripura-stands-out-more-than-200-growth-in-meghalaya-sikkim-manipur>

In 2020-21, the region continues to see a low percentage of CSR investment. The table below makes this evident.

Name of State	CSR Expenditure in 2020-21 in INR Crore
Jammu and Kashmir	33
Himachal Pradesh	98
Punjab	95
Haryana	398
Delhi	839
Rajasthan	454
Madhya Pradesh	273
Gujarat	1166
Chhattisgarh	283
Maharashtra	2646
Goa	32
Karnataka	966
Kerala	321
Tamil Nadu	749
Puducherry	10
Andhra Pradesh	588
Telangana	343



Name of State	CSR Expenditure in 2020-21 in INR Crore
Orissa	495
Jharkhand	188
West Bengal	316
Uttar Pradesh	680
Uttarakhand	113
Bihar	56
NE States	
Tripura	8
Mizoram	0.49
Manipur	6
Assam	160
Nagaland	2
Arunachal Pradesh	6
Meghalaya	8
Sikkim	13

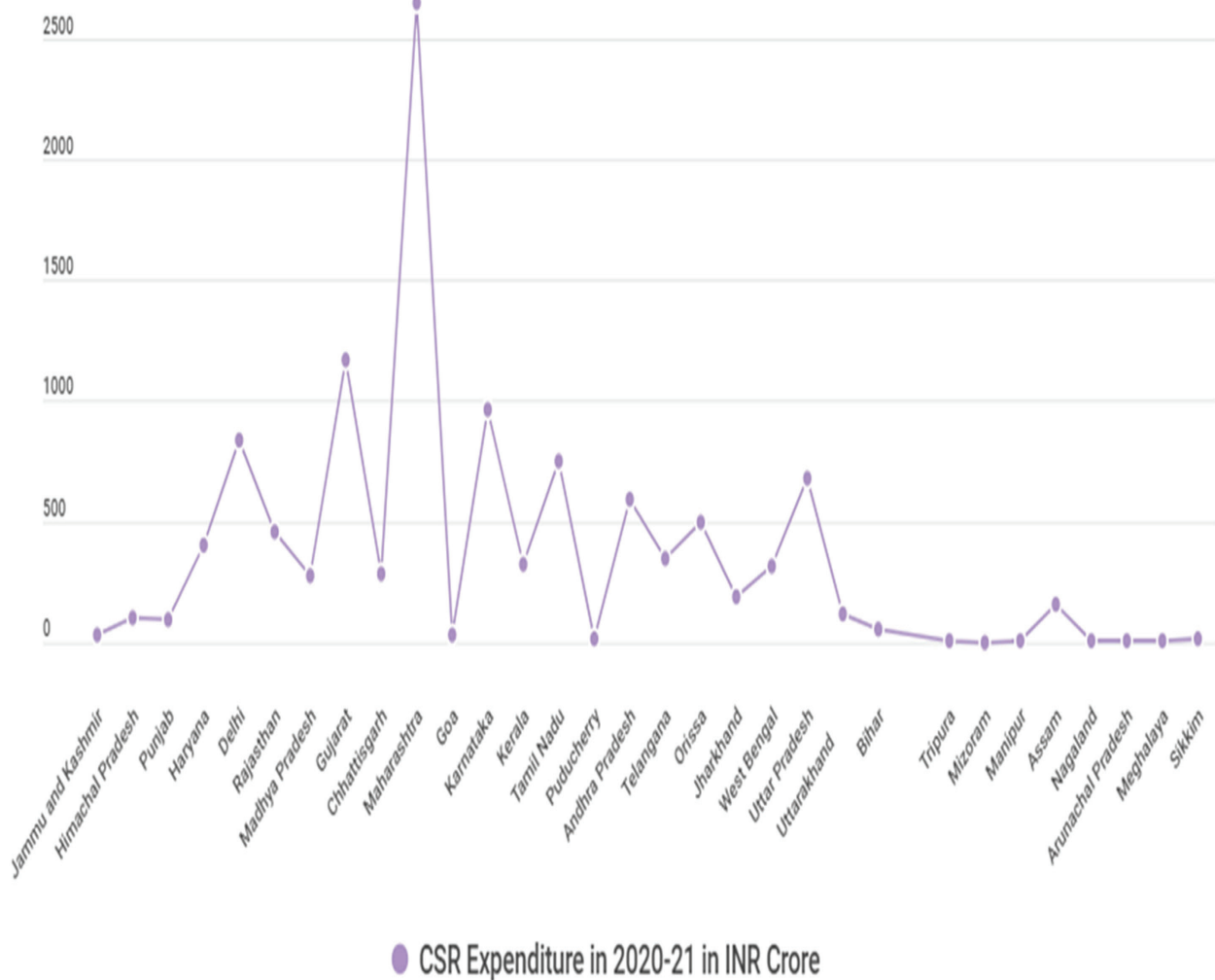
**Table 3: CSR Expenditure in Indian states in 2020-21 (Data from Ministry of Corporate Affairs)**

The NE states continue to face low CSR investment as compared to the rest of the country. While there has been an increase in the number of companies and corporations investing in the region, Assam continues to reap the maximum benefits. However, according to the CSR Survey of 2020, Assam reaps on 1.10% of the total CSR allocation in India, which is much lower as compared to developed states like Maharashtra which gets 10% of the allocation, followed by Karnataka, Rajasthan, Uttar Pradesh, and Gujarat with 3.60%, 2.80%, 2.50% and 2.30% of the total CSR allocation<sup>4</sup>. The size of the state's

matter but even Delhi gets an allocation of 2.10% of the total CSR funds. Assam's position is higher in terms of percentage allocation as compared to states like Tamil Nadu, Kerala, Madhya Pradesh, and Bihar. But the allocation in rest of the north-eastern states is dire and questionable.

The graph below represents the CSR spending in all the Indian states in 2020-21 as represented in the table above.

<sup>4</sup>KPMG. (February 2020). *India's CSR Reporting Survey 2019*. <https://assets.kpmg/content/dam/kpmg/in/pdf/2020/02/india-s-csr-reporting-survey-2019.pdf>



**Figure 13: CSR Expenditure in 2020-21 in Indian states (Data from Ministry of Corporate Affairs)**

As seen from the above graph, CSR allocation in states like Maharashtra, Gujarat, Karnataka, and Tamil Nadu is very high whereas the NE states have a very small proportion of CSR fund allocation.

# CSR Allocation in India and the NER: Sectors and Corporations

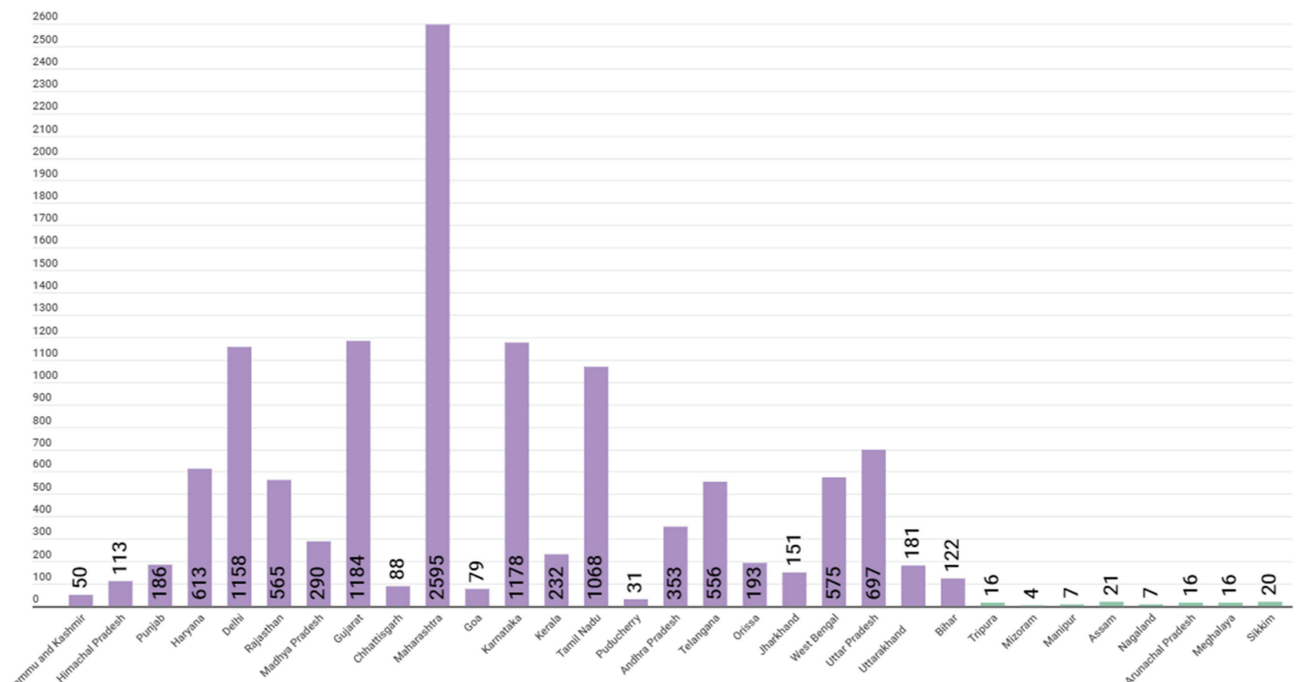
There is a sharp distinction in terms of CSR investment in various sectors as well as companies when it comes to different regions of the country. The table below looks at the number of companies that invest in CSR in all the states of the country.

Name of State	No. of Companies
Jammu and Kashmir	50
Himachal Pradesh	113
Punjab	186
Haryana	613
Delhi	1158
Rajasthan	565
Madhya Pradesh	290
Gujarat	1184
Chhattisgarh	88
Maharashtra	2595
Goa	79
Karnataka	1178
Kerala	232
Tamil Nadu	1068
Puducherry	31
Andhra Pradesh	353
Telangana	556
Orissa	193
Jharkhand	151
West Bengal	575
Uttar Pradesh	697
Uttarakhand	181
Bihar	122
NE States	

Name of State	No. of Companies
Tripura	16
Mizoram	4
Manipur	19
Assam	117
Nagaland	7
Arunachal Pradesh	16
Meghalaya	16
Sikkim	20

**Table 4: CSR Expenditure in 2020-21 in Indian states in total number of companies (Data from Ministry of Corporate Affairs)**

The above table makes the clarity of regional difference in CSR investment. While Assam is the only state in the NER with a triple digit number of companies, this number is still very less as compared to other mainland states like Uttarakhand, Bihar, Jharkhand, and Orissa. The larger states attract more number of companies, but the sharp difference in the number of companies investing in the region is a cause of alarm. The graph below makes this distinction even more clear.



**Figure 14: CSR Expenditure in 2020-21 in Indian states in total number of companies**

The NER states are green in colour in the graph above. The difference in the number of companies investing in various states might depend on a large number of factors which we tried to understand in our previous report. The economic performance of the states, the size of the states, and the presence of forests are some of the important factors. This, however,

does not explain the difference in the number of companies investing in Western Himalayan states and the Eastern Himalayan (NER) region. Uttarakhand and Himachal Pradesh fare well as compared to all NER, except Assam. In fact, Uttarakhand does better than Assam in this aspect.

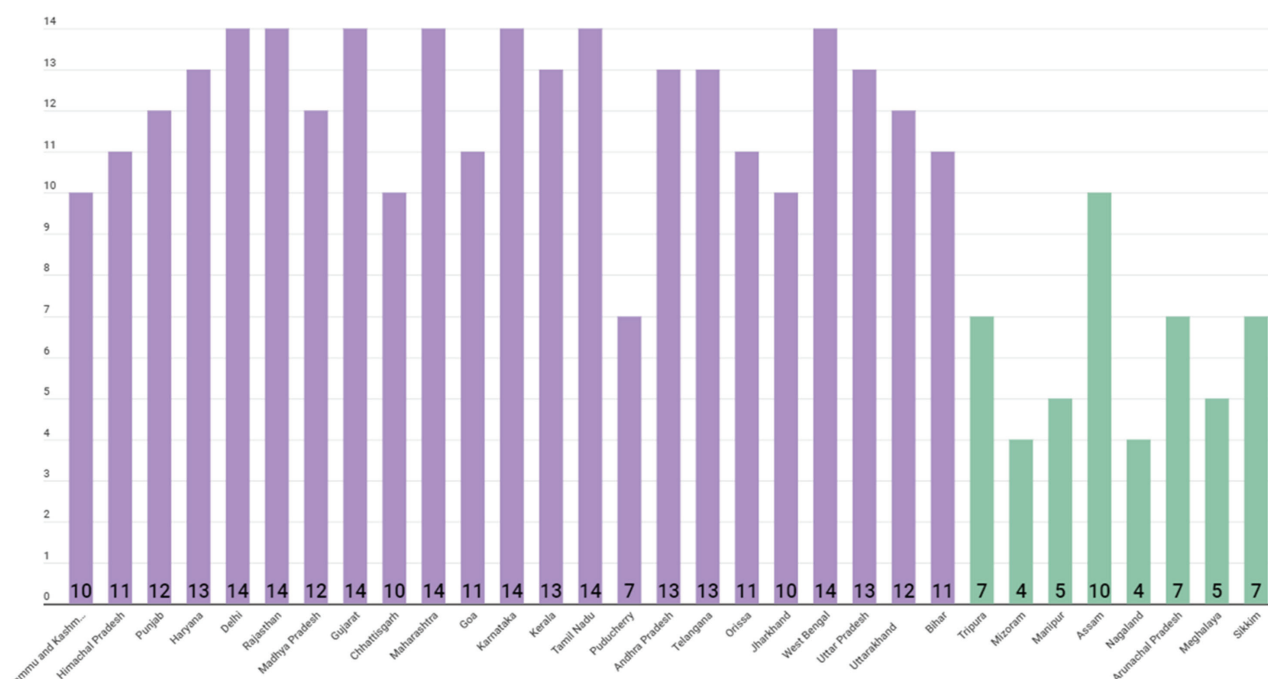
There is also a need to look at the number of sectors invested in each state. The table below gives us some idea.

Name of State	No. of Sectors
Jammu and Kashmir	10
Himachal Pradesh	11
Punjab	12
Haryana	13
Delhi	14
Rajasthan	14
Madhya Pradesh	12
Gujarat	14
Chhattisgarh	10
Maharashtra	14
Goa	11
Karnataka	14
Kerala	13
Tamil Nadu	14
Puducherry	7
Andhra Pradesh	13
Telangana	13
Orissa	11
Jharkhand	10
West Bengal	14
Uttar Pradesh	13
Uttarakhand	12
Bihar	11
NE States	
Tripura	7

Name of State	No. of Sectors
Mizoram	4
Manipur	5
Assam	10
Nagaland	4
Arunachal Pradesh	7
Meghalaya	5
Sikkim	7

**Table 5: CSR Expenditure in 2020-21 in Indian states in total number of sectors (Data from Ministry of Corporate Affairs)**

There is a difference in sectors invested in various regions of the country. This difference becomes evident by the graph below.



**Figure 16: CSR Expenditure in 2020-21 in Indian states in total number of sectors**

The above graph has the NER states marked in green. All NER states except Assam, Tripura, Arunachal, and Sikkim have the lowest number of sectors invested in. In fact, only Puducherry has the same number of sectors invested in as Tripura, Sikkim, and Arunachal – the second highest number of sectors invested in the NER. This is a dismal coverage of sectors in the region.

## 5. Sectoral Distribution of CSR in NER

The previous chapter has made it clear that there exists a sharp difference in the number of sectors invested across the country and the NER has a very less number of sectors covered. This chapter analyses the various sectors covered in each of the NER states.

### Sikkim

Sikkim is one of the two states in NER which has seen a rise in CSR investment post-pandemic. The table below gives a detailed understanding of all the sectors covered in the state in 2020-21.

Thematic Area of CSR expenditure (Sikkim)	Amount Spent
Education, Differently Abled, Livelihood	77.84
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	52.43
Rural Development	5.61
PM Relief Funds and Similar Funds	1.56
Swaccha Bharat Koch	0.9
Gender Equality and Women Empowerment	0.1
Rural Sports and Paralympics	0.08

**Table 6: Percentage of CSR spent in the NE states on each thematic area in Sikkim in 2020-21 (Data from the Ministry of Corporate Affairs)** While education receives the highest CSR investment in Sikkim, health is the other sector that gets emphasis. However, sectors like gender equality and heritage and culture get little to no investment.

### Arunachal Pradesh

The table below gives a detailed understanding of all the sectors covered in Arunachal Pradesh in 2020-21.

Thematic Area of CSR expenditure (Arunachal Pradesh)	Amount Spent
Education, Differently Abled, Livelihood	50.16
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	8.39
Any Other Fund	2.9
Environment, Animal Welfare, Conservation of Resources	2.36
Gender Equality and Women Empowerment	0.4
PM Relief Funds and Similar Funds	0.01
Rural Development	0.01

**Table 7: Percentage of CSR spent in the NE states on each thematic area in Arunachal Pradesh in 2020-21 (Data from the Ministry of Corporate Affairs)**

Education is the most invested sector, followed by health. But there is a huge difference in the investment in health and education. The other sectors get very less amount of investment.

## Assam

The table below gives a detailed understanding of all the sectors covered in Assam in 2020-21.

Thematic Area of CSR expenditure (Assam)	Amount Spent
Education, Differently Abled, Livelihood	916.85
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	373.55
Rural Development	91.25
Swaccha Bharat Koch	76.48
Gender Equality and Women Empowerment	59.5
Environment, Animal Welfare, Conservation of Resources	38.48
Rural Sports and Paralympics	25.11
PM Relief Funds and Similar Funds	21.47
Heritage, Art, and Culture	3.08
Any Other Funds	2

**Table 8: Percentage of CSR spent in the NE states on each thematic area in Assam in 2020-21 (Data from the Ministry of Corporate Affairs)**

Education and health are priority sectors in the state, followed by rural development and gender equality. However, certain sectors like gender equality need for investment

given how the state fares in gender parameters that we have already discussed in our policy brief on CSR in Assam.

## Mizoram

The table below gives a detailed understanding of all the sectors covered in Mizoram in 2020-21.

Thematic Area of CSR expenditure (Mizoram)	Amount Spent
Education, Differently Abled, Livelihood	3.4
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	1.5
Rural Sports and Paralympics	0.01
Rural Development	0.01

**Table 9: Percentage of CSR spent in the NE states on each thematic area in Mizoram in 2020-21 (Data from the Ministry of Corporate Affairs)**



Mizoram has only 4 sectors covered with education and health being the priority

ones. The other two sectors have a very meager amount of investment.

## Nagaland

The table below gives a detailed understanding of all the sectors covered in Nagaland in 2020-21.

Thematic Area of CSR expenditure (Nagaland)	Amount Spent
Environment, Animal Welfare, Conservation of Resources	15.2
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	14.25
Rural Development	0.4
Education, Differently Abled, Livelihood	0.01

**Table 10:** Percentage of CSR spent in the NE states on each thematic area in Nagaland in 2020-21 (Data from the Ministry of Corporate Affairs)

Nagaland, like Mizoram, has very few sectors covered and sectors other than environment and health have a very meager amount of investment.

## Meghalaya

The table below gives a detailed understanding of all the sectors covered in Meghalaya in 2020-21.

Thematic Area of CSR expenditure (Meghalaya)	Amount Spent
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	37.24
Education, Differently Abled, Livelihood	24.32
Environment, Animal Welfare, Conservation of Resources	12.7
PM Relief Funds and Similar Funds	7.8
Rural Development	5.06

**Table 11:** Percentage of CSR spent in the NE states on each thematic area in Meghalaya in 2020-21 (Data from the Ministry of Corporate Affairs)

Meghalaya, like Mizoram and Nagaland, have very few sectors covered and sectors other than health and education have a very meager amount of investment.

## Manipur

The table below gives a detailed understanding of all the sectors covered in Manipur in 2020-21.

Thematic Area of CSR expenditure (Manipur)	Amount Spent
Education, Differently Abled, Livelihood	35.97
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	16.85
Rural Development	9.23
Gender Equality and Women Empowerment	0.67
PM Relief Funds and Similar Funds	0.1

**Table 12:** Percentage of CSR spent in the NE states on each thematic area in Manipur in 2020-21 (Data from the Ministry of Corporate Affairs)

Manipur, like Meghalaya, Mizoram, and Nagaland, have very few sectors covered and sectors other than education and health have a very meager amount of investment.

## Tripura

The table below gives a detailed understanding of all the sectors covered in Tripura in 2020-21.

Thematic Area of CSR expenditure (Tripura)	Amount Spent
Education, Differently Abled, Livelihood	54.6
Health, Eradicating Hunger, Poverty, Malnutrition, Safe Drinking Water	11.64
Gender Equality and Women Empowerment	8.05
Rural Development	6.55
Environment, Animal Welfare, Conservation of Resources	0.72
Other Sectors	0.36
Rural Sports and Paralympics	0.07

**Table 13:** Percentage of CSR spent in the NE states on each thematic area in Tripura in 2020-21 (Data from the Ministry of Corporate Affairs)

Sectors covered in Tripura other than education and health have a very small amount of investment.

## 6. Limitations and Inadequacies of CSR Investments in NER

**Difference in CSR investment in the NER can broadly be understood in terms of amount spent, sectors covered, and the number of companies investing in the state. As seen from this policy brief, the NER falls short in all the three aspects.**

### ***Determining the priorities in NER:***

The CSR activity in the NE region has increased and has seen positive benefits in most sectors before the pandemic. However, the post pandemic fall in CSR investment in the region can turn out to be costly despite the fall in almost all states of the country. This is primarily because of the region's unique location and years of isolation. Further, despite the increase in socially beneficial activities in the region, the spending has not gone to democratically determined priorities, but rather to whatever the companies prefer to emphasize. We saw this while understanding the area-wise distribution of CSR expenditure in the region as education and health were the highest spent sectors, but areas like rural sports and gender equality tend to lose out. While education and health require decent expenditure, but the bias towards them at the expense of the other priority sectors cannot be considered fair.

### ***Needs and Issues of sectoral investment in NER:***

We saw that apart from health and education, most of the sectors have been ignored in terms of CSR investment. While health and education are important sectors, there is also a huge potential to improve rural sports and rural development in the region. Gender equality is another such sector which can be given importance in terms of CSR investment.

### ***Need of more Companies in NER:***

The NER has some of the lowest number of companies investing in CSR in the whole country. This needs to change. While it is true that the difference in the number of companies investing in various states depends on a large number of factors, the poor performance of the NER states in this aspect is disturbing. The economic performance of the states, the size of the states, and the presence of forests are some of the important factors. This, however, does not explain the difference in the number of companies investing in Western Himalayan states and the Eastern Himalayan (NER) region. Uttarakhand and Himachal Pradesh fare well as compared to all NER, except Assam. In fact, Uttarakhand does better than Assam in this aspect.

### ***Quality and sustainability of investment in NER:***

The CSR law needs to emphasize more on regions that have a historical isolation. Moreover, the pre-pandemic and the post-pandemic amount of investment are not sufficient, as seen by the fall in investment in all the states. There is a greater need for quality and sustainable investment in the NER, as a result of the post-pandemic fall.

### ***Gaps are evident in NER:***

India is the first country to require companies to expend resources on CSR. There is sound logic behind why other countries have not done this, and India

should not either. The distribution of the CSR funds also shows massive gaps. Rural Sports and Paralympics get the highest allocation of the funds which is 48%, followed by Poverty Alleviation, Healthcare and WASH which is 31%. However, areas like Education and Skills, Gender Equality and Women Empowerment, and Rural Development get a meagre 1%, 2%, and 6% allocation respectively. This is not an ideal allocation of the CSR funds. The North-Eastern region is facing challenges in these and other numerous areas pertaining to CSR investments.

### ***NER and CSR Governance Issues:***

There are issues regarding CSR governance in the NE region. These include issues related to information dissemination, data transparency, investment range, priorities, empanelment issues, portal and digital issues, state wise streamlining, consortium, annual reporting for public domain, etc. Lack of data has been a prime reason for the lack of information regarding CSR issues. While some improvement has been made in terms of recording data, there is still a long way to go. Even if the any work has been done in the region because of CSR investment, lack of data from official or company websites make it difficult to know the true impact of any project. Similarly, lack of data also does not clearly bring out the priority areas. Certain thematic areas need more investment in certain regions, but a lack of data makes it difficult to get that analysis right.

### ***Why Covid-19 CSR Trends in NE Worrisome?***

As the pandemic hit the entire world, CSR expenditure in whole country fell. The NER

is no exception to this. However, this fall in CSR expenditure is especially worrisome for the NER given its separation from the rest of the country. The North East India Region (NER) had its own set of issues before the pandemic. If we compare the region in terms of its SDG achievement, we see that Assam, Arunachal Pradesh, and Manipur are still in aspirant category (0-49) as per the first SDG goal of 'No Poverty'. As per the second goal of 'Zero Hunger', Assam, Meghalaya, and Tripura are still aspirant states. As per the third goal and fourth goals of 'Good Health and Well Being' and 'Quality Education' respectively, Assam and Nagaland are both aspirant states. The region does not do well in the fifth goal of 'Gender Equality'; where all the states including Sikkim are dubbed as non-performers. As per the tenth goal of 'Reduced Inequalities', Tripura and Arunachal Pradesh need improvement.

As the entire region went on a lockdown, unemployment rate increased in the region. The region also saw the return of many migrants who had left the region in search of opportunities. The problem to accommodate and provide gainful employment to the returnees became a crucial area of concern.

The health indicators of the region also reveal that there is a need for sufficient investment in the sector. The region also fares poorly in terms of gender equality and education. The pandemic has made many of these sectors even worse off. The falling CSR investment in 2020-21 is a cause of concern if not backed by an immediate increase in the same in the next few years.

## 7. Recommendations

The CSR expenditure in the region has seen a decline in 2020-21, post pandemic. This fall can be costly for the region and needs to be changed.

***The following recommendations can be made in this regard:***

### **1. Increase the cap of CSR investment from 2%**

Special situations require special laws. The CSR law of mandatory 2% investment needs to be increased to at least 4% post pandemic. The effects of the Covid-19 induced lockdown have been devastating for all. The NER especially needs special attention in this regard.

### **2. More Emphasis on Hilly and Smaller States**

The size and terrain argument will keep the NE states at a disadvantage as most of these states are smaller in size. But at the same time, regions like Delhi do get ample CSR spending despite the similar size. There should be a fair allocation of CSR expenditure and not entirely based on size and terrain. Hilly states tend to be poorer and need more attention.

### **3. Companies should be encouraged to invest more diverse areas with market / industry presence, national strategic interest**

Areas like health and education get more CSR investment, not just in the NE region

but in the entire country. Other areas like rural sports and heritage have large scope in the region and proper allocation of CSR funds in those areas can do wonders. Post-Covid, the need for renewed and increased investments in health and education is going to be an added necessity all over.

### **4. Whether there is a need for the setting up of NER CSR Taskforce to Enhance CSR Investment**

The presence of such a taskforce with multi-stakeholders part of it can look into the proper investment of CSR presence, investment and funds including whether and if the priority sectors are getting enough investment and in good CSR practices and governance in the region, the Task Force involving State Departments and CSOs and academic institutions as a collaborative work force.

### **5. Focus on Aspiration Districts and Leakages**

The invisible unrecorded leakages happening in the region should be taken care of and all the sectors should take equal responsibility for this. There should be a focus on smaller and aspiration districts.

### **6. Focus on New Areas for Investment**

There should be focus on areas like women empowerment, ecology, local participation, and sustainability in terms of CSR funding.

## 8. Conclusion

The CSR expenditure in the North-Eastern region has seen a fall post pandemic as feared. This fall goes in line with the lesser number of companies investing in the region and the fewer sectors covered.

The region also faces a small proportion of the total CSR spending of the country and there is a gap in the division of the CSR expenditure within the region. CSR expenditure has increased in the recent few years in the region before the pandemic, with some states showing more than 200% of growth. Despite this large growth in CSR spending in the states, the actual figures of the CSR expenditure in these states show that the numbers were far from satisfactory. The number reduced even more in 2020-21.

This policy brief was in continuation of our attempt to start a discussion around CSR spending and its role in development in the region. Our first report focused on CSR investment in the region from 2011-20 and this report is a continuation from the previous report.

This policy brief, along with its recommendations, has made an attempt to understand the various issues and challenges regarding CSR in the region and the road ahead. The suggestions have been put forward by taking an understanding of the geographical, regional, and economic environment of the region.

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