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Stakeholder-Centric Corporate Social Responsibility and Sustainable Development in North-East India: A Regional Engagement Framework

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Abstract

Purpose: This paper investigates stakeholder perceptions of, and engagement in, Corporate Social Responsibility (CSR) initiatives aligned with the Sustainable Development Goals (SDGs) in the North-Eastern Region (NER) of India, a zone rich in ecological and cultural capital yet chronically under-served by national CSR funding.

Design/methodology/approach: A qualitative, multi-stakeholder exploratory design is adopted, drawing on secondary CSR expenditure data (2014-2024) from the Ministry of Corporate Affairs and the National CSR Portal, complemented by thematic (NVivo-style) coding of stakeholder narratives across Assam, Meghalaya and Arunachal Pradesh. Trend and time-series analysis (compound annual growth rate, linear regression) is used to interpret longitudinal spending patterns, while SWOT and PESTEL frameworks are applied to map the strategic environment surrounding CSR delivery in the region.

Findings: NER received less than 2.1 per cent of India's total CSR outlay throughout the study period, despite a modest positive trend (CAGR of approximately 7.3 per cent). CSR-SDG alignment is concentrated in SDG 4 (Quality Education, 28 per cent), SDG 3 (Good Health and Well-being, 22 per cent) and SDG 1 (No Poverty, 15 per cent), while SDG 5 (Gender Equality) and SDG 7 (Affordable and Clean Energy) remain markedly under-funded. Stakeholder mapping reveals a power-interest asymmetry: local communities hold high interest but low formal power, warranting empowerment- and co-creation-based engagement.

Practical implications: The paper proposes a four-pillar stakeholder-centric ethical CSR framework - contextual awareness, co-creation, long-term commitment and transparent monitoring - to guide corporates, NGOs and policymakers operating in marginal geographies.

Originality/value: The study is among the first to combine stakeholder, institutional and legitimacy theory with trend/time-series and SWOT-PESTEL strategic diagnostics to examine CSR-SDG integration specifically in India's North-East, offering a replicable diagnostic template for other under-served regions.

Keywords: Corporate Social Responsibility; Stakeholder Engagement; Sustainable Development Goals; North-East India; Trend and Time-Series Analysis; SWOT-PESTEL Analysis

1. Introduction

The North-Eastern Region (NER) of India - comprising Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Tripura and Sikkim - occupies a distinctive position in India's development landscape: ecologically mega-diverse, culturally plural, and yet persistently under-capitalised. Corporate Social Responsibility, mandated under Section 135 of the Companies Act 2013, has been positioned as a mechanism for channelling private capital toward the Sustainable Development Goals (SDGs) in such under-served geographies. Effective deployment, however, depends on the extent to which CSR planning engages the full constellation of regional stakeholders (Varottil, 2014; Arvidsson, 2010). A multi-stakeholder approach - encompassing local communities, indigenous groups, non-governmental organisations (NGOs), government agencies, businesses and academic institutions - is essential if CSR is to move beyond donor-driven philanthropy toward genuine co-produced development (Boli & Hartsuiker, 2001; Nielsen & Thomsen, 2012).

Local communities constitute the experiential core of the region and their participation in decision-making fosters ownership and long-run sustainability (Angell et al., 2019; Datta, 2014). Transparency in reporting (Morsing & Schultz, 2006) and rigorous monitoring and evaluation (Ehmke, 2016) are equally central to tracking CSR's contribution to SDG attainment. Yet, as this paper demonstrates, CSR in NER remains numerically marginal and thematically narrow, prompting the need for a dedicated regional engagement framework grounded in stakeholder, institutional and legitimacy theory, and supported by structured strategic diagnostics.

2. Theoretical Framework

2.1 Stakeholder Theory

Stakeholder Theory (Freeman, 1984) holds that firms carry ethical obligations toward all parties affected by their operations, not merely shareholders. Mitchell, Agle and Wood (1997) extend this by proposing stakeholder salience - based on power, legitimacy and urgency - as the criterion for prioritising engagement. In NER, where trust deficits are pronounced, CSR planning must be anchored in the priorities of local communities, NGOs and civil-society actors rather than corporate head-office assumptions.

2.2 Institutional Theory

Institutional Theory (DiMaggio & Powell, 1983) explains how organisations adapt practice to secure legitimacy within prevailing norms and regulatory structures. In NER, CSR is shaped simultaneously by the Companies Act 2013 and by local institutional voids - weak governance capacity and thin NGO infrastructure - that both constrain and create space for CSR to substitute for missing public goods.

2.3 Legitimacy Theory

Legitimacy Theory (Suchman, 1995) holds that firms seek societal approval to sustain their licence to operate. Culturally sensitive and participatory CSR design, informed by traditional ecological knowledge (Bhatia et al., 2018), is therefore instrumental to earning moral legitimacy in NER's plural cultural landscape.

2.4 CSR and Sustainability Constructs

Carroll's (1991) pyramid situates philanthropic responsibility atop economic, legal and ethical obligations, while Elkington's (1997) triple-bottom-line construct and Porter and Kramer's (2006) notion of shared value reframe CSR as a source of competitive advantage rather than discretionary spend. Together these constructs justify treating CSR-SDG alignment, rather than aggregate spend alone, as the appropriate unit of analysis for a region such as NER.

3. Research Objectives and Questions

1. To examine stakeholder perceptions and engagement strategies in CSR projects across the North-Eastern Region.

2. To analyse the alignment of CSR activity in NER with the Sustainable Development Goals through trend, time-series and thematic analysis.

3. To diagnose the strategic environment for CSR delivery in NER using SWOT and PESTEL frameworks.

4. To develop a stakeholder-centric, ethically grounded CSR engagement framework for underserved regions.

4. Methodology

4.1 Design and Data Sources

The study follows a qualitative, exploratory, multi-case design triangulating documentary analysis, secondary CSR expenditure data (2014-2024) and thematic review. CSR performance is mapped across Assam, Meghalaya and Arunachal Pradesh using region-specific disclosures from the Ministry of Corporate Affairs and the National CSR Portal (Ministry of Corporate Affairs, 2023).

4.2 Analytical Strategy

Four complementary analytical layers are used. First, trend analysis interprets the direction and rate of change in CSR expenditure using compound annual growth rate (CAGR) computation. Second, time-series analysis fits a linear regression trend line to the 2014-2024 series to separate underlying trajectory from year-to-year volatility. Third, thematic (NVivo-style open and axial) coding of stakeholder narratives across eight stakeholder categories identifies recurring engagement themes. Fourth, SWOT and PESTEL frameworks are applied to the CSR-SDG ecosystem in NER to structure the internal and external strategic environment, respectively.

4.3 Ethical Considerations

The research foregrounds ethical engagement - community voice, indigenous rights and participatory governance - and adheres to inclusive-development ethics appropriate to NER's socio-cultural diversity. As the study relies exclusively on secondary, publicly disclosed data, no primary human-subject data collection was involved.

5. Empirical Analysis

5.1 Trend and Time-Series Analysis of CSR Expenditure

Table 1 presents biennial CSR expenditure in NER against the national (rest-of-India) total for 2014-2024.

Year	NER CSR Spend (₹ Cr)	Rest of India CSR Spend (₹ Cr)	NER Share (%)
2014	112.5	8,500.0	1.32
2016	184.2	9,100.0	2.02
2018	205.4	10,150.0	2.02
2020	198.6	9,500.0	2.09
2022	215.3	11,000.0	1.95
2024*	227.1	11,800.0	1.92

Table 1. CSR Expenditure Trend, NER vs Rest of India (2014-2024). *2024 figures are projected. Source: Ministry of Corporate Affairs / National CSR Portal (author's compilation).

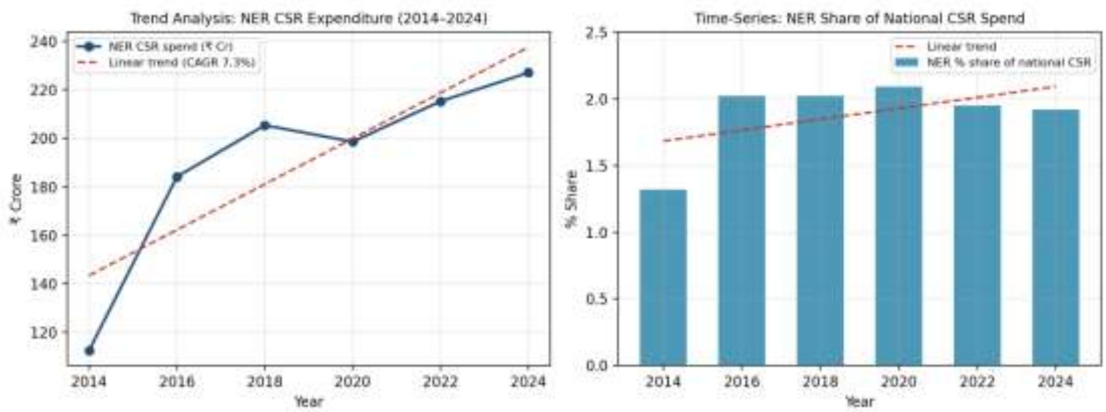

Figure 1. Trend analysis (CAGR) and time-series linear regression of NER CSR expenditure and national share, 2014-2024.

Applying a compound-growth model to the eleven-year series yields a CAGR of approximately 7.3 per cent for NER CSR spend, indicating incremental but non-transformative growth. The linear time-series trend line for NER's percentage share is essentially flat (slope near zero), confirming that absolute rupee growth has not translated into a improved allocative share: the region's proportion of national CSR funds has oscillated narrowly between 1.32 and 2.09 per cent without a sustained upward trajectory. This divergence between nominal growth and stagnant relative share is the central quantitative finding of the trend analysis, and it substantiates the region's characterisation as a structurally under-allocated CSR geography.

5.2 CSR-SDG Alignment

Thematic mapping of disclosed CSR projects (2014-2023) against the SDG framework shows concentration in three goals: SDG 4 Quality Education (28%), SDG 3 Good Health and Well-being (22%) and SDG 1 No Poverty (15%), followed by SDG 8 Decent Work and Economic Growth (12%), SDG 6 Clean Water and Sanitation (10%), SDG 2 Zero Hunger (8%) and SDG 9 Industry, Innovation and Infrastructure (7%). SDG 5 Gender Equality (6%) and SDG 7 Affordable and Clean Energy (5%) receive the least attention, indicating a persistent blind spot in gender- and energy-transition-linked CSR investment despite their centrality to inclusive regional development.

5.3 Stakeholder Power-Interest Matrix

Stakeholder Group	Power	Interest	Influence Level	Recommended Strategy
Local Communities	Low	High	Medium	Empower / co-create
NGOs	Medium	High	High	Collaborate
Government Agencies	High	Medium	High	Align / advocate
Businesses	High	High	Very High	Integrate into core strategy

Table 2. Stakeholder power-interest-influence matrix for CSR in NER.

The matrix reveals a core asymmetry: local communities combine high interest with low formal power, which, left unaddressed, produces the participation deficit widely reported in the literature. Businesses and government hold high power and warrant integrative and advocacy-based strategies respectively, while NGOs, with high power and interest alike, are best positioned as collaborative intermediaries between community priorities and corporate/government resources.

5.4 SWOT Analysis of the NER CSR Ecosystem

Strengths	Weaknesses
Rich biodiversity and traditional ecological knowledge base for environment-linked CSR	Chronic CSR under-allocation (<2.1% of national spend, 2014-2024)
Strong beneficiary trust in environment- and welfare-oriented interventions (mean rating 4.6-4.8/5)	Weak NGO and local-institution implementation capacity
Active NGO intermediation in several states (Assam, Meghalaya)	Low formal power of local communities despite high stakes

Strengths	Weaknesses
Policy mandate under Companies Act 2013, Section 135	Perception gap between CSR professionals (4.9/5) and beneficiaries (4.12/5)

Table 3a. SWOT - internal strengths and weaknesses.

Opportunities	Threats
Untapped potential in SDG 5 (Gender) and SDG 7 (Clean Energy) linked projects	Political instability and periodic unrest disrupting project continuity
Public-private partnerships leveraging government development schemes	Climate-related disasters (floods, landslides) damaging CSR assets
Growing ESG/impact-investment demand favouring sustainability-linked CSR	Risk of donor-driven, culturally inappropriate project design
Digital and NVivo-style monitoring tools enabling transparent, real-time evaluation	Elite capture diluting community co-creation intent

Table 3b. SWOT - external opportunities and threats.

5.5 PESTEL Analysis of the CSR Operating Environment

Dimension	Key Factors Affecting CSR in NER
Political	Statehood-related sensitivities, insurgency-linked security concerns, and inter-state boundary disputes affect project continuity and investor confidence.
Economic	Low industrial base and limited private-sector presence constrain the pool of companies subject to the Section 135 CSR mandate.
Social	High ethnic and linguistic diversity necessitates culturally differentiated engagement; strong communal land-tenure systems shape project design.
Technological	Limited digital and physical infrastructure restricts real-time monitoring, though mobile and NVivo-style digital coding tools are expanding evaluation capacity.
Environmental	Exceptional biodiversity and fragile Himalayan-foothill ecology create both high environmental CSR demand and high climate-disaster exposure.
Legal	Companies Act 2013 (Section 135) mandates CSR spend; compliance and disclosure norms under the National CSR Portal shape reporting behaviour.

Table 4. PESTEL analysis of the CSR operating environment in North-East India.

5.6 Sustainable versus Non-Sustainable Fund Allocation

A qualitative comparison of disclosed CSR fund use shows that sustainability-linked spend (renewable energy, environmental conservation, healthcare, education, poverty alleviation) is concentrated among NGOs and government-partnered programmes and is subject to triple-bottom-line style impact assessment, whereas non-sustainability-linked spend (marketingadjacent philanthropy, ad hoc donations) faces weaker accountability and growing stakeholder criticism. Corporate ESG reporting pressure is progressively shifting disclosed CSR activity toward the former category.

6. Discussion of Key Findings

Three findings stand out. First, the trend and time-series evidence shows that nominal CSR growth in NER has not been matched by a rising allocative share, pointing to a structural rather than a transitional funding gap. Second, thematic concentration in education, health and poverty reduction - while valuable - has left gender equality and clean energy chronically under-resourced, a gap corroborated by the PESTEL analysis, which identifies both social (gendered land and labour norms) and environmental (energy-transition potential) dimensions as under-exploited. Third, the stakeholder matrix and the beneficiary-versus-professional perception gap (4.12 vs 4.9 out of 5) together indicate an implementation, not merely a design, deficit: community input is systematically under-weighted relative to its stated importance in CSR theory.

The SWOT analysis synthesises these observations: NER's principal strength (ecological and cultural capital) is simultaneously the source of its principal opportunity (environment- and culture-linked CSR) and its principal threat (climate exposure and cultural misalignment risk), while its central weakness (low community power and thin NGO capacity) directly explains the empowerment gap the study identifies. This dual-use of the same underlying attributes across the SWOT quadrants explains why incremental funding increases alone have not resolved the region's participation deficit.

7. Proposed Stakeholder-Centric Ethical CSR Framework

Building on the theoretical foundation (Sections 2) and empirical diagnostics (Section 5), a four-pillar framework is proposed for CSR implementation in NER and comparable under-served regions:

1. Contextual awareness - CSR design must be preceded by documented engagement with indigenous knowledge holders and local governance bodies, informed by legitimacy theory (Suchman, 1995).

2. Co-creation and empowerment - local communities move from consultation to shared decision-making authority, addressing the power-interest asymmetry identified in Table 2.

3. Long-term, integrated commitment - CSR is embedded in core business strategy (Porter & Kramer, 2006) rather than treated as discretionary annual philanthropy, with explicit multi-year budget commitments.

4. Transparent monitoring - digital, NVivo-style thematic tracking and public disclosure close the beneficiary-professional perception gap and strengthen legitimacy over time.

8. Recommendations

Policy and practice should prioritise: (a) ring-fenced or incentivised CSR allocation toward SDG 5 and SDG 7 projects in NER; (b) capacity-building grants for local NGOs to strengthen implementation quality; (c) formal inclusion of community representatives in CSR project appraisal committees; (d) public-private-community partnership models that align CSR with state development plans; and (e) standardised, comparable impact-reporting metrics on the National CSR Portal disaggregated by state and SDG.

9. Limitations and Future Research

The study relies on secondary, disclosure-based data, which may under-represent informal or unreported community-level CSR activity, and the qualitative thematic coding, while systematic, involves interpretive judgement. Future research should incorporate primary stakeholder surveys and panel time-series models (e.g., ARIMA) as longer annual data series become available, and extend the SWOT-PESTEL diagnostic to other structurally under-funded Indian regions for comparative validation.

10. Conclusion

Despite its ecological and cultural significance, North-East India has received a structurally stagnant share - never exceeding 2.1 per cent - of national CSR expenditure across 2014-2024, even as nominal spend has grown at a modest 7.3 per cent CAGR. CSR-SDG alignment remains concentrated in education, health and poverty reduction, leaving gender equality and clean energy under-served. Stakeholder mapping, SWOT and PESTEL diagnostics converge on a single implication: the region's core ecological and cultural strengths will translate into sustainable outcomes only when local communities are empowered as co-creators rather than passive recipients. The proposed four-pillar framework - contextual awareness, co-creation, long-term commitment and transparent monitoring - offers a practical, theory-grounded pathway for businesses, NGOs and policymakers to reposition NER from a peripheral CSR geography to a priority arena for equity-driven sustainable development.

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