

Managing CSR: Indispensable for development of Jharkhand

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we live in an age in which companies equivalent in wealth to countries call the shots and control much of the earth's resources. In today world, state role has squeezed in the area of welfare and thus the private institution has amplified. Because corporate intervene in so many areas of social life, they must be towards the society and environment. In the development and growth arena, this is the realization that capital markets and corporations are after all created by society, therefore they must serve it. This is indispensable in view of development of Jharkhand, where around 75 MoUs signed by global companies and at present investment proposals worth over Rs. 3,00,000 crore are at various stages of clearances for over five years.

Corporate Social Responsibility is defined as operating a business that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Corporate Social Responsibility is one such niche area of Corporate Behavior and Governance that needs to get aggressively addressed and implemented tactfully in the organizations. At the same time CSR is one such effective tool that synergizes the efforts of Corporate and the social sector agencies towards sustainable growth and development of society.

India is a fast growing economy and is booming with national and multinational firms. At the same time, the Indian land also faces social challenges like poverty, population growth, corruption, illiteracy just to name a few. Therefore it is all the more imperative for the Indian companies to be sensitized to CSR in the right perspective in order to facilitate and create an enabling environment for equitable partnership between the civil society and business. ¹

Around 75 MoUs signed by global companies and at present investment proposals worth over Rs. 3,00,000 crore are at various stages of clearances for over five years. ² Despite of this, state is experiencing difficulty in development. CSR (Corporate Social Responsibility) activities are in the beginning stage of many companies. However, Tata through its TSRDS and Usha Martine through its KGVK have been doing good job in the area of CSR activities and this organization has changed the life and economic condition too in the periphery area of its plan and operation area. However, this is not enough. Many public Sectors like: SAIL, HEC, ONGC and NTPC's operational area come in Jharkhand and they are doing their best, but this is to be accelerated. At present company like Abhijeet in Saraikela and Latehar, JSPL in Ramgarh, JSW in Hazaribag, Adhunik in tata, JVK in Hazaribag, Rugata Mines in Chaibasa, Hindalco in Chandwa, Electoro Steel in Bokaro, Bhushan Steel in Jamshedpur, RPG in Dumka, and other more are working in Jharkhand. The main question is that whether companies are being taken seriously by Government and its district body.

Big projects of company like Posco, ArcelorMittal, Reliance, Essar or Vedanta, too, have engaged in CSR activity, but have remained stuck due to a number of reasons. The location and size of land to be acquired is also a key factor. There is also problem of rehabilitation and resettlement in the area, where naxalism effects the whole mental and social milieu of villages. The process becomes even more tricky when we talk about agricultural land because there is an emotional equity attached to such land, which few things can match Paying only market price for the land may not be enough in the long run. We had to assist them to make their livelihood more sustainable.

Low-Cost High-Quality School (LCHQ) that has come up in Rukka, near Ranchi in 2008 By KGVK-CSR initiative of Usha Martine. The BPO apart, the group also started a silk centre and a silk producers co-operative in Katotia near Palamau. The introduction of the concept of total village management, biotic insecticides or indigenously developed Krishi Usha weeders has attracted the attention of IFC, Washington, which now plans to start a full-fledged course on Usha Martin's cumulative ground experience. CSR focus yields co. rich rewards in mine belt by Rakhi Mazumdar: Economic Times, 19 Feb 2010

Three trends related to globalization are driving the rise of "corporate social responsibility": the rising protest movement against economic globalization, the "war on terrorism" that began on September 11, and recent corporate scandals.³ Apart of this, in the period of liberalization era, state role of welfare to its citizen has changed. Now privatization, and leveraged of license Raj has opened the path of private company in the area of development. Prior to 1991, these were the activities of State. Now we see dramatic change in the life. The role of state is continuously decreasing and on the contrary many private companies have taken the work of development. Alone, in Jharkhand more the 100 MoU have been signed by company in various area particularly in infrastructure field . Here, company perform according to its goal and objective and conflict arises those area where people are directly associated with land, forest and mountain. The paradox of the problem is that the entire mine are situated in the forest and hilly area. Thus before going for mining or acquiring the land, we must have to understand the psycho of people or stakeholders.

Many Indian companies do not recognize that other shareholders, however small, are also owners whose representatives must be consulted and approve major decisions. Fewer recognize their duty to the wider public community. Corporate social responsibility starts with good governance in the interest of all shareholders, ensuring that the company adds to wealth, following the laws and customs of the society, developing the capabilities of all in the enterprise and particularly of the disadvantaged, sensitivity to environmental and ecological effects of their actions, and taking some responsibility for improving the life of the community. No company can neglect to focus on its products and services. But involvement of the company in community issues helps to improve the acceptability and image of the company, exposes employees to the realities of the societies in which they live and will make them better manager and human being.

For the success of CSR goal and its activities, two things have to be done. First company has to seek that land, which are of no use or lesser use. We have to take care of traditional custom and practices. Secondly Company have to initiate the CSR activities in the whole area, not only affected area of plant. This should compass the area as much as they can. This can be decided by local govt. like BDO and CO level or DC level. For this, monthly meeting may be arranged and where company should be told to demonstrate their activities and what changes are coming in the life of project affected people. Here Govt. Officials role is vital, and they have to work with total conviction and honesty for the welfare of the citizen. Ironically, there is no parameter to gauge the activities of CSR in any district of Jharkhand and thus, in spite of too many MoU, no drastic changes are apparent. CSR activities should not be used as a weapon for snatching land from indigenous people. Unless the livelihoods of these people are not safeguarded, company cannot get success in their goal. The positive contribution to society through CSR could also be valued. Like the valuation of intangibles such as brands and skills of employees, these could also be reported in annual reports. Society and shareholders can learn whether and the extent to which a company is a good citizen. Perhaps business schools/ govt. institution could also teach that while it is permissible to want to grow corporate and personal wealth, it must be accompanied by a strong sense of social responsibility and community involvement.

Nearly all leading corporate in India are involved in corporate social responsibility (CSR) program in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of the

society. Notable efforts have come from the Tata Group, Infosys, Bharti Enterprises, ITC Welcome group, Indian Oil Corporation among others.

There is no evidence of CSR activities in the informal sector of the Indian economy, which is responsible for slightly less than half of GDP and employs some 93 percent of India's workforce. Indeed, workers in this sector are afforded no rights or protections whatsoever, and all indications are that no efforts are being made to fight poverty, promote education or health, protect the environment or encourage employee participation in business development. Indian companies are now expected to discharge their stakeholder responsibilities and societal obligations, along with their shareholder-wealth maximisation goal.

Many examples were brought out at the TERI conference of how leading companies have engaged in wider social issues. ITC has revived private degraded lands by planting vegetation that augments the otherwise limited raw materials for their paper factory. Their success prompted the state government to ask them to repeat their work with public wastelands. Hindustan Lever's food and hygiene products require good quality water for use by their consumers and for manufacture. It is engaged in improving water quality in many communities. Tata group policy is that irrespective of profits earned in any year a substantial amount (growing with inflation) is spent each year on well-defined and consistent community activities both related and unrelated to their business. These include greening of exhausted mines and other barren lands, family planning programmes, hospitals, etc. NTPC has a training and research institution for improving power efficiency. It also greens its slag dumps. Its employees are allowed time and funds to promote development NGOs that create opportunities for self-employment, promote public health, etc. There are other possibilities of CSR that is good for the business. For example automotive companies could get involved in improving urban traffic flows. It will make personal transportation enjoyable and help accelerate automotive market expansion. The plastics industry is a rare example of an industry that is spending money to control the manufacture and use of non-degradable plastic bags while preventing their litter.

According to a study undertaken by an industry body in June 2009, which studied the CSR activities of 300 corporate houses, corporate India has spread its CSR activities across 20 states and Union territories, with Maharashtra gaining the most from them. About 36 per cent of the CSR activities are concentrated in the state, followed by about 12 per cent in Gujarat, 10 per cent in Delhi and 9 per cent in Tamil Nadu. In 2009, the government made it mandatory for all public sector oil companies to spend 2 per cent of their net profits on corporate social responsibility. Jharkhand have more than half dozen of big PSUs and more than two dozen of private company. Notwithstanding of this, we are not performing upto the mark and thus the the hindrance from the people in the establishment of plant. The exploration of mines and mineral is different from the use of it. And we have to understand in the scenario of Jharkhand. Before establishing the plant in the ST and forest area of Jharhand, company has to keep two situations in their mind. One is proper security and Knowledge of rule and regulation of that concerned area.⁵ Mining and revision of law in mine rule should not be seen in separately. This is related to rural development. Forest right, Panchayat Raj Institution and other customary law are the supplementary of this development.

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