

Review Article

Displacement and Rehabilitation: Role of CSR in Empowering Communities

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Abstract - Development-induced displacement is rampant in India. Multinationals are not an exception. In the name of development, many multinational companies establish themselves by taking the land of the rural people and making them their victims. They take land from the tribal areas displacing them. Unlike the government, they make an effort to rehabilitate the tribal. The present study makes an attempt to understand the impact analysis of the role of corporate sectors in Orissa to provide social and economic rehabilitation through their corporate social responsibilities. In order to show the philanthropic activity of the companies and their impact on social transformation in India, the present study undertakes two multinational companies, i.e., Tata Steel and Vedanta, located in Orissa. The study is carried by reported information by the India Companies. The objective of the study is to examine the socio-economic development of tribes in the area under study and to analyze the impact on health and livelihood generation of CSR of the companies. The study focuses on two types of rehabilitation provided by both the companies: that is, social, which includes health and education aspect and economic rehabilitation, which includes livelihood sustainability. The findings suggest an extensive coverage of CSR activities of the companies in Odisha with a special focus on the transformation of lives of the indigenous people and their upliftment through policy development.

Keywords - CSR, PDF, women's empowerment, social exclusion.

I. INTRODUCTION

The role of business in society brings the importance of community as a stakeholder, which is a central concept in CSR where it forms the link between aim and ambition of the organization and expectation of society (Whetten et al., 2002). Gray (1996) defines CSR from a stakeholders-oriented concept that extends beyond the organization's boundaries and is driven by an ethical understanding of the organization's responsibility for the impact of its business activity, seeking in return society's acceptance of the legitimacy of the organization. Davis and Blomstrom (1971)

argue that businesses had the resources to solve social problems that may surpass the resources of other institutions that work in social areas are deficient of many things where business stand apart for its substantial pull of management talent, functional expertise, and capital resources. The role of business in society in the form of philanthropy gives way to corporations to keep a hold on the community through their social welfare activities. This brings an increased business involvement in society and political structure, inevitably demanding businesses to be more responsible. It is rightly seen that corporations know more remain solely a business organization and a time is expected in near when corporate will rule the world. Businesses are facing increasing pressure to play more active social roles in addressing community issues. Business community partnerships that focus on capacity-building programs within community organizations are becoming increasingly important (Lee, 2011). What matters is the use or abuse of power in the relationship between corporation and their stakeholders. For example, studies highlight the role of this power differential in the case of mining, particularly in remote areas inhabited by poor and marginalized communities where the mining company becomes a short de facto government. On the other hand, the role of power is downplayed by proponents of the partnership model.

In the present-day scenario, the CSR activities have taken up by the companies are related to various sectors, including education, healthcare, sanitation, environmental sustainability, poverty alleviation, and skill development. Of the total of over Rs 52,533 crore, companies incurred a CSR expenditure of over Rs 15,742 crore in the education sector, followed by healthcare (over Rs 9,093 crore) and rural development projects (over Rs 5,467 crore). Among other sectors, firms spent a total of Rs 3,723 crore on the environment. The education sector got the maximum funds of Rs 15,742 crore from the CSR expenditure made by corporates since 2014-15, while such contribution towards armed forces and war widows was just above Rs 81 crore, Parliament was informed on Monday. Under the Companies Act, certain classes of profitable companies are required to



shell out at least 2 percent of their three-year annual average net profit towards corporate social responsibility (CSR) activities in a particular financial year, and the requirement came into force from April 1, 2014. Overall, companies in India spent over Rs 52,533 crore on CSR activities during the last four years (2014-15 to the current fiscal till June 2019)

The sociological analysis and conceptualization may help to reveal that the underlying logic of governance is once that rests on a market line representation of the very notion of authority, where the government is configured as once source of authority among many which included private authority like corporations. Hence, the main characteristic of sustainability and citizenship is the value it allocates to companies' socially responsible behaviour, which un doubly contributes to social change, where the company functions as a social agent with corporate citizenship as a strategy to social action. Multination corporations achieve unprecedented economic and political power under capitalist globalization (Ronen Shamir, 2010). He argues that such social responsibility of corporates emerged as a result of response to the critic of capitalism where corporate play a role of not only transforming the means and relation of production but also the relation of political authority by investing corporate entities with moral capacity. Hence, corporate gains social power as a moral and ethical standard and performance gave the corporates a chance to maintain their social power by being enhanced corporate accountability and transparency entity.

A. Displacement and Corporate Social Responsibility

Companies play an important role in reducing the effects of development-induced displacement and contribute to sustainable development through the implementation of strategic CSR and sustainability programs. As a signatory of the UN Global Compact, Article 13 pieces research and disseminates information on the role of business in reducing social exclusion, poverty, and abuse of human rights. Displacement is a multidimensional, dynamic concept that refers to a breakdown or malfunctioning of the major societal systems that should guarantee the social integration of the individual or household. It implies a focus not only on 'victims' but also on the system failures. It becomes an even more important issue when the exclusion of rural women comes into the limelight.

Studies have shown that a large proportion of the ST and SC population in western and southern Odisha are highly vulnerable. There is a sort of increasing disparity in southern Odisha where villages remain largely poor, though with many examples of basic development, in education, food security, and otherwise, assisted by large numbers of extremely committed people in and outside government. This is, after all, the area that is regularly in the news because of starvation deaths. The poor economic background of Odisha makes the women section even more neglected leading to

exclusion, thereby showing that poverty is a notion primarily focused upon distributional issues, but the notion of social exclusion focuses primarily on relational issues like inadequate social participation, lack of social integration, powerlessness especially related to women. In relation to corporate social performance, a new development came with Wood (1991), who presented a model of corporate social performance composed of the principles of CSR, expressed on the institutional, organizational, and individual level and process of corporate social responsiveness such as environmental assessment, stakeholder management, and issue management. Also, the outcomes of corporate behaviour include social impact, social policies, and programs.

With regard to such social exclusion prevailing in a poverty-based state like Odisha, there has been increasing demand on multinational enterprises to provide community development programs and assistance to the communities where they operate like the social infrastructure is lacking and not provided properly by the state (Eweje, 2006). Hence the real CSR measures should focus on benefitting people and community other than those whom the companies are contractually obliged to, namely, those who are socially and economically disadvantaged (Shrivastava and Venkateswasran, 2002). It is found that if firms pursue CSR activities in a voluntary and strategic manner, they can satisfy both shareholders and stakeholders (Gyves and Higgins, 2008). In the process, MNCs in Odisha like Vedanta and Tata Steel Company render special attention in empowering women as an essential effort to community development. Hence, in the present study, it is shown that Vedanta multinational company combats the social exclusion of women by empowering them and altogether providing sustainable community development.

II. METHODOLOGY

The study focuses upon the role of Multinationals in helping the displaced people and providing them with complete justice and adequate rehabilitation. Corporate social responsibility is used as a tool for engaging the companies to provide both economic and social rehabilitation. The basic focus is on women as an excluded and marginalized group. In terms of economic rehabilitation, income generation activities are provided as a support mechanism for the women in the target community. The womenfolk of the displaced communities are helped by making them financially independent. Social rehabilitation is basically provided by health care support and educational facilities. Keeping this as background, the objectives of the study are to assess the role of CSR of Tata Steel and Vedanta in empowering communities of displaced people by providing social and economic rehabilitation. The study is carried out by secondary sources of information by the reported information of the concerned companies through their annual sustainable reports.

III. FINDINGS AND DISCUSSION

A. Corporate social responsibility of Tata steel.

Tata council for community initiative (TCCI), established in 1994, is a unique initiative that lends structure to the Tata group's approach to sustainable development while deriving its community engagement and improving programs. It is a centrally administered agency whose purpose is to help Tata companies and employees engage in developing the communities through specific processes. TCCI also helps the company address sustainability reporting as per guidelines set by the Global Reporting Initiative (GRI). It is the focal point for UN Global Compact in India which has 42 Tata companies as signature, the highest in the world from a single business group. In collaboration with the United Nations Development Programme, TCCI has crafted the Tata Index for Sustainable Human Development, a pioneering effort aimed at directing, measuring, and enhancing the community work that Tata enterprises undertake. The index provides a guideline for Tata companies to fulfill social responsibilities. Tata Steel Rural Development Society (TSRDS), established in 1979, is involved in various social development programs for the rural community located around Tata Steel's operational units. Prior to its establishment, Tata Steel community initiatives were conducted through its rural and community services division. TSRDS covered 32 villages around Jamshedpur in its first year of operation. But today, the society has seven separate units, six in its operational areas, and covers 600 villages in the state of Jharkhand and Odisha. The three most important interventions of TSRDS include 1) Sustainable livelihood focusing on agricultural development, employability training, enterprise development through SHG's. 2) Community Health and Hygiene was focusing on preventive and curative Interventions. 3) Educations with properties of Campus school, non-formal education, financial support to students for continuing education, and adult literacy program.

The communities where Tata Steel Rural Development Society (TSRDS) operates have for a hundred years viewed Tata Steel as the primary source of employment because it was the first large-scale private sector industry to be established in the region. Industrial growth in the region has not kept pace with the growth in demand for employment. The available capital of the people, particularly natural resource and human capital, offers three main sources of livelihood generation for the community in the operational areas of TSRDS: a.) Traditional agriculture as industrial development is limited, b.) Employability skills for better employment opportunities, c.) Engagement in small-scale enterprises, primarily petty traders, vegetable marketing, or any other rural enterprises. TSRDS has brought about the positive engagement of youth through interventions aimed at mainstreaming youth into a formed education system and scholarship for higher education to prevent dropouts. Once educated, their employability potential is improved through

skill-based vocational training programs to make youth employable and self-reliant.

Vocational training programs infuse trade skills such as motor driving, welding, computer hardware and software, tailoring and handicrafts, security staff, air conditioner repair, BPO, and the like. These trades have been selected based on the demand of the local market as well as the career aspiration of the youth. In the past four years, 3899 youths have been trained, 30% of whom were successfully employed in the organized sector while many have started their own business. The experience of women over 737 SHGs and 9181 members has demonstrated that a collective spirit and group dynamics enhances their bargaining power, brings about behavioral change, create informal structures of support, and help women make economic strides. The cumulative savings generated by the SHGs supported by TSRDS has now exceeded Rs.3.24 crores.

TSRDS addresses healthcare at three levels: Promotive health care, which includes healthcare for mother and child, AIDs awareness, health awareness and education, adolescent reproductive health care. Curative healthcare includes clinical outreach units, village health providers, health camps, eye camps, DOTS, Cleft lip, and Cleft palate procedures. Preventive health care includes immunization, sanitation, safe drinking water, protection against sexually transmitted diseases. In line with the Millennium Development Goals, TSRDS also focuses on improving maternal health, reducing child mortality, and combating HIV/AIDS, malaria, and other diseases. It has project health care interventions like MANSI, which helps in community capacity building by the formation of community-based operating partners at multiple levels for reducing maternal and child mortality and morbidity. Project AASTHA to improve the health status of rural poor by providing them primary health care services delivering reproductive and child health services. It has benefitted 25800 people from 4600 households. It has benefitted 4200 eligible couples directly. TSRDS aggressively promotes rural education with a special focus on the girl child. TSRDS has initiated programs that focus on improving the literacy rate of females, encouraging the learning habit among all children, improving the learning environment, and offering financial support to meritorious students so that they do not drop out of school. The educational initiatives of TSRDS, such as the camp schools program providing educational facilities and empowerment focusing on the girl child.

B. Corporate social responsibility of Vedanta

In keeping with its sustainable development program, VL focuses on the following areas to touch the lives of local communities. The company focuses on health, where it focuses on improving the health conditions of local communities, and it provides a wide spectrum of basic and specialized health services. These include mobile health units

(MHU), basic health services with child care facilities, malaria control drives, and cataract operations. Second is education, where the company is firmly committed to improving the quality of life of local communities through a number of progressive educational initiatives. These include elementary education for children, renovation of schools, computer literacy programs, scholarships for meritorious students, and a centralized kitchen to reduce dropout rates and enhance nutritional standards. VL partners with various civil society groups and NGOs to strengthen educational infrastructure in rural areas. The third is on livelihood, where it provides a wide gamut of services that seek to equip local community members with important employment-generating skills. These include entrepreneurship development for women, vocational training, the creation of small-scale enterprises, and the cultivation of crops. Fourth, on infrastructure where the goal of facilitating sustainable development among rural communities is closely linked to the enhancement of rural infrastructure. The company has taken up several projects to construct roads and bridges, construct tube wells, facilitate watershed development and supply electricity to villages. Fifth environmental sustainability is a key aspect of VL's sustainable development initiatives. The company strives to educate local communities about environmentally sustainable agricultural practices, promote awareness programs in villages in and around the plant area and implement plantation campaigns.

In Jharsuguda, the CSR includes Vedanta Limited aims at providing basic health amenities to the residents of the colony, which includes: Mobile Health Unit (MHU) visits twice a week consisting of a qualified and experienced doctor, pharmacist, and nurse. Individual Health cards have been provided to the residents of the colony. Health check-ups are conducted, and patients are provided free treatment and medicines. Seasonal Health camps are organized on diseases such as Dengue, Malaria, etc. All the 74 PDFs employed with SSL have been covered under the Employee State Insurance Act, 1948, and have been provided with an ESI card to avail the facilities. Regular cleaning and maintenance of drains and common resources. Vedanta has set up an MHU to bring about marked improvement in the general health and well-being of adjoining villages. Aimed at providing preventive treatment for minor ailments, the unit attends 1500 patients per month across 12 villages. Project "JANANI" aims at providing support to mothers and adolescent girls on reproductive and child health care. It is targeted to reduce infant & maternal mortality rates by educating, building awareness & strengthening the health service system with the reach of 13 sub-centre of Kolabira & Kirmira Block, covering approximately 10,000 beneficiaries.

With regard to education, there is tutorial assistance provided to the students of the colony. Incentives to meritorious students in the colony are given. Twenty-Five

(25) children from PDFs are admitted to DAV School with full sponsorship from Vedanta from LKG to class 10. Vedanta believes that accessible education will empower the underprivileged sections of society in addressing generational poverty. Extending the base of primary, secondary, higher education through expert NGOs in the education field with a holistic approach is the essence of the education Project initiated by Vedanta. It has partnered with leading NGOs, Government Departments, and local schools to expand educational services to children in adjoining villages. It has undertaken schemes to provide additional coaching support to students besides augmenting the infrastructure of the schools. Towards ensuring quality education to the vernacular school students by providing standardized remedial coaching centre and self-actualization through life-skill education, Vedanta is implementing the project 'Vedanta Vidhyarthi Vikash Yojana'. The program aims at providing quality education to the children of Project Displaced and Affected Families.

The Livelihood provided are 74 PDFs directly employed with the organization, four SHGs are functional in the colony engaged in various activities, entrepreneurs have been promoted practicing poultry, paper cup making, etc., pieces of training have been provided on Phenyl making, Incense sticks making, Dairy, Poultry, etc., and training on Tailoring provided to the women of the colony. Vedanta promoted one of the largest all women cooperative society in the region. The cooperative was the product of one of the most innovative and unique models of livelihood promotion projects called 'Vedanta Integrated Jana Jivika Yojana (VIJJY)'. This project aimed at providing sustainable livelihoods solutions to the poor communities who have been a part of this plant's establishment process. This initiative was implemented with the technical support of ACCESS Development Services. So far, it has covered 50 villages of Jharsuguda district, covering 2739 families. Presently it has been registered under the Odisha Cooperative Society Act 1962 as per the instruction issued by the Registrar of Cooperative society. The cooperative provides various capacity building supports, business development services (BDS) as well as financial services to its members for augmenting their diversified livelihoods. Promotion of Agriculture, Horticulture, Animal Husbandry, Service Trades, Petty business and vending are some of the prioritized activities taken up by the project. Vegetable farming, mushroom cultivation, marigold cultivation, puffed rice units, paper plate units, poultry farming, goatary and phenyl making are some of the highly remunerative ventures taken up by the members. Till now, Subhalaxmi has promoted more than 2010 micro-entrepreneurs in its operational villages.

IV. CONCLUSION

The Companies and their CSR initiatives have helped the tribal to develop from familial that is institutional level and women have been individually empowered by being economically independent. Both the companies manage to handle the sensitive issue of tribal empowerment by forming self help group to enhance livelihood. Venanta Comapany had a tremendous social impact on the lives of socially excluded tribal by empowering them. Changes have been noticed in rural women who lacked working opportunity were benefited by the income generation program provided to them through CSR. Child marriage and women battering have been decreased with increase in literates. Leadership quality and organizational power of women have been improved by women self help group. The technical skill for becoming self employed and atrocities on women have been reduced.

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