
Regulation-Induced CSR

Chhaochharia, Sen, and Xu (2021)

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Summary

Indian Companies Act of 2013 mandated that companies spend 2 percent of their profits towards CSR

Rs 1 million expenditure in education-related CSR, on average, led to

- Enrolment of 49 students
- Two more teachers
- 0.1 more schools

Infrastructure and other facilities at schools improved

Corporate CSR activities: Substantial positive real impact on society

Overall

Well-organized and well-executed

Finance and society

Regulation is successful in achieving its intended goals

Suggestions

District data (Wikipedia?)

- Prowess data (pin codes)

Effect of board committee

- “A board committee comprising of three or more directors, with at least one independent director, was required to be formed that would develop a CSR policy and oversee CSR activities”

Proxies for economic growth (nightlights)

- Reserve Bank of India
 - Handbook of Statistics on Indian Economy
 - Handbook of Statistics on Indian States

Does firms benefit from CSR spending?

- Reputation, consumer behavior?
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Suggestions

Why only NSE firms?

- PRIME data
- Prowess data?

Observations – district-year?

- State-level?

Control variables

CSR-Spending

- Headquarters?
- Regional office?

Minor:

- Typing mistakes (India, Indian, footnote 23)
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Thank You