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The Role of Corporates Towards the Upliftment of Weaker Sections of Society

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ABSTRACT

The main aim of this paper is to examine the different activities under taken by Corporates within the purview of Corporate Social Responsibility towards the weaker sections of society. This study intends to describe the different beneficial programs and initiatives given to the under privileged. The research sample consists of nine Corporates belonging to Private, Public and MNCs. The data is collected using both qualitative and quantitative techniques. Stakeholder theory which has emerged as the dominant paradigm in CSR is used to analyze the data. The main objectives of the study are - to understand how Corporates are dealing with social concerns and issues; to examine allocation of resources for the benefit of the weaker sections; to ascertain the relations between the Corporates and weaker sections of the society. Corporates, in the purview of CSR, brought a significant variation towards the upliftment of weaker sections of society by contributing mainly to education, health care, community welfare and environment.

Keywords: Corporate Social Responsibility, Upliftment, Weaker Sections, Initiatives, Beneficial Programs

INTRODUCTION:

According to the World Business Council for Sustainable Development (1998), "Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

CSR definition used by 'Business for Social Responsibility' is - "Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business". (Mallen Baker, 2004)

The main aim of this paper is to examine the different activities under taken by the Corporations within the purview of CSR towards the weaker sections of society. This study intends to describe the different beneficial programs and initiatives given to the under privileged by focusing mainly on issues of education, health care, community welfare and environment. In modern era, all these initiatives towards the upliftment and welfare of society are sub summed under the most popular term "CSR".

REVIEW OF LITERATURE:

According to Aaron (2002) that CSR provides a comprehensive overview of experiences and practices at the local level. Crowther and Jatana (2007) explained that the concept of social responsibility is defined as the obligation of business community for the well-being of the people, the state and the environment in which they operate. Prasad & Baxi (2005) stated that in order to make CSR sustainable, it is necessary to develop an ethical perspective in corporate manner. CSR must also be in tune with these imperatives and that is why all initiates on this score must be stakeholder oriented and driven by business interests if they are sustainable.

Gujarat has emerged as one of the most suitable platforms for launching CSR initiative. A study conducted by The Associated Chamber of Commerce and Industry of India (ASSOCHAM) shows that Gujarat stands second with share of 11.62% in total CSR activities, while Maharashtra tops the chart with total share of 35.68%. Delhi (9.66%), Tamil Nadu (9.17%) and Andhra Pradesh (7.04%) are the other states with the highest CSR activities. A few studies have been found in the context of Vadodara region on CSR. The thesis by Mona A. Nargolwala (2009) deals with CSR activities of major industries in Gujarat with respect to community development programmes. Bimal Bhatt (2008) explains that governance is part of any socio- economic activity we do at all the times.

OBJECTIVES:

The main objectives of the study are - to understand how Corporates are dealing with social concerns and issues; to examine the allocation of resources for the benefit of the weaker sections; to ascertain the relations between the Corporates and weaker sections of the society.

METHODOLOGY:

The research sample consists of nine Corporates belonging to public, private and MNCs and the beneficiaries of these Corporations. The data is collected from the officials of nine Corporates and the beneficiaries using Structured Interview Schedule and both qualitative and quantitative techniques. The nine Corporates selected from Vadodara region, Gujarat, India are - Public Sectors: IOCL, GSFC, GACL Private Sectors: RIL, Alembic Limited, and Apollo Tyres Ltd. MNC Sectors: ABB, FAG, and Bombardier Transportation

Stakeholder theory which has emerged as the dominant paradigm in CSR is used to analyze the data. The term stakeholder is defined as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p.32; Vinten, 2000, p.78). The ultimate legitimacy of constituents' claim on the organizational purpose lies on either legal, economic, social, moral, technological, ecological, political or power interests, thus far beyond the mere for-profit motive of stockholders, and stakes are either past, present or future-oriented. As a consequence, stakeholder management implies "allocating organizational resources in such a way as to take into account the impact of those allocations on various groups within and outside the firm" (Jones, 1999). The ultimate purpose of the stakeholder management theory is to achieve a 'win-win' outcome, most probably in a medium to long-term perspective (Carroll, 1991), but it does not infer that managers can manipulate stakeholders to reach the most favorable trade-offs (Post et al., 2002). Stakeholder management aims to allocate resources adequately given the outcome of prospective scenarios; it also aims to repair previous damages traditionally left to society's kind-heartedness, which are referred to as 'externalities'.

I. PUBLIC SECTOR CORPORATES

1. CSR initiatives of Gujarat Refinery:

The Gujarat Refinery at Koyali in Western India is Indian Oil's largest refinery with CSR budget of 55 lakh during 2010-2011. IOCL provides training courses on tailoring, beauty parlour, jewelry making, computer, flower making, mehndi classes, etc. It has built up many water tanks, water connections, anganwadis, school & college buildings for nearby villages and tribal areas. It has donated books, stationeries, funds for the rural children, encourages young children for education, organizes various free medical camps etc. IOCL has established many self help groups for women in nearby village for income generation. The company contributes to Mid-Day Meal Scheme run by Akshaya Patra Foundation which provides food to school children in Vadodara city and Talukas. All these beneficiaries endorsed these activities and reaping the fruits.

2. CSR initiatives of Gujarat State Fertilizers & Chemicals Limited:

GSFC is an Indian manufacturer of fertilizer. GSFC contributes towards Mid-Day Meal Scheme run by Akshaya Patra Foundation which provides nutritious and hygienic food to around 50,000 school children in Vadodara city and Talukas. GSFC has put street lights on village roads and has constructed bus-stand and other facilities for nearby villages. GSFC has spearheaded Biogas as an alternative energy source and has installed over 22000 Biogas plants in nearby operational villages. According to the beneficiaries all these facilities made them self-reliant.

Around Rs.1.50 crore has been contributed towards capital expenditure and committed to contribute Rs.3.36 crore for operating expenditure in 3 years. GSFC extends financial support to "Society for Village Development", NGO working in the field of developing village infrastructure, sanitation, water recharging, education, youth activities, health awareness, etc.

GSFC has allocated budget of Rs.1.22 crore for construction of 1750 Household Sanitary Latrines (HSL) for families living in surrounding villages. GSFC has provided computer system, software, 29" colour television and speakers to school in Dashrath village which are presently utilized by the students. Health being a vital factor, GSFC conducts various medical camps in nearby villages like eye check-up camps, blood donation camps, etc. For providing drinking water, GSFC has built up many overhead tanks and water connections for nearby villages.

3. CSR initiatives of Gujarat Alkalies and Chemicals Limited:

Gujarat Alkalies and Chemicals Limited engage in the production and sale of various chemical products in India. GACL undertakes and sponsors CSR activities in the area of – Environment, Health & Sanitation, Education, Infrastructure and Sports & Culture. GACL identified 11 Villages around Vadodara complex and collaborated with the NGOs SVADES & ANARDE to implement the above activities.

Environment: GACL established 83.75 MW wind mills for renewable green energy. It installed Solar Cooking System for their canteen to use green energy and save conventional fuel. Health & Sanitation: GACL is contributed for the medical camps organized for salt labourers (Agarias) of Bharuch district, contributed for purchase of 5 Multipara Monitors for Pediatric Intensive Care Unit of Kashiben Gordhandas Patel Children Hospital, Vadodara. It organized medical camps at Ranoli and Dahej villages. GACL has taken up new construction & repairing of Ranoli Public Health Center (PHC) and Maternity Home. GACL sponsored and co-sponsored construction of household sanitary latrines for BPL and HSL families at Ranoli and Dashrath villages of Baroda. Education: Provided school bags, school kits and toys for Anganwadis' entrants as a part of Kanya Kelavani Mahotsav; sponsored toys for Anganwadis entrants of tribal areas of Baroda District; sponsored construction of a modern centralized kitchen and delivery vans for running Mid-Day Meal programme by Akshayapatra Foundation'. Infrastructure: Laid RCC Roads at Sherkhi, Karachia and Anagadh Villages of Baroda; provided drinking water under CADP scheme to villages and co-sponsored construction of four lane RCC road along with strengthening of railway over-bridge at Ranoli. Sports & Culture: Co-sponsored Special Olympics, Bharat for the Intellectually Disabled youth, Co-sponsored National Cricket tournament for the Deaf at Delhi.

II. PRIVATE SECTOR CORPORATES

4. CSR initiatives of Reliance Industries Limited:

RIL is India's largest private sector company by revenue and profit with 22 lakh CSR budget during 2010 in Vadodara. Rural youth were imparted LMV driving training in Anghad, Dhanora and Koyali villages. 5000 women/girls from Undera and Bajwa villages are outreached in Beauty culture & health care training; 30 women/girls from the above villages are benefited from Dress Making, Designing & Embroidery Training; distributed twenty five sewing machines to the rural women of Dhanora, Bajwa, Karodia, Undera & Koyali; women/girls from of Karachiya village were given training in making Jewellery Articles; 15000 youth from Anghad, Dhanora, Bajwa, Karodia and Koyali villages were outreached from the various training programmes like Mobile Repairing, Electrical Technician, Computer, Plumbing, Hand Pump Repairing, Safety Awareness, Health & Hygiene awareness, Water Conservation Awareness etc. RCC Roads, water pumps and Aaganwadis were constructed in surrounding villages. Waste Land Development: 2000 saplings planted in Bajwa, Dhanora & Karodia villages. Fruit Sapling Distribution to Farmers: 750 Saplings are distributed to the farmers of Khandi & Poicha villages. Several awareness programs organized for the benefit of Rural Women & Youth on health & hygiene. Programs include prevention of Diabetes & Blood Pressure; how to improve Hemoglobin without taking expensive medicines and prevention of Kidney ailments.

5. CSR initiatives of Alembic Limited:

Alembic Pharmaceuticals Limited is a leading pharmaceutical company with 1 crore overall budget for CSR. In the 1980s, the company put its rural development initiative in a structured manner. Located near Panelav, close to Vadodara, the Rural Development Society started work amongst villagers in 50 villages. The objective was to provide self-employment and education opportunities for both the villagers and their children. In 1964, Alembic established a hospital in honour of its founder, Bhailalbhai Amin. Now Bhailal Amin General Hospital (BAGH) in Vadodara is rated one of the best hospitals in Gujarat. Other activities and programmes initiated by Alembic group consists of health education, health care & HIV/AIDS programmes; vocational training; self-employment training; industrial co-operatives; self-help groups (Papad & Snack services, hosiery & garment making, carpentry, Acrylics etc); Yuvati Vikas Kendra i.e. Adolescent Girls center(for psycho social support, school support, adolescent counseling) & youth development; Legal AID center; farmer training programme & agriculture development; sanitation programme etc.

6. CSR initiatives of Apollo Tyres:

Apollo Tyres Ltd is the world's 15th biggest Tyre manufacturer with need based budget of CSR. Apollo Tyres Ltd's definition of CSR stems from its vision statement of "continuously enhancing stakeholder value". The key aim is to add value to the lives of stakeholders, through not-for-profit initiatives. The bulk of Apollo's community initiatives revolve around the awareness and prevention of HIV-AIDS. Various small and large programmes, primarily with a local focus concentrate on community infrastructure development, healthcare, education, agriculture empowerment in nearby villages and road safety. They are provided with guidance and training in setting up Apollo Tyres dealerships in their area of residence. Emergency Medical Service (or EMS) facility on national highways, implemented by the Lifeline Foundation, is supported by Apollo Tyres.On the environment front the movement is towards use of less polluting and non-fossil fuel sources of energy like gas, steam and wind power. Water recycling is a key area at the manufacturing locations to ensure replenishment of the local ground water table

III. MNC SECTOR CORPORATES

7. CSR initiatives of Asea Brown Boveri:

ABB is a multinational corporation with need based budget in CSR. ABB has upgraded school buildings in nearby villages; providing basic amenities and electricity to the rural places. ABB organized a visit to Community Science Centre for 309 students from Makarpura and Fathepura Schools. ABB started outsourcing parts of its electrical relay assembly in 2005 to the Sevatirth training and rehabilitation center in Vadodara. Since then more than 30 young people have been trained in the work. ABB pays Rs.50 for each assembled electrical relay, and workers at the center earn around Rs. 2,500-4,000 per month.

8. CSR initiatives of FAG Bearings India (Schaeffler):

FAG Bearings India Limited became the world's second largest roll bearing manufacturer with need based budget for CSR. FAG is involved into effective environment management system with respect to air, water, waste and noise; expansion of medical facility for betterment; certification Occupational Health & Safety Management System for better and healthy work environment and commitment for safety of people working in the premises; EU Standards in the areas of Environment Health and Safety. For betterment of the society, donations are given to - school at Maneja village; Police commissioner of Baroda for the purpose of portable huts for policemen; for renovation of police chow key at Tarsali; for running Aanganwadi at Maneja village on monthly basis; and V-One Society for providing aids to physically handicapped people.

9. CSR initiatives of Bombardier Transportation:

Bombardier Transportation is one of the world's largest companies in the rail-equipment manufacturing and servicing industry with need based CSR budget. In the aegis of Tree planting in India, thousands of saplings are planted with the help of Baroda School children. Bombardier supports Disha Project which provides assistance to the people who suffer from natural calamities.

Beneficiaries' view: The villagers of Karachiya, Undera, Koyali, Bajwa, Karodia, Dashrath etc. expressed their gratitude to the Corporates for providing medical, water, sanitation, and occupational facilities. Majority of them endorsed that they are benefited through the training programs in various fields and became self-reliant. Industries in Baroda are mainly adopting the surrounding villages of operational areas. Although Corporates are trying to improve living amenities to nearby rural villages but the people feel that the corporate houses could do much more for the betterment of the villages in more systematic way. The rural people said that the Corporates should introduce innovative technical and vocational training program for their employment. The rural youth shared that they expect employment opportunities from the Corporates. Up gradation of schools, quality of teaching, more scholarship schemes for bright students are the major issues for development for weaker sections.

CONCLUSIONS:

Corporates, in the purview of CSR, brought a significant variation towards the upliftment of weaker sections of society by contributing to education, establishing medical centers, distributing free medicines, arranging free medical checkup, empowering women and youth by various skill development programs, spreading awareness on environment by tree plantation, recycling process, distributing solar lamps to the poor, etc. The concept of CSR is definitely meeting the needs of economically and socially backward people, cutting across the boundaries of all communities. But a lot can be done by the Corporates if they allocate fixed percentage of their profits for CSR initiatives. They shall adopt two to three villages per a year and provide basic amenities like – overhead tanks, drinking water, education, hospitals, electricity, proper RCC roads, hygienic surroundings, and drainage system. Such initiatives in a long run definitely bring positive over all change in the larger society. The upliftment of weaker sections of our society in turn acts as a catalyst for development of Indian society at large.

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