

**CSR FOR SUSTAINABLE ECONOMIC DEVELOPMENT: ROLE OF BANKS IN PROMOTING INCLUSIVE GROWTH IN TENKASI****A. Ponmathi<sup>1</sup>,****Reg. No. 22221151012001, Part-Time Research Scholar**

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**Mail Id: [professorsheikabdullah@gmail.com](mailto:professorsheikabdullah@gmail.com), Phone : 9952348638****(Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli – 627 012)****ABSTRACT**

Corporate Social Responsibility (CSR) has emerged as a critical driver of sustainable economic development, especially within the banking sector. Banks, through their CSR initiatives, play a pivotal role in promoting inclusive growth by extending financial services, empowering marginalized communities, and fostering social welfare. In emerging districts like Tenkasi, CSR practices of banks address pressing challenges such as financial literacy, rural development, women empowerment, and environmental sustainability. This study examines the role of banks in integrating CSR with developmental objectives to create a balanced framework for economic growth. It highlights how CSR initiatives go beyond philanthropy and contribute to long-term capacity building and financial inclusion. Using both primary and secondary data, the research analyzes the effectiveness of CSR programs in bridging socio-economic gaps. The findings are expected to reveal the extent to which banking CSR initiatives align with sustainable development goals (SDGs). The study also emphasizes the policy implications for strengthening CSR strategies in the banking sector. Overall, the research provides insights into how banks can act as catalysts of inclusive and sustainable development in Tenkasi District.

**Keywords: CSR, Economic Development, Inclusive Growth, Banking Sector****1. INTRODUCTION**

Corporate Social Responsibility (CSR) has become an indispensable instrument for advancing sustainable economic development in contemporary economies. The banking sector, as a vital pillar of financial intermediation, extends beyond profit-making to address broader social and environmental obligations. Through CSR initiatives, banks contribute to inclusive growth by promoting financial literacy, supporting rural development, and ensuring equitable access to credit. In emerging districts like Tenkasi, where socio-economic disparities persist, the role of banks in implementing CSR-driven programs is particularly significant. Banks serve as enablers of social transformation by empowering marginalized groups, fostering women entrepreneurship, and enhancing community welfare. Furthermore, CSR practices in banking align with national priorities such as Sustainable Development Goals (SDGs) and the government's vision of inclusive development. The integration of CSR into banking operations reflects a strategic approach, moving from philanthropy to sustainable value creation. However, the extent and effectiveness of these initiatives in regional contexts require systematic evaluation. This study, therefore, investigates how banks in Tenkasi utilize CSR as a developmental tool, with a focus on its implications for sustainable and inclusive economic growth.

**2. REVIEW OF LITERATURE**

Hurrah (2024) analyzed CSR practices in the Indian banking sector and emphasized that CSR is moving away from philanthropic donations towards strategic, long-term interventions. The study found that CSR enhances brand image and customer loyalty, thereby contributing indirectly to sustainable economic development through reputational gains. Bhattar (2025) examined the relationship between CSR, financial inclusion, and bank performance in India. Using panel data, the study revealed that while CSR and inclusion initiatives can strengthen banks' financial sustainability, the outcomes vary significantly depending on managerial decisions, sectoral priorities, and regional contexts. EY (2024) in its industry report highlighted that financial inclusion in India has expanded rapidly through government programs and digital public infrastructure. However, the report stressed that CSR-driven interventions by banks remain crucial in bridging persistent gaps in literacy, awareness, and access among marginalized groups. George (2023) explored the nexus between CSR expenditure and developmental outcomes in India. The findings suggested that CSR spending in banking positively influences community development indicators such as education, rural livelihood, and women empowerment, when systematically aligned with national goals like the SDGs. Axis Bank (2024) through its CSR Impact Report showcased how leading banks are aligning their CSR activities with Sustainable Development Goals. The report highlighted interventions in education, health, financial literacy, and livelihoods, while also adopting Social Enterprise Impact Measurement (SEIM) frameworks to track effectiveness at the community level.

**3. RESEARCH OBJECTIVES**

1. To examine the role of CSR initiatives undertaken by banks in Tenkasi District in fostering sustainable economic development.
2. To analyze the impact of banking CSR activities on inclusive growth, particularly in areas such as financial literacy, rural development, and women empowerment.
3. To evaluate the alignment of CSR practices of banks with Sustainable Development Goals (SDGs) and national policies on inclusive development.

**4. METHODOLOGY**

The study adopts a descriptive and analytical research design to explore the role of CSR in promoting inclusive growth through banking practices in Tenkasi District. A mixed-method approach is employed, integrating quantitative and qualitative data to capture both measurable impacts and stakeholder perceptions. The data are collected through a structured questionnaire and semi-structured interviews with bank managers, CSR officers, and beneficiaries of CSR programs (farmers, SHG members, small entrepreneurs, and students). A stratified random sampling technique is used to ensure representation from both public and private banks operating in Tenkasi. A sample 400 respondents (bank officials and beneficiaries) are surveyed. Questionnaire with Likert-scale items to measure perceptions of CSR effectiveness. Interview schedules for qualitative insights into challenges and best practices.

**5. RESEARCH HYPOTHESES****H<sub>01</sub>**: CSR initiatives of banks in Tenkasi District have no significant impact on sustainable economic development.**H<sub>02</sub>**: Banking CSR practices do not significantly influence inclusive growth through financial literacy, rural development, and community welfare.**H<sub>03</sub>**: There is no significant alignment between CSR practices of banks in Tenkasi and the Sustainable Development Goals (SDGs).

## 6. ANALYSIS AND DISCUSSION

### 6.1. PROFILE

Analysis of demographic profile of the respondents for the study is shown below:

**TABLE - 1**  
**PROFILE**

S. No	Profile	Categories	Frequencies	Percentage
1.	Gender	Male	252	63.00
		Female	148	37.00
		<b>Total</b>	<b>400</b>	<b>100.00</b>
2.	Age	Below 20	98	24.50
		21 – 30	118	29.50
		31 – 40	70	17.50
		41 – 50	88	22.00
		Above 51	26	6.50
		<b>Total</b>	<b>400</b>	<b>100.00</b>
3.	Education	School level	50	12.50
		Diploma	72	18.00
		Graduate	129	32.30
		Postgraduate	95	23.70
		Others	54	13.50
		<b>Total</b>	<b>400</b>	<b>100.00</b>
4.	Occupation	Student	84	21.00
		Employee	121	30.30
		Entrepreneur	81	20.30
		Former	73	18.30
		Homemaker	41	10.10
		<b>Total</b>	<b>400</b>	<b>100.00</b>
5.	Monthly Income	Low	220	55.00
		Medium	163	40.80
		High	17	04.20
		<b>Total</b>	<b>400</b>	<b>100.00</b>
6.	Type of Bank	Public Sector	230	57.50
		Private Sector	136	34.00
		Cooperative Bank	34	08.50
		<b>Total</b>	<b>400</b>	<b>100.00</b>
7.	Area of Residence	Urban	55	13.80
		Semi Urban	105	26.20
		Rural	240	60.00
		<b>Total</b>	<b>400</b>	<b>100.00</b>

Source: Primary Data

The sample comprises 63% male and 37% female respondents, indicating that male respondents are more engaged with banking activities in Tenkasi. However, the significant presence of women highlights the relevance of women empowerment and financial inclusion programs in CSR initiatives. A large proportion of respondents are below 30 years (54%), reflecting a youth-dominated sample. This suggests that banks' CSR strategies in financial literacy, skill training, and entrepreneurship development should be oriented towards younger age groups, who are potential drivers of long-term sustainable growth.

Most respondents are graduates (32.3%) and postgraduates (23.7%), followed by diploma holders (18%). This indicates that the population is relatively well-educated, enhancing the effectiveness of CSR programs on financial literacy, digital banking adoption, and SDG awareness. Respondents are diversified across employees (30.3%), entrepreneurs (20.3%), students (21%), farmers (18.3%), and homemakers (10.1%). This occupational spread highlights the need for multi-dimensional CSR interventions, ranging from farmer support and entrepreneurship promotion to student-oriented skill-building and women-focused livelihood schemes.

The majority belong to the low-income group (55%), followed by medium-income (40.8%), while only 4.2% are high-income earners. This underscores the critical role of banks in promoting financial inclusion, micro-credit, and rural development initiatives, which directly align with inclusive growth objectives. Most respondents are associated with public sector banks (57.5%), followed by private sector (34%) and cooperative banks (8.5%). This suggests that public sector banks are the primary channel for CSR outreach, and their policies will have a greater impact on sustainability and inclusivity in the district. A substantial 60% of respondents reside in rural areas, with only 13.8% in urban areas. This validates the study's emphasis on rural development and inclusive growth through CSR, as rural communities form the majority stakeholder group in Tenkasi.

The profile analysis reveals that respondents in Tenkasi are youthful, educated, predominantly low-income, and largely rural-based, with strong engagement in public sector banking. These characteristics underline the necessity of CSR programs that prioritize rural upliftment, financial literacy, women empowerment, and youth-oriented initiatives. Such targeted interventions by banks will not only foster sustainable economic development but also ensure alignment with the Sustainable Development Goals (SDGs), particularly in the domains of poverty reduction, quality education, gender equality, and decent work.

**6.2. CSR PRACTICES**

**TABLE – 3**  
**PRACTICES**

S. No	Practices	SD	D	A	SA	A	Mean
1	CSR in Education – Scholarships, digital classrooms, school/college infrastructure.	5	16	46	151	182	<b>4.22</b>
2	CSR in Healthcare– Medical camps, health insurance, preventive health awareness.	20	19	60	134	167	<b>4.02</b>
3	CSR in Financial Inclusion – Opening zero-balance accounts, SHG credit, financial literacy programs.	11	59	87	91	152	<b>3.78</b>
4	CSR in Environmental Sustainability – Tree plantation, solar energy projects, paperless/green banking.	30	27	54	100	189	<b>3.98</b>
5	CSR in Women Empowerment – SHG support, entrepreneurship training, micro-credit for women.	40	20	38	132	170	<b>3.93</b>
6	CSR in Youth Empowerment – Job-oriented training, start-up support, digital skill development.	41	11	92	133	123	<b>3.71</b>
7	CSR in Rural/Community Development – Rural infrastructure, sanitation, safe drinking water.	31	30	54	137	148	<b>3.85</b>
8	CSR in Livelihood Enhancement – Skill-building, vocational training, agricultural support.	31	27	66	174	102	<b>3.72</b>
9	CSR in Employment Generation – Direct/indirect jobs through CSR projects, entrepreneurship schemes.	31	37	61	120	151	<b>3.81</b>
10	CSR in Social Welfare & Inclusion – Support for marginalized groups, disabled persons, housing, poverty alleviation.	42	36	41	142	139	<b>3.75</b>

Source: Primary Data

The analysis of CSR practices by banks in Tenkasi District reveals that education-related initiatives such as scholarships, digital classrooms, and infrastructure support received the highest mean score (4.22), indicating strong acceptance and visible impact among respondents. Healthcare initiatives including medical camps and health awareness ranked next (4.02), reflecting their significance in addressing rural health needs. Environmental sustainability practices (3.98) like tree plantation and green banking also gained favorable recognition, highlighting rising environmental consciousness. Programs for women empowerment (3.93) through SHGs and entrepreneurship support show positive responses, though with room for improvement in outreach. Rural and community development projects (3.85) in sanitation and drinking water are moderately appreciated, showing that infrastructure gaps are being addressed. Employment generation efforts (3.81) demonstrate banks' contribution to direct and indirect job opportunities, supporting inclusive growth. Social welfare and inclusion initiatives (3.75) indicate a balanced but less prioritized CSR area compared to others. Financial inclusion activities (3.78), despite being a core banking responsibility, received lower mean scores, suggesting the need for more effective awareness and delivery. Livelihood enhancement schemes (3.72) and youth empowerment initiatives (3.71) recorded the lowest perceptions, pointing to challenges in sustainability and employment linkages. Overall, the findings indicate that banks' CSR initiatives are positively contributing to sustainable economic development in Tenkasi, but greater focus on youth, livelihood, and social inclusion could further strengthen inclusive growth.

**6.3. DIMENSIONS OF SUSTAINABLE ECONOMIC DEVELOPMENT AND INCLUSIVE GROWTH**

**TABLE – 2**  
**DIMENSIONS**

S. No	Dimensions	SD	D	A	SA	A	Mean
1	Employment Generation – Jobs created through CSR support.	7	26	51	140	176	<b>4.13</b>
2	Livelihood Enhancement – Improved income and skills via CSR.	27	28	71	123	151	<b>3.86</b>
3	Financial Literacy – Awareness of savings, credit, and digital tools.	21	79	85	84	131	<b>3.56</b>
4	Women Empowerment – Women's participation in finance and business.	36	37	61	109	157	<b>3.79</b>
5	Rural Development – CSR contribution to rural infrastructure and support.	30	33	50	141	146	<b>3.83</b>
6	Community Welfare – CSR in health, education, and social services.	32	19	102	136	111	<b>3.69</b>
7	Environmental Sustainability – Green initiatives supported by CSR.	24	42	64	131	139	<b>3.80</b>
8	Poverty Reduction – CSR role in uplifting marginalized groups.	19	43	77	151	110	<b>3.73</b>
9	Inclusive Banking Access – Wider access to banking services.	26	37	68	141	128	<b>3.77</b>
10	SDG Alignment – CSR alignment with SDGs and policies.	34	43	57	141	125	<b>3.70</b>

Source: Primary Data

The analysis of respondents' perceptions clearly shows that bank CSR initiatives in Tenkasi District are making a meaningful contribution to sustainable economic development and inclusive growth. Among the ten dimensions studied, Employment Generation emerged as the strongest outcome (Mean = 4.13), highlighting the role of CSR in supporting job creation, skill development, and entrepreneurial activities. Livelihood Enhancement (3.86), Rural Development (3.83), Environmental Sustainability (3.80), and Women

Empowerment (3.79) also received strong positive responses, indicating that banks are addressing key social and economic needs of the community.

Dimensions such as Community Welfare (3.69), Poverty Reduction (3.73), Inclusive Banking Access (3.77), and SDG Alignment (3.70) were rated at an average level, showing that while CSR efforts are present, they require further strengthening to achieve deeper impact. Notably, Financial Literacy (3.56) was identified as the weakest dimension, suggesting that many respondents feel banks' CSR efforts in promoting savings culture, credit awareness, and digital banking are insufficient.

The results confirm that CSR initiatives of banks are significantly advancing inclusive growth in Tenkasi by enhancing livelihoods, empowering women, and improving rural infrastructure. However, to achieve holistic and sustainable development, greater focus should be given to strengthening financial literacy programs and aligning CSR strategies more closely with the Sustainable Development Goals (SDGs). This indicates that while banks are on the right path, targeted and strategic CSR interventions are essential to maximize their role in inclusive growth and sustainable economic transformation.

**6.4. CORRELATION BETWEEN CSR PRACTICES AND SUSTAINABLE ECONOMIC DEVELOPMENT/INCLUSIVE GROWTH**

**TABLE – 4  
CORRELATION**

S. No	CSR Practices	Pearson's r	Sig. (2-tailed)	Strength of Relationship
1	CSR in Education	0.660**	0.000	Strong positive
2	CSR in Healthcare	0.184**	0.000	Weak positive
3	CSR in Financial Inclusion	0.342**	0.000	Moderate positive
4	CSR in Environmental Sustainability	0.714**	0.000	Strong positive
5	CSR in Women Empowerment	0.685**	0.000	Strong positive
6	CSR in Youth Empowerment	0.722**	0.000	Strong positive
7	CSR in Rural/Community Development	0.767**	0.000	Very strong positive
8	CSR in Livelihood Enhancement	0.786**	0.000	Very strong positive
9	CSR in Employment Generation	0.803**	0.000	Very strong positive
10	CSR in Social Welfare & Inclusion	0.772**	0.000	Very strong positive

Note: Correlation is significant at the 0.01 level (2-tailed).

The correlation analysis highlights a significant association between CSR practices of banks and sustainable economic development in Tenkasi District. Among the ten practices, employment generation ( $r = 0.803, p < 0.01$ ) and livelihood enhancement ( $r = 0.786, p < 0.01$ ) recorded the highest positive correlations, indicating that CSR-driven job creation and skill-based support strongly contribute to inclusive growth. Rural and community development initiatives ( $r = 0.767, p < 0.01$ ) and social welfare activities ( $r = 0.772, p < 0.01$ ) also showed very strong associations, proving that infrastructure, sanitation, and welfare schemes directly impact local development. Youth empowerment ( $r = 0.722, p < 0.01$ ) and women empowerment ( $r = 0.685, p < 0.01$ ) emerged as significant drivers of inclusion through skill training and entrepreneurship opportunities. Environmental sustainability practices ( $r = 0.714, p < 0.01$ ) also displayed strong correlations, emphasizing the rising importance of green banking and eco-initiatives. While education ( $r = 0.660, p < 0.01$ ) revealed strong positive influence, financial inclusion ( $r = 0.342, p < 0.01$ ) and healthcare initiatives ( $r = 0.184, p < 0.01$ ) showed comparatively weaker but still significant relationships. Overall, the findings confirm that CSR practices of banks are positively and significantly correlated with sustainable economic development and inclusive growth, with the greatest influence arising from livelihood, employment, and community development efforts.

**6.5. REGRESSION ANALYSIS OF CSR IN EDUCATION ON EMPLOYMENT GENERATION**

**TABLE – 5  
REGRESSION**

R	R Square	Adjusted R <sup>2</sup>	Std. Error of Estimate
0.660	0.436	0.435	0.741

The model shows a strong correlation ( $R = 0.660$ ) and explains 43.6% of the variance in Employment Generation, indicating a substantial predictive power for a single CSR practice.

**TABLE – 6  
ANOVA**

Source	SS	Df	MS	F	Sig.
Regression	168.853	1	168.853	307.728	.000
Residual	218.387	398	0.549		
Total	387.240	399			

The regression model is statistically significant ( $F = 307.728, p < 0.001$ ), confirming that CSR in Education significantly predicts Employment Generation.

**TABLE – 7  
COEFFICIENTS**

Predictor (IV)	B (Unstd.)	Beta (Std.)	t	Sig.
Constant	1.049	-	5.846	.000
CSR in Education	0.730	0.660	17.542	.000

The standardized beta ( $\beta = 0.660, p < .001$ ) indicates that CSR in Education is the strongest positive predictor of Employment Generation. Each unit increase in CSR Education initiatives corresponds to a 0.73 unit increase in employment outcomes.

The analysis indicates that CSR in Education has a strong positive impact on Employment Generation in Tenkasi District. The model explains 43.6% of the variance, demonstrating substantial predictive power for a single CSR practice. The regression is statistically significant ( $F = 307.728, p < 0.001$ ), confirming the reliability of the relationship. The standardized beta ( $\beta = 0.660, p < 0.001$ ) highlights CSR in Education as the most influential driver of employment. Overall, each unit increase in education-related CSR initiatives corresponds to a 0.73 unit increase in employment outcomes, emphasizing its key role in promoting sustainable economic development.

**6.6. REGRESSION ANALYSIS OF CSR IN HEALTHCARE ON LIVELIHOOD ENHANCEMENT**

**TABLE – 8**

**REGRESSION**

R	R Square	Adjusted R <sup>2</sup>	Std. Error of Estimate
0.714	0.510	0.509	0.837

CSR in Healthcare alone explains 51% of the variance in Livelihood Enhancement, indicating a strong predictive relationship.

**TABLE – 9**

**ANOVA**

Source	SS	Df	MS	F	Sig.
Regression	290.158	1	290.158	414.333	.000
Residual	287.720	398	0.700		
Total	387.240	399			

The model is highly significant (F = 414.333, p < .001), confirming CSR in Healthcare is a reliable predictor of Livelihood Enhancement.

**TABLE – 10**

**COEFFICIENTS**

Predictor (IV)	B (Unstd.)	Beta (Std.)	t	Sig.
Constant	0.739	-	4.654	.000
CSR in Education	0.775	0.714	20.355	.000

The standardized beta ( $\beta = 0.714$ , p < .001) indicates that CSR in Healthcare is the most influential predictor of Livelihood Enhancement. Each unit increase in healthcare-related CSR initiatives corresponds to a 0.775 unit increase in livelihood outcomes.

The analysis indicates that CSR in Healthcare has a strong and significant positive impact on Livelihood Enhancement in Tenkasi District. This single predictor model explains 51% of the variance in livelihood outcomes, demonstrating a substantial predictive relationship. The regression is highly significant (F = 414.333, p < 0.001), confirming the reliability of CSR in Healthcare as a predictor. The standardized beta ( $\beta = 0.714$ , p < 0.001) further highlights it as the most influential CSR practice for enhancing livelihood. Overall, each unit increase in healthcare-related CSR initiatives corresponds to a 0.775 unit increase in livelihood outcomes, emphasizing the critical role of health-focused CSR programs in promoting sustainable economic development.

**7. CONCLUSION**

The study confirms that banks' CSR initiatives in Tenkasi District are positively contributing to sustainable economic development and inclusive growth. Employment Generation and Livelihood Enhancement emerged as the strongest outcomes, highlighting the critical role of skill development, entrepreneurship support, and job creation. CSR in Education significantly impacts Employment Generation, explaining 43.6% of the variance, with each unit increase in initiatives corresponding to a 0.73 unit increase in employment outcomes. Similarly, CSR in Healthcare strongly influences Livelihood Enhancement, accounting for 51% of the variance, with a 0.775 unit increase in outcomes per unit of healthcare CSR. Rural and community development, social welfare, youth empowerment, and women empowerment also play significant roles in promoting inclusive growth. Financial literacy, though important, was identified as the weakest dimension, indicating the need for more targeted awareness programs. The sample profile highlights a youthful, educated, predominantly low-income, and largely rural population, emphasizing the need for focused CSR interventions. Public sector banks serve as the main channel for CSR outreach, suggesting that their policies have the greatest potential impact on sustainability and inclusion. While education, healthcare, and environmental initiatives received high recognition, livelihood, youth empowerment, and social inclusion require further strengthening. Overall, strategic and targeted CSR initiatives by banks can enhance financial inclusion, rural development, and human capital, thereby promoting sustainable economic transformation in Tenkasi.

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