

# Corporate Social Responsibility By Mineral Foundation Of Goa – A Study

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## BACKGROUND

Corporate Social Responsibility has long been a hot topic globally. Some corporations have won acclaim and awards for CSR. Two of them were BP, the oil giant, and Goldman Sachs, the big investment bank. CSR award-winners have typically engaged in green activism and philanthropy. British Petroleum changed its name to plain BP, and launched a highly successful image-building campaign, labeling itself "Beyond Petroleum". This showed BP as a green activist, with a new logo of a green and yellow sun. The company boasted that it was among the biggest producers of solar panels and wind power, but these accounted for barely 3% of its total business. "Beyond Petroleum" won two "Campaign of the Year" awards from PR Week, and a gold "Effie" award from the American Marketing Association. BP funded green causes and won green plaudits, brushing aside accusation of "Green Washing" by green peace. Goldman Sachs was the superstar of Wall Street. Its top executives rose to powerful political positions. Examples include Robert Rubin, Bill Clinton's treasury secretary; Hank Paulson, Bush's treasury secretary; Neel Kashkari, Paulson's bailout chief; Reuben Jeffrey, interim treasury investment officer; Stephen Friedman, Head of the New York fed; and Jon Corzine, former governor of New Jersey. Thomson Reuter's columnist, Chrystia Freeland has called CSR, "A fetish encouraged by the philanthropies that feed off it, and funded by the corporate executives who find that it serves their bottom line." Consumers have been willing to pay more and buy more from companies with a CSR halo.

The concept of CSR emerged from the sense of responsibility and can be defined as the ethical behavior of a company towards society. It is a concept which suggests that commercial corporations must fulfill their duty of providing care to the society.

## MINING IN GOA - AT A GLANCE

Mining in Goa was initiated in the erstwhile Portuguese regime during the 1940's. From manual operations in the early days to completely mechanized operations presently, the Goan mining industry has progressed leaps and bounds. Individual mining companies have taken their business beyond boundaries by not only adopting the best practices in pollution abatement and environment conservation, but also being receptive to the needs of the people and sustainable social investment. Environmental concern has earned many a company's ISO 14001 certification. Most of the educational institutes, research centres and medical facilities have been set up under the patronage of the industry. But these efforts, though genuine, were individual and sporadic. Hence, the industry sat together to conceptualize the Mineral Foundation of Goa (MFG), a society set-up as a collective approach to address the social and environmental issues concerning the community living in the mining belt of Goa.

The industrial minerals are extensively, being mined at present by private parties. In Goa, 65,000 hectares of land is covered by mining leases, of which, about 30 per cent is in North Goa and the rest in South Goa. In North Goa, the maximum area under mining is in Bicholim Taluka, followed by Sattari Taluka. Though in terms of area, Sanguem Taluka in South Goa tops the list in the State, from the point of view of mineral production, Bicholim taluka contributed about 60 per cent of the value of mineral produce in Goa.

Though the presence of mineral ores in Goa was known since ancient times, mining activity on a commercial scale started in Goa at the end of the Second World War - that is only after 1945, when 52,000 tonnes of ore was exported through Mormugao Port in the year 1946. This marked the beginning of the development and export of iron and manganese ore in Goa. During 2001, the mineral production was 15.8 million tonnes. The mineral production in the State during 1991 to 2001 is given in the Table 1.

Over the years, the export of iron ore increased tremendously from 634,000 tonnes valued at ₹16.31 crore in 1961-62

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**Table 1 : Mineral Production During 1991-2001**

| Year | Iron Ore Including Black | Manganese Ore Group | Bauxite | All Minerals |
|------|--------------------------|---------------------|---------|--------------|
| 1991 | 12,516                   | 51                  | 3       | 12,570       |
| 1992 | 12,035                   | 28                  | 39      | 12,102       |
| 1993 | 13,098                   | 16                  | 43      | 13,157       |
| 1994 | 15,107                   | 30                  | 63      | 15,200       |
| 1995 | 17,175                   | 69                  | 65      | 17,309       |
| 1996 | 13,784                   | 20                  | 76      | 13,880       |
| 1997 | 17,621                   | 20                  | 28      | 17,669       |
| 1998 | 15,521                   | 18                  | 37      | 15,576       |
| 1999 | 12,173                   | 12                  | 32      | 12,217       |
| 2000 | 15,101                   | 10                  | 32      | 15,143       |
| 2001 | 15,738                   | 12                  | 59      | 15,809       |

Source: District Census Handbook South Goa And District Census Handbook North Goa

they have gone up to a record of 18,441,931 tonnes valued at ₹ 906 crore in 1997-98. The year 1998-99 and 1999-2000, however, showed a decline of about 3 million tonnes each compared to 1997-98 figures. This may be due to global recessionary trends in the steel market. The export during these years are 15,440,641 tonnes and 15,139,315 tonnes valued at ₹ 867 crore and ₹ 721 crore respectively. The Government of India had granted the mining industry in Goa the status of 100% export oriented unit. Since liberation, until the year 1999-2000, the mining industry had earned the country valuable foreign exchange equivalent to about 10,000 crore. Japan continues to be the major importer of Goa iron ore and the year 1999-2000 accounted for 60% of the total iron ore exports from Goa, followed by China, Romania and South Korea.

The total investment in the mining industry is estimated to be around ₹ 3, 000 crore. The mining industry employed directly over 8,000 persons in mines and by way of indirect employment, around 75,000 persons were engaged in other activities related to mining. About 2,000 trucks were plying for transportation of ore. Besides, 147 barges with an average freight carrying capacity of over 800 tonnes were used for ore transport during 2000-2001. According to the Goan Mineral Ore Exporters Association, in 2006-07, 30.89 million tons of iron ore was exported from Goa. Goa is a major iron-ore exporting state and is responsible for huge foreign exchange earnings. In 2006-07, foreign exchange earned for 32 million tons was nearly ₹ 4500 crores (out of a total export of 40 million tons, 10 million tons were of non-Goan origin). However, the Goa Government share of revenue is very low. From 16.70 million tons in 2001-02, Goa's mineral exports have nearly doubled to reach 30.89 million tonnes in 2006-07, due to a sudden demand from China for low grade iron-ore. With this sudden boom, there is a rush to open and work on dormant leases. It is important to note that while mining occupies over 8% of Goa's land area; its contribution constitutes only 4.2% of the State GDP.

The mining belt of Goa covers approximately 700 sq kms and is concentrated in 4 talukas of Bicholim, Sattari, Sanguem and Quepem. The mining industry provides employment to about 11,000 persons directly and about 10,000 persons indirectly. As per the Directorate of Mines and Geology, out of a total of 318 valid mining leases covering an area of 234.02 Sq.kms, 99 mining leases are in operation, covering an area of 84.14 Sq.kms. Currently, 581 mining concessions are in force, covering an area of 500 Sq.kms. or 14% of the total geographical area of Goa. In 1985, number of working mines was 165, covering 26% of the total concessions. About 250 Sq. kms of total mining concession/areas are located within the forest lands. Mining of iron and manganese ores have provided the backbone to the Goan economy, with a number of ancillary industries catering to it in the engineering, manufacturing and marine sectors. The Mormugao port, one of the best natural harbors on the west coast, serves as the gateway for their exports, as also for access to the areas of the hinterland of the neighboring States of Maharashtra, Karnataka and Andhra Pradesh, and import of other commodities, with the well-planned town of Vasco-da-Gama in its vicinity. The Talukas-wise list of valid working mining leases is given in Table 2.

Almost 10,000 trucks are used by the industry to transport ore to the jetties. From there, about 260 barges were used to

**Table 2 : Number Of Mines As Per Taluka**

| Taluka       | Number Of Mines |
|--------------|-----------------|
| Sanguem      | 52              |
| Bicholim     | 27              |
| Sattari      | 13              |
| Quepem       | 5               |
| Bardez       | 1               |
| Canacona     | 1               |
| <b>Total</b> | <b>99</b>       |

Source: Directorate Of Mines And Geology, 2008

transport the ore to the ports (for export) through inland waterways using mainly the Mandovi and Zuari Rivers and the Cumbarjua Canal. There are 31 loading jetties on river Mandovi and 14 on river Zuari, under the control of various mine owners. In addition to the mines, there are 228 quarries covering a total area of 6.52 Sq.kms.

### **MINERAL FOUNDATION OF GOA - AT A GLANCE**

Mineral Foundation of Goa (MFG) was registered on 12<sup>th</sup> December, 2000, under the Societies Registration Act, 1860. It is a non-profit organization and is exclusively funded by the mining industry with annual subscriptions. The organization is professionally managed and is totally dedicated to the promotion of environmental and social development programmes in mining belt of Goa. MFG has its presence in more than 50 villages across 5 talukas of Goa. The Foundation, through its various programmes, contributes to economic growth, employment generation, social upliftment of communities and environment conservation in the mining belt.

The Foundation operates on two-tier arrangement of a Governing Board and an Executive Committee. The Governing Board is constituted with representatives from the mining industry, nominees from the Central and State Government and accomplished members of the society. The powers of managing the business and funds of the Foundation as well as formulating the broad policies towards attaining its goals are vested with the Governing Board. The Executive Committee comprises of the Chairman, State Government nominees for North and South Goa, two members from the community, Staff of Foundation and Secretary, Goa Mineral Ore Exporters Association as an ex-officio member. The Executive Committee examines the proposals received from the communities and recommends to the Board for its approval, besides monitoring the implementation of the projects. The working of the Foundation is demand driven, transparent, with an inbuilt provision of regular financial and social audits.

In this paper, the researcher is discussing CSR activities which have been undertaken by the MINERAL FOUNDATION OF GOA towards the betterment, development, and welfare of the society.

### **OBJECTIVES OF THE STUDY**

1. To study the MRG efforts in promoting education.
2. To study the schemes introduced to identify the school dropouts and unemployed youth.
3. To study the health and eradication programme started by MRG group.
4. To study the various other schemes provided by MFG for the welfare of the society.
5. To study the initiatives taken towards women empowerment.
6. To study the initiative taken to supplement development programmes launched by the government.
7. To study the programme enforced to converse the environment.

### **METHODOLOGY**

The study is descriptive in nature. The primary data has been used to supplement the objectives. Views of MFG faculty also used to make the paper more effective.

## RESULTS AND DISCUSSION

**1) Educational Investment :** Quality Education is a precursor to an individual's overall development. Proper education during the early stages of life lays a foundation for further progress in the later stages of life. Many a times, financial status or unavailability of appropriate infrastructure becomes an impediment to educational growth. To tide over these circumstances, the Foundation has in place some educational interventions for the benefit of the local community through book bank schemes and scholarship programs.

**a) Book Bank Scheme :** The scheme aims at developing textbook bank, providing notebooks for the school children, geometry boxes for the higher standard students in all the schools in the mining belt, wherein, the financially needy students can avail the benefit without having to buy books from the market.

**b) Scholarship Scheme :** The scholarship scheme of the Foundation is a '*merit-cum-need*' based scheme and is aimed at meritorious students from financially weaker sections of the society. The scheme covers the tuition and hostel fees of the educational institutes for the complete course period. The Foundation is in the process of expanding the scope of the scheme by including diploma and technical streams. The Foundation aims to reach out to more number of students from the mining belt, who wish to pursue their dream of higher studies.

**2) MFG-LABS (Mineral Foundation Of Goa - Livelihood Advancement Business School) :** This project was initiated in the year 2006 and it has been one of the most successful programmes of the Foundation. The project is run in association with the Livelihood Advancement Business School (LABS) of Dr. Reddy's Foundation and is popularly recognized as MFG - LABS.

The project aims at identifying school dropouts and unemployed youth and trains them with employable skills. The courses to be taught are based on market survey and interactions with various industrial sectors. The programme begins with identification of the youth, followed by counseling, aptitude tests and finally a 90-days intensive training. Other than training in the chosen vocation, the trainees are also prepared for the challenge of the outside world through courses in Basic English speaking and social etiquettes. The trained youth are then also assisted for placements on completion of the training.

**3) Health Care :** Health care has been at the heart of the Foundation's activities. Efforts have been made to reach out to the masses in the mining area through general and specialized health camps for children and general public, association with Help Age India for the elderly, weekly OPD in remote areas, financial assistance to the needy for specialized treatment outside the state, and free cataract surgeries under the project "*Drushti*".

All sections of the society in the mining belt of Goa have benefitted from all the encompassing health programme of the Foundation. From medical help to children, elderly and cataract surgeries, to participation in national health care programmes, Mineral Foundation of Goa has been in the forefront to ensure and establish the maximum "HEALTH IS WEALTH".

**a) Health Campaign - In Schools:** Due to the interaction with the headmasters while presenting the textbook sets, it was decided to initiate health camps in high schools falling in the mining belt of Goa. While conducting the health camps in schools, students were found to be malnourished, anaemic or with some ophthalmic problem etc. The students were given medical assistance till the students regained normal health.

A healthy childhood will ensure healthy citizens for the future. This driving principle is implemented by MFG by conducting '*Health Camps*' in schools on a regular basis. The camps are conducted in association with the team of doctors from the mining companies to diagnose ailments and medicines are provided free of cost. Underweight and malnourished students are provided protein supplements and are regularly monitored till they regain normal weight. Besides, children identified with special ailments i.e. congenital heart disease, orthopedic problem, eye/ear problem etc. are provided specialized treatment - either in the state or out of the state. Blood group testing has also been initiated in schools to develop a database and to promote the concept of blood donation. During these camps, blood-group detection and hemoglobin level testing camps are being conducted by the Foundation. Blood-group cards with individual details are provided to the students. This activity became popular and many educational institutes are coming forward with requests to conduct similar camps for their students. An effort is also made during the camps to invite special faculty from the College of Home Science to interact with the students and emphasize the importance of healthy dietary habits and personal hygiene.

**b) Health Campaign - For The General Public:** With an aim to provide health care at the doorstep, the Foundation conducts health camps for general public at the village level with special emphasis on children below the age of 12 and adults above the age of 45. The adults are screened for hypertension and blood sugar levels and are then provided with medicines. These activities are undertaken in collaboration with local agencies and free medicines are provided to the patients.

**c) Financial Assistance:** Many patients from economically weaker sections of the society cannot afford specialized treatment for want of required funds. The Foundation through its **Financial Assistance** programme intervenes in providing medical care either in the state or outside the state at specialty hospitals. Specialized treatment imparts a new life to a patient. Other than financial support, the Foundation also provides moral and logistic support by helping the family complete necessary Government formalities and if the need be, even accompany the patients outside the state.

**d) Participation In The National Tuberculosis Eradication Programme:** The National Tuberculosis Eradication Programme being implemented through the Primary Health Centres is supported by providing protein supplements on a regular basis. The Central Government Scheme of National Tuberculosis Eradication Programme provides help to the tuberculosis patients by way of free medicines. The Foundation had received requests from the Health Officers of Primary Health Care-Sanquelim, Community Health Centre-Valpoi and Upgraded Primary Health Centre-Curchorem to provide protein supplements (Protinex Tins) to the tuberculosis patients registered under their respective Health centres.

**e) Mattruchaya Seva - 25:** Mattruchaya is one of the most respected organization working for the welfare of the people, especially underprivileged and orphaned children. Its wing Mattruchaya Seva-25 works towards better health facilities for the poor of the state. The Foundation has partnered with Mattruchaya Seva-25 to support the Patient Aid Unit (PAU) at the Goa Medical College, Bambolim. The volunteers from this unit help people arriving from remote areas in quickly assessing different medical facilities available with the hospital. This lessens the drudgery of locating different wards and other emergency services. Collaboratively, another programme of Weekly OPD is implemented at Sancordem for the benefit of the village community, since this area lacks nearby medical facilities. The voluntary services offered by medical practitioners are supplemented with free medicines.

**f) Project "DRUSHTI" :** It is observed that a lot of poor elderly people are suffering from cataract. There can be no better gift to an elderly person than the clear sight of a dear one. Hence, the Foundation in association with Shri Kanchi Kamakoti Peetam Charitable Trust, Goa, and Sankara Eye Hospital, Coimbatore, has planned free eye surgeries for the poor elderly people suffering from cataract from the mining belt of Goa. It was proposed to cover the entire mining belt, wherein the poor elderly people can avail the benefit of these eye surgeries. Every year, the free cataract surgeries under the '**Project Drushti**' programme bring light into many ageing lives along with the ability to earn a living, a dignified existence and return of self-esteem. Under this project, free cataract surgeries are performed at Mapusa for the North Goa Community by ophthalmologist Dr. Chandrakant Shetye, and at Curchorem for the South Goa Community by ophthalmologist Dr. Siri Reddy.

**g) HelpAge India :** The Mobile Medicare Unit (MMU) in association with HelpAge India caters to the aged citizens. This weekly service provides quality healthcare to the doorstep of needy elderly people through MMU. The response to the HelpAge India's Mobile Medicare Unit (MMU) has been tremendous.

**4) Women Empowerment:** Women play an important role, not only as home markers, but as the real architects of the society. Independent and conscious women can usher a positive change in the society. The foundation has strived to empower women on their own feet and be the decision makers. The advancement of women in rural and semi-urban areas is punctuated by lack of social and economic opportunities. To attain the objectives, MFG has forged empowering partnership with these crusaders of development.

The women are motivated and mobilized into Self Help Groups and the importance of co-operation, unity, trust, thrift and participation is inculcated into them. They are also trained to financially manage the SHG through account keeping, concluding meetings and maintaining records. They are further trained in various livelihood skills depending on their competence and liking. MFG conduct training in various livelihood skills depending on their competence and liking. MFG conducts training in various areas like agro-processing, cutting and tailoring, cooking and catering, rexin bag making, soaps and papers bag making, *agarbatti* making, *masala* making, hand and machine

embroidery etc. The foundation also makes efforts to provide marketing avenues for the ladies and establish linkages with the market.

**5) Infrastructure:** The infrastructure development programme is driven by the realization that poor infrastructure is bane of any development process. A good infrastructure is precursor to development in rural areas. The infrastructure development projects are undertaken based on demand of the local community. MFG works in close coordination with local authorities and NGOs to supplement the developmental initiatives launched by the government.

The institutional infrastructure programme mainly depends the educational institutes/voluntary organizations and includes improving school buildings, constructing toilets, libraries, laboratories, bench/desks, providing provisions for drinking water etc.

The community infrastructure projects addresses the problem of crematoriums, drinking waters, parks and gardens, irrigation, culverts and resource centers. Stakeholder participation through SHGs in planning and implementing the infrastructure projects helps in augmenting capacity of these voluntary organizations. Entrusting the execution of various infrastructure projects ensures effective implementation of the project as per the need of the community and also provides an alternate source of income to these groups.

**a. Empowering The Educational Institutes:** Construction of library room, computer room and laboratory, extension of the existing school buildings, compound walls for schools, especially for those which were very close to the main road, providing bench-cum-desks to schools, other facilities such as donating library books, cupboards for library, upgrading the school laboratory, electrification of the schools etc.

**b. Empowering The Community:** Constructing Bus-stop shelters, drinking water facilities, *balwadi* and health centre, steps for *Ganesh Visarjan*, *Anganwadi*, Childrens' park, footpath, crematorium etc.

#### **6) Environment Conservation:**

**a. Participatory Watershed Development programme (*Jalswaraja*) :** Though Goa receives an average rainfall of 3000 mm annually, resulting in water surplus, different areas of the state face acute shortage of drinking and irrigation water from winter onwards. The excess rain also accelerates soil erosion, resulting in reduced fertility and silting of lower drainage courses. Increasing population coupled with increased demand for drinking and irrigation water has depleted the ground water. The Integrated Watershed Development Project is a key intervention to reverse these deficits and develop these areas sustainably. The *nallahs*, which are silted, are a cause of floods during the heavy phase of the monsoons. These *nallahs* and rivulets are regularly desilted to avoid flooding and damage to the property. The local community around these *nallahs* is involved while planning and implementing these projects.

**b. Traditional Water-Harvesting Systems :** Revival and improvement of the traditional water harvesting and storage structures augment their storage capacity, recharges ground water and help in bringing more area under cultivation. The existing drinking water facilities are also not adequate for the growing population. Revival and restoration of these commonly utilized resources according to the satisfaction of the local community is an area of thrust for the foundation. The local community helps in identifying the project sites, and MFG collaborates to restore these facilities to its original grandeur.

**c. Air Quality -** Mining companies, in absence of dedicated roads, are forced to share the public road for transport of ore. Bad condition of this road results in spillage of ore and subsequent dust pollution. MFG subscribes to the view that a well maintained road will reduce spillage, lessen dust pollution, reduce maintenance and benefit the community at large.

**d.** The project of '**Nature Club**' was initiated in some of the schools from the mining belt. This was introduced to inculcate among the students, the importance of environment and the need to preserve it.

## **CONCLUSION**

Mining is an important industry of Goa today, and iron ore is the dominant mineral in terms of the quantum, in spite of the various new industrial developments in diversified fields. Clearly, the whole concept of CSR needs to be recast. CSR should really mean observing high standards' in the core business of corporations, in dealing with shareholders and clients and the communities they operate in. By all means, let corporations also make green and philanthropic efforts. Many companies consider occupational health, and with the growing application of ISO 14001 for environment management systems, the priority and profile of environmental programmes and performances

increases. The overall aim of ISO 14001 is to support environmental protection, and prevention of pollution in balance with socio- economic needs. By creating a mere image-man ship with a horrendous record of cutting corners and neglecting safety may not be tolerable.

Mineral Foundation of Goa, with the strength of their exclusive programmes, has contributed to economic growth, employment generation, social upliftment of communities and environment conversation in the mining belt of Goa. Health care has been at the heart of the foundation's activities. Efforts have been made to reach out to all the sections of the society, through general and specialized health camps for children and public, association with HelpAge India for the elder ones. Weekly OPD in remote areas, financial assistance for specialized treatment outside the state, and projects, wherein, free cataract surgeries have been taken just to benefit the community.

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