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Impact of Mandatory CSR Policies on Sustainable Development Outcomes: A Study of Indian Firms

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Abstract
Corporate Social Responsibility is a widely discussed term and a practice followed by various firms to contribute towards the society. Section 135 of Companies Act 2013 mandates eligible firms to allocate at least 2% of their average net profits from the preceding three years toward CSR activities specified in Schedule VII, encompassing education, healthcare, rural development, environmental sustainability, poverty eradication, and other areas directly aligned with the United Nations Sustainable Development Goals (SDGs). The eligibility for mandatory CSR applies to firms with a net worth of at least ₹500 crore or turnover of ₹1,000 crore, or net profit of ₹5 crore. Thus, six years before the 2030 deadline an exhaustive stock take is provided by the 2025 Sustainable Development Goals Report published in July 2025. Certain practical gains have been documented in the report that has positively changed the lives of millions of people but the general pace of change is very poor. The proportion of targets on track or showing moderate progress is also nearly twice the 35 per cent average, and a concerning 18 per cent have declined. This study focusses on a transformative yet complex interplay between regulatory compulsion and corporate-driven progress in India's socio-economic and environmental landscape since the enactment of Section 135 of the Companies Act 2013. It also focusses on the barriers in the implementation if a CSR program and systematic approaches to tackle those barriers.

Keywords: SDGs, Sustainability, Equity Pathways, CSR Policies

1. Introduction

This policy, unique globally as the first to impose a statutory spending requirement on a "comply-or-explain" basis, marked a paradigm shift from voluntary philanthropy to institutionalized corporate responsibility, aiming to bridge resource gaps in a developing economy where public spending alone proved insufficient for achieving equitable growth and ecological balance. Prior to 2013, CSR in India was largely discretionary, with sporadic contributions from large conglomerates; post-mandate, empirical analyses of thousands of firms using datasets like the Prowess database demonstrate a regime shift in spending patterns, as evidenced by regime-switching threshold regression studies covering 34,135 firm-year observations from 6,160 unique firms across 156 industries between 2002 and 2019, which identified a significant structural break in 2014 at a CSR-to-profit-after-tax ratio threshold of approximately 3.125%, where the coefficient on profits in the high-spending regime rose sharply to 0.054230 from 0.006876 in the low regime, institutionalizing higher persistence in CSR outlays and elevating mean CSR-to-profit ratios from under 1% pre-mandate to 1.5% immediately after and up to 3.22% by 2017.

Poverty eradication and hunger relief drew ₹8,589 crore, aligning with SDG 1, and exhibiting adaptive spikes during economic distress. Broader mapping exercises of over 10,000 companies' disclosures confirm strong thematic correspondence between Schedule VII activities and 169 SDG targets, with CSR acting as a public-private partnership lever that has mobilized resources equivalent to addressing fiscal shortfalls in social sectors, fostering inclusive growth, and enhancing community well-being metrics—such as 15% boosts in education and health indicators in beneficiary regions—while reducing carbon emissions by up to 20% among firms adopting green technologies through targeted interventions. For Indian firms, this has translated into reputational gains, with advanced CSR practitioners reporting 25-30% higher profitability and brand perception scores compared to laggards, alongside improved stakeholder trust (e.g., 65% higher employee satisfaction and 4.2/5 community ratings), as regression analyses on MSMEs and listed entities link 1% CSR spending increments to 0.5% profitability rises and 30% better SDG-aligned outcomes when supported by government incentives like tax benefits.

Nevertheless, challenges temper these gains, revealing limitations in the policy's design and execution that affect both firm-level efficiency and long-term sustainable development efficacy. Regional disparities persist, with states like Maharashtra dominating spends while backward areas receive disproportionately less, exacerbating inequities; unspent funds (e.g., ₹9,128 crore in one recent year) underscore implementation hurdles, including bureaucratic delays in project identification and weak impact evaluation mechanisms despite 2020 amendments. Critics highlight potential crowding out of intrinsic corporate motivations, greenwashing risks where firms prioritize low-hanging social activities over deep environmental or governance reforms, and unintended consequences like high-spenders reducing outlays to the 2% minimum, potentially capping innovation in sustainability. Firm value studies caution that negative market reactions may deter risk-taking in ESG, particularly for non-customer-facing SMEs exempt from the mandate yet pivotal in local development, while enforcement reliance on disclosures (rather than audits) invites explain-away non-compliance. Moreover, while aggregate spending has tripled to nearly ₹35,000 crore annually by FY 2024-25, questions linger on outcome attribution amid macro variables like GDP growth, with calls for better data granularity on social returns versus private costs.

Policymakers should refine the framework through outcome-based incentives, expanded environmental mandates, digital impact dashboards, and inclusive extensions to MSMEs to maximize synergies with India's 2047 development vision, ensuring that the 2% mandate not only complies but catalyzes transformative, measurable progress toward a resilient, equitable, and ecologically balanced future. Overall, while not without trade-offs, the policy stands as a pioneering model proving that regulated corporate responsibility can meaningfully advance sustainable development in emerging economies, with Indian firms serving as both beneficiaries and architects of this shift.

2. Mandatory CSR in India and Its Link to Sustainable Development

The implementation of the mandatory Corporate Social Responsibility (CSR) - Section 135 under the Companies Act 2013 is a significant milestone in India's corporate governance reforms, as it makes India the first nation in the world to mandate companies meeting certain criteria to spend at least 2% of their average net profits of the last three financial years on specified social and environmental activities. This "comply or explain" policy is applied to firms with a net worth above ₹500 crore, turnover above

₹1,000 crore or net profit above ₹5 crore. This measure is aligned with Schedule VII activities, such as eliminate extreme poverty and hunger; promote health care and education; enable environmental sustainability and be sustainable in rural areas. The mandate has led to considerable increases in spending since it was introduced, with total investment by Indian firms approaching ₹30,000 crore per year. This policy route has mobilized private investment towards the United Nations Sustainable Development Goals (SDGs) such as SDG 4 (Quality Education), SDG 3 (Good Health and Well-being), SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action). Research suggests a significant boost in CSR spending by firms affected by the mandate, particularly on the extensive margin as many firms began structured CSR for the first time. But as research shows, it has also had mixed effects: although CSR expenditure has promoted inclusive development and social welfare, some studies report losses in firm value (due to mandatory corporate social responsibility; affected firms' value declined by 2-3%) and limited benefits to profitability due to regulatory costs. The mandate has promoted transparency via CSR committees at board level and annual disclosures, but there are also some issues around measurement and evaluation, locational bias (focus on projects near their operations) and substitution (companies shifting funds from other non-essential areas such as advertisement). In 2020, mandatory CSR has mainstreamed the triple bottom line (People, Planet, Profit) in corporate strategy in India, facilitating sustainable development by mobilizing corporate resources and expertise for national imperative (health, education, livelihood, water, environment protection). But future success depends on alignment, monitoring and partnerships with multiple stakeholders to translate investments into scalable and sustainable social and environmental returns.

3. Case study: Tata Steel’s CSR spending, targets met and obstacles faced

As a leading company of the Tata Group, with a long history of philanthropy, Tata Steel is a prime example of the benefit of mandatory CSR measures for sustainable development. Tata Steel spends 2.2% to 2.5% of its profit on CSR (average spend: 2.53%) - which comes to ₹580 crore in FY 2023-24, benefiting over 4.4 million people in over 5,000 villages in Jharkhand and Odisha. This includes the "Thousand Schools" programme for quality education and infrastructure for tribal kids, the Maternal and Newborn Survival Initiative (MANSI) to drive down infant and maternal deaths, and livelihood initiatives in agriculture, skill training and entrepreneurship. The company operates the Jyoti Fellowship for top-scoring SC/STs, tribal cultural protection initiatives, water-saving technologies for providing cost-effective and sustainable mining, and sports (archery and adventure foundations) through the Tata Steel Foundation. Target results include increased literacy, health services and livelihood support for disadvantaged groups through projects like reducing tribal dropout rates and green mobility (electric trucks) projects. There are also environmental sustainability projects like afforestation, biodiversity and waste management in line with its climate ambitions. These initiatives directly impact several SDGs, and have received national awards for sustainable development practices. But Tata Steel faces issues: long-term socio-economic impact is hard to assess across various geographies and cultures; ensuring community rather than company-led projects; ministerial sign-offs and changing regulatory requirements; and juggling CSR with business needs when metal prices fall in the cyclical steel industry. Mining sites' geographical isolation presents additional challenges and scaling up requires significant capacity building. These challenges notwithstanding, Tata Steel's systematic approach based on principles of impact, partnerships and innovation shows that mandatory CSR can be used to drive sustainable development when combined with strategic and effective governance.

4. Aggregate Impact, Mixed Blessings and Recommendations

India's mandatory CSR policies have mobilized a heap of resources for sustainable development, but their impact is mixed when assessed objectively via rigorous metrics of efficiency, additionally and long-term impacts. The policy has entrenched CSR, raised compliance levels, promoted transparency through mandatory reporting, and raised substantial funds for pressing issues like education, health, rural infrastructure and environmental development. Multinational conglomerates such as Tata Steel, Reliance Industries, ITC and Hindustan Unilever have undertaken projects that impact millions of people, generating poverty reduction, workplace skills and human capital, water scarcity and climate change adaptation. For example, firms report increased community and stakeholder engagement, improved reputation and customer trust, with some evidence of downstream benefits for business. Rigorous academic research using regression discontinuity and difference-in-differences approaches shows that there are also adverse effects, negatively impacted firm value for companies covered under the CSR mandate; the inferential evidence of substitution from other value-creating investments; and little additionally for firms with a high CSR footprint before the mandate (which sometimes cut back on CSR spending after the mandate came into effect). Problems include geographic and functional clustering of projects rather than focusing on real needs, poor evaluation and impact assessment, delays in fund disbursement, and challenges in tackling systemic problems such as poverty alleviation or climate change through ad hoc projects. Microenterprises face capacity and resource constraints, leading to "cheque-book CSR". For better results, governments should encourage outcome-oriented reporting with uniform metrics, plug-and-play activities rather than one-time events, foster public-private partnerships and offer tax breaks for priority areas. CSR committees can be boosted with independent experts and digital tracking of indicators. In conclusion, although mandatory CSR has boosted the flow of resources towards sustainable development, its effectiveness depends on ending the focus on compliance-driven expenditure and moving towards strategic, quantifiable and innovative initiatives that deliver value to both businesses and communities. Improvements in the future should lean towards flexibility, capacity building for NGOs and integration with national goals such as Viksit Bharat for stronger and sustained social returns on investment.

The paradoxes of trade-offs are numerous: economic growth agenda (SDG 8) often at the expense of climate action (SDG 13), biodiversity-conservation (SDG 15), and inequality-reduction (SDG 10): the number of people in extreme poverty (more than 800 million, almost one in ten in the world) is increasing, and gender disparities are still present three decades post-Beijing. Information paradoxes also exacerbate the situation: too much data makes monitoring easier, but acting demonstratively in reviews covers the deficit of action. The drivers of the problem include increased conflicts, natural calamities funding food systems and health, geopolitical tensions, and the post-pandemic reversal of gained progress over hunger and education, and economic recovery, which are hard to attain. The indicators that are at a high responsibility level, including press freedom, corruption perception, and sustainable nitrogen management, have reached a stalemate or have gone down, and the low responsibility indicators displayed more resistance but lacked pace. These inconsistencies highlight the two-sided aspect of SDGs: a normative structure that requires comprehensive change and a structurally compromised one that is required to work within a globalized system filled with inequalities, short-sightedness, and selfishness.

The ways ahead require the revisions of sustainability in lieu of incrementalism to systemic, transformative change. Among the areas of priority acceleration outlined in the 2025 report, there are overhaul of food systems in order to address hunger and malnutrition despite climate vulnerability, scaling clean energy transitions to overcome consistent access disparities, advancing digitalization to diminish divides and manage the associated risks, fortifying education, employment, and social protection to establish resilience, and integrating climate-biodiversity action via nature-based solutions and just transitions. The most important reforms are those related to financing: a redesign of the global financial system (as proposed by the Follow- upon-the 2025 Financing to Development Financing Conference), as well as increasing concessional allocation, debt cancellation, and other innovative instruments like blended financing and SDG-linked bonds.

The multi-stakeholder partnerships, including governments, the private sector, civil society, and local authorities, have to localize the SDG implementation by the use of Voluntary Local Reviews and activities of communities. Strategic leverage is provided by innovation: artificial intelligence and digital tools can be used to provide real-time tracking and predictive analytics and deliver services inclusively; nature-based and circular economy technologies rationalize growth and environmental degradation. The policy proposals emphasize ambitious national goals with combined objectives, accountability by peer reviews, and post-2030 agenda-setting building on lessons made so far but focus on making sure that what is being left behind is left behind. Equity should anticipate vulnerable segments of the population, including women, youth, indigenous people, conflict communities, etc. using gender-sensitive budgeting mechanisms and inclusive governance systems. Finally, sustainability must be considered by reducing episodic responses under emergencies to coordinate and equitable radical action leveraging on successes as evidence of concept whilst directly addressing paradoxes.

5. Mandatory CSR Policy on Sustainable Development Outcomes

CSR expenditure by Indian companies ballooned from around ₹10,066 crore in FY 2014-15 to ₹34,908 crore in FY 2023-24 with cumulative spending exceeding ₹1.22 lakh crore over the decade ending FY 2024 and surpassing ₹1.44 lakh crore in the last five fiscal years alone (FY 2019-20 to 2023-24), involving a 297% increase in participating companies from 4,684 to over 18,623, thereby mobilizing private capital equivalent to a substantial portion of India's developmental budget for SDGs. The results of the 2030 Agenda have produced concrete, quantifiable benefit over the past ten years and hence have proven that the Sustainable Development Goals (SDGs) could be operationalized given the supportive convergence of resources, policies, and alliances even during world crises. According to the Sustainable Development Goals Report 2025, issued in July 2025, 35 per cent of the 139 indicators in evaluation have either achieved on track or are on moderate ground, with 18 per cent fully on track and 17 per cent on moderate progress, which have positively affected the lives of millions since the year 2015. Some key improvements integrated are greater access to an important set of services: access to electricity has leaped, with 45 countries having virtually universal access; the penetration of mobile broadband has narrowed digital divide in many areas; and maternal and child health outcomes have improved, and the number of under-five and neonatal deaths in most cases fell substantially through scale-based immunization, antenatal care, and nutrition. Infectious disease issues (HIV, malaria, neglected tropical diseases) have reduced significantly in number in many countries, and 54 countries have eradicated at least one neglected tropical disease.

However, financial performance outcomes remain mixed and often nuanced: RD event studies around the 2010 announcement of the mandate (when it was initially envisioned as strictly mandatory) indicate a negative abnormal return of 2.6-3.3% in firm value for threshold firms relative to unaffected peers, concentrated among less customer-facing entities with low advertising intensity (declines up to 3.5%), suggesting compliance and disclosure costs—estimated to exceed the direct 2% outflow—outweighed immediate private returns, with modest potential declines in return on assets (ROA) of up to 1.5 percentage points from an 11% baseline not fully ruled out, though sales-to-assets ratios showed no robust discontinuity. Subsequent DiD evidence points to substitution effects, with affected firms reducing advertising probabilities, implying a reallocation of reputational investments toward CSR signaling; yet, more recent panel studies on Bombay Stock Exchange-listed firms and sector-specific analyses (e.g., banks) affirm positive associations between CSR outlays and profitability metrics like Tobin's Q or ROA in the medium term, particularly when aligned with stakeholder expectations in customer-oriented industries, underscoring that while short-term value erosion may occur due to perceived "tax-like" burdens or profit manipulation near thresholds, long-term strategic integration of CSR enhances brand equity, employee morale, and resilience amid economic shocks such as the COVID-19 pandemic. Education availability has increased, especially in early childhood growth, two-thirds of 2459-month-old children globally are on-track developmentally (through 84-country data, 20152024) with no overall gender variations, however, regional disparities persist (e.g. 83 per cent in Central/South-Eastern Asia to 54 per cent in sub-Saharan Africa). Just as one of its pillars, poverty alleviation is a success story: as a result of social protection waves and economic progress in the most important areas, hundreds of millions of people have been brought out of extreme poverty.

The regional performance is quite distinct--East and South Asia have performed most since 2015, with countries like Nepal, Cambodia, Bangladesh and Philippines having had remarkable SDG Index improvement by making strategic investments in health, education and infrastructure. SDSN Sustainable Development Report 2025 notes that Nordic countries (Finland, Sweden, Denmark first in the rankings, at 7381 per cent) are active in social and economic SDGs, and that the world in general is showing gradual yet significant progress in clean energy (SDG 7), lower inequalities in certain situations (SDG 10) and online connectivity. These observations affirm the transformational nature of the SDGs: success stories, like universal electricity in several countries and locally-led health efforts, demonstrate that increased, context-specific action actually has practical outcomes. However, the progress is still not balanced: the middle-income Asian countries and some of the countries that have high incomes prosper, but there are low-income and conflict-prone states where billions of people have not yet received quality water, sewage, housing, and other basic services. There are still limitations on data collection - most targets do not include adequate time-series or disaggregated measures - although evidence is available that the Goals are not aspirational ideals but evidence-based targets in which political commitment and investment can result in tangible human development outcomes. Such ambivalent but optimistic image preconditions questioning the weakness and inadequacy of generalized benefits.

6. Emptying the Paradoxes of Firms: Why Progress Remains Fragile, Unequal and Insufficient

On sustainable development outcomes, the mandatory policy has demonstrably amplified contributions to India's SDG agenda, with CSR funds channeling into high-impact sectors that address persistent developmental deficits in a nation ranked around 121 on the global SDG Index. Education emerged as the dominant recipient, garnering ₹43,296 crore cumulatively from FY 2014-15 to 2021-22 (rising from ₹2,589 crore to ₹6,367 crore annually), bolstering literacy, skill development, and infrastructure under SDG 4 (Quality Education), thereby narrowing urban-rural divides and supporting human capital formation critical for India's demographic dividend. Healthcare followed with ₹33,183 crore, surging during crises to ₹7,636 crore in FY 2021-22 under SDG 3 (Good Health and Well-Being), funding hospitals, sanitation, and pandemic relief that directly mitigated vulnerabilities in underserved populations. Rural development absorbed ₹14,120 crore (SDG 2 and 11), promoting livelihoods and infrastructure, while environmental sustainability received ₹10,190 crore (SDG 13 and 15), with allocations for renewable energy, afforestation, and waste management showing steady growth to ₹2,366 crore by 2021-22, though still lagging relative to social sectors and highlighting a persistent "E" gap in ESG frameworks. Regardless of these concrete achievements, the SDGs curve highlights a deep self-contradiction that makes the process weak, highly imbalanced, and so limited that it finds it hard to fulfill the goal of 2030, which is revealed through the 2025 UN and SDSN reports in a strongly pessimistic manner.

Its key contradiction is the universality paradox, in which the promise of the Agenda to leave no one behind crashes into reality of differentiation where high income countries like the Nordics score highly at high SDG Index (78% average) due to strong governance and social models and cause major adverse global environmental impacts through unsustainable consumption, emissions, and extraction of resources (SDGs 12 15). Conversely, low- and even lower-middle-income states face structural constraints, i.e. debt burdens, scarcity of fiscal space, and war which dull scaled implementation. The paradigm of near-universality of activity (190 of 193 states have filed Voluntary National Reviews with 249 Voluntary Local Reviews being the most recent as of March 2025) is juxtaposed with gridlock that is structural: a 4-trillion per year funding disconnect, which is now the order of the day in the Global South, and an unhappy or worse standstill or even reduction in formal aid to the poor.

Trade-offs also create internal contradictions: a focus on decent work and economic growth (SDG 8) tends to increase failures at climate action (SDG 13), biodiversity loss (SDG 15), and inequality (SDG10) as demonstrated in the aspect of continuing extreme poverty levels of nearly 800 million individuals and inability to address gender equality even decades after Beijing (gaps in legal protection, violence, employment, and land rights in over half of the sampled countries). The information paradoxes increase the inaction: enough global information allows tracking, but performative adherence during inspection covers actual inadequacies, whereas high-baseline indicators (e.g., press freedom, corruption perception) do not change or even worsen. Among the exacerbating factors are rising conflict (cancelling gains), climatic crises (extreme weather affecting food systems, health and displacement), geo-political tensions, and post-pandemic swamping back in hunger, education attendance and economic recovery, so that 18 per cent of targets will be under the situation in 2015, and almost half of them will be advancing too slowly or at a rate marginally under 2015.

Regional inequalities place an emphasis on inequality East/South Asia is ahead, but sub-Saharan Africa and conflict zones have not been moving or moving in the opposite direction on hunger (SDGs 2), education (SDGs 4), water/sanitation (SDGs 6), decent work (SDGs 8) and reduced inequalities (SDGs 10), with 5057 out of 100 indicators flat or even reversed. Nordic paradox is an example of such, whereby good home performance (good social/economic results) are accompanied by poor environmental footprints and externalities. These inconsistencies reveal the systemic issue of the SDGs: a high-goal, holistic system that functions according to the global order full of inequalities, short-term economic focus, self-interest, and inappropriate governance. The progress is to be found in taking focused action, but the frailty lies in the lack of systemic enablers, such as inadequate financing, the lack of competence in the area of multilateralism and incapability to solve trade-offs, putting the world in the state of a global development crisis, the solution of which can be achieved only by radical, concerted changes.

7. Study of Indian Firms: Challenges and Systemic Barriers

In synthesizing evidence from research and development – DiD frameworks, threshold regressions, and sector mappings across Indian firms, this study concludes that mandatory CSR has unequivocally elevated sustainable development outcomes by formalizing corporate contributions to SDGs, generating sustained higher spending floors, and catalyzing multi-stakeholder collaborations that address poverty, health, education, and environmental gaps more scalable than pre-2013 voluntarism. For firms, it has evolved CSR from peripheral philanthropy to a strategic imperative enhancing long-term competitiveness, though at initial value costs offset by reputational and operational efficiencies in aligned contexts. The rising issues and structural obstacles facing the remaining sprint to 2030 represent a compounding of interdependency problems that threaten the course of the 2030 Agenda to Sustainable Development, and that in effect, turns the prospect of a transformative decade into a desperate battle against progressive retrogression. As per what the Sustainable Development Goals Report 2025, issued in July 2025, showed, the world is facing a global development emergency: only 35 percent of the goals that0met are showing satisfactory progress, almost fifty percent of them are moving too slowly or too slowly, and a full 18 percent of them are moving backward compared to 2015 levels. This distressing trajectory has been consequence of increasing mutually reinforcing threats which reinforce fragility and inequality along region lines and populations.

Systemic lapses in priority areas are still astonishingly wide. Poverty is still severe among almost 800 million individuals (about a tenth of the world), with the long-term rate of poverty change being slow regardless of previous declines, where one in eleven populations are hungry caused by a season of conflict-related food systems and climate susceptibility. Gender equality (SDG 5) is a distant promise 30 years after the Beijing Declaration: no nation can achieve perfection in all aspects: legal access, violence prevention, economic participation and family rights, 47 percent of it limits the employment decisions of women, and more than half appear to lack in each aspect. Billions are underserved to clean water and sanitation (SDGʿ 6), affordable and clean energy (SDG 7) or digital access (SDG 9), and gains do not have even distributions - 2.6 billion people are not connected to the Internet. Biodiversity rapidly depletes (SDG 15) and the probability of extinction of species increase due to the disappearance of habitats.

These gaps are enhanced in cross-cutting of threats. The climate change has gone worse further: 2024 was the hottest year in history, and global warming was more than 1.5 0 C above the pre-industrial average, CO 2 levels were at their highest point in the last 2 million years, and oceans were getting more acidic. Extreme weather impacts agriculture displaces millions of people, and affects their health and food security and resilience of infrastructure displacement due to climate is at an all-time high of 16 years and food security of 12 years. Geopolitical tensions and the frequency, intensity, and length of conflicts have sharply increased: forced displacement has topped 120 mill (over twice the levels in 2015) ruining livelihoods, education, and health systems by diverting resources to conflict, and it is playing with development. With the slowdown of punctuated economic recovery, post-pandemic, inflation, and supply chain shocks, jobs and social protection have been retroacted against expectations, losing favor in informal work and the youth facing unemployment three times higher than the adult population.

8. Barriers and Systematic Approach to Overcome

The deepest barriers are systemic structural barriers. The gap between SDG financing needs of around $4 trillion has persisted at 2023–2024 but will grow by record-high amounts of both debt servicing in both low and middle-income countries (LMICs): at a principal serve of USD 1.4 trillion with an increasing interest rate of 37 percent rising to USD 405.3 trillion out-of-pocket, debt ratios in low and middle pay increasing amounts out of exports to a debt-to-exports of 14.7. Approximately half the global population can live in countries that cannot invest sufficiently because of the debt load, the lack of access to cheap and long-term capital, and thus, the fiscal space on social services, infrastructure, and adapting to climate. This cycle is further worsened by inadequate official development assistance, the shrinking multilateral support and weak financial architecture in the world. Evidence-based action is limited by gaps in data and monitoring: availability has improved in health and energy but areas of gender (SDG] 5), sustainable cities (SDG 11), climate (SDG 13), and peace/justice (SDG 16) still impose blind spots on disaggregated tracking (particularly that needed by vulnerable groups, such as women, persons with disabilities, indigenous peoples, marginalized communities).

Inequalities in progress and amplification of vulnerabilities accentuate failures in equity: progress rooted in conglomerate in East/South Asia and some high-income states (where Nordics top the SDG Index). Setbacks or growth backslides are recorded by sub-Saharan Africa by the small island developing states and conflict zones, in hunger targets (SDG 2), in education targets (SDG 4). In decent work targets (SDG 8) and in inequalities targets (SDG10) the systems that cause systemic disadvantages include discriminatory norms, exclusionary institutions, and limited voice: these are found most problematic in women, youth, indigenous peoples, and the disabled (women spend 2.5 times as many hours with care-giving responsibilities), and in reduced autonomy.

These difficulties are threatening to cause reversed flows in the last sprint: shifting due to climate impacts and starvation, wars corroding institutions and trust, debt crunches and investment, and information lapses blur inequalities. Unless there is urgent and coordinated breakthrough, to transform global finance, strengthen multilateral cooperation, focus on the six SDG transitions (food systems, energy, digital, education/jobs/social protection, climate/biodiversity), the 2030 targets are at risk of being an existential threat. The time to act becomes the shorter and shorter: the passing years require radical changes to undo regression, mend divisions, and make the Agenda a joyful experience of not leaving anyone behind so that the status of the Agenda being a promise-without-a-delivery can be seen as a symbol of unfulfilled ambition instead of actual change.

9. Conclusion and Way Forward

At the firm level, the policy's impact manifests in heightened CSR engagement, particularly along the extensive margin, where difference-in-differences (DiD) and regression discontinuity (RD) designs exploiting the profit threshold of ₹5 crore net profit reveal that affected firms experienced a statistically significant rise in CSR expenditures by approximately ₹6 million (or 9-15% relative to pre-mandate means among reporters), with the probability of positive CSR spending jumping by 0.33, as documented in seminal quasi-experimental analyses of Prowess data from 2012-2015 combined with hand-collected disclosures for the top 100 firms. Firms initially spending below 2% ramped up activities from an average of 0.8% to 1.5% of net profits, while those exceeding 2% converged downward toward the 2% focal point (from 2.7% to 2.2%), yielding a net aggregate increase in spending despite some convergence effects; this dynamic not only broadened participation but also fostered internal governance changes, compelling companies to establish dedicated CSR committees, formulate policies, and enhance transparency through annual disclosures and amendments in 2019-2020 that introduced impact assessment requirements, unspent fund carry-forward rules, and penalties for non-compliance.

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