

The Role of a Newsprint Paper Corporate in Community Development (The Case of TamilNadu Newsprint Paper Limited)

J Anitha and M P Boraian

Abstract

Corporate social responsibility is not a new concept in India. However, what is new is the shift in focus from making profits to meeting societal challenges. World Business Council for Sustained Development says, "Corporate Social Responsibility 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."

Mostly, the companies concentrate around education, rural upliftment and helping the physically challenged people voluntarily. Apart from this, society expects more from corporates in terms of jobs, decent salary, goods and services that satisfy their needs. In this context, we attempt an evaluation of the CSR activities of TNPL (TamilNadu News Print Paper Limited).

The company is eco-friendly and helps the inhabitants of the surrounding villages. It gives attention to a plethora of CSR activities such as treatment of effluent water, education and development activities, community development activities, greening the environment, sports, drinking water facility, career development centre, medical camps and cattle care camps, blood donation camps, women and child welfare, training programmes, and assistance for the differently disabled persons.

Among these, educational sponsorship programme, water supply programme, medical and public health programme and training were evaluated. The objective of these programmes is to enrich the rural poor children through education, water supply for both drinking and irrigation; provision of health facility and expansion of women development in their economic and skill status.

Keywords: *Corporate, Responsibility, Community Development*

Concept of CSR

Nowadays the Corporates are well versed in their social responsibilities. In some cases, the argument is raised whether CSR is played as window dressing. The concept of CSR means that organizations have moral, ethical, and philanthropic responsibilities, in addition to their responsibilities to earn a fair return for investors

and comply with the law. Carroll & Buchholtz (1979) view CSR as “the economic, legal, ethical and discretionary expectations” that society has on organizations at a given point in time. Discretionary Responsibility

Ethical
Responsibility

Legal
Responsibility

Economic
Responsibility

Discretionary
Responsibility

There are few common threads that connect all the perspectives of CSR with each other, but the dedication to serve the society is most important to them. The goal of CSR is to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of public interest into corporate decision, which is the core business of the company or firm, and the honouring of a triple bottom line.

The company has responsibility to society that extends beyond making a profit. CSR as a concept is not something totally new to India. Mahatma Gandhi’s idea contains all the ingredients of what is now commonly referred to as CSR. Gandhiji paved way for the resurgence of morality back into business when he declared “Commerce (business) without morality” as one of the seven sins that should be avoided.

In ancient Tamil Nadu, the great poet Avvaiyar too emphasized the spirit behind social responsibility. She said “The whole nation can be prosperous”. Nature’s law doesn’t say that one can become prosperous only by impoverishing others. Conversely, no one needs to suffer in order to make someone else happy. Through appropriate CSR measures, companies can make this ideal a happy reality.

According to World Business Council for Sustained Development, “Corporate Social Responsibility is the continuing commitment by business 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”.

Defining CSR

According to the late Prime Minister Lal Bahadur Shastri, “Too often the community views the businessmen’s aims as selfish gain rather than advancement of the general welfare. That impression can be removed only if business is fully alive to its social responsibilities and helps our society to function in harmony as one organic whole”. In the past, corporate responsibility took the form of codes of conduct written by public relations departments, without serious involvement of employees or other stakeholders, and without any process for monitoring and verification of implementation. Too often, the CSR has been measured in terms of charitable contributions, consultations with stakeholders chosen by the corporation, and the corporation’s own definitions of “best practices” with regard to workers’ safety or

environmental impact.

Today, business organizations are considered to be social institutions, apart from being economic entities, for two reasons. Firstly, business organizations exist and operate within a social structure. They need to win social acceptance for their survival. Secondly, business organizations need to be socially responsible as they exercise a wide influence on the society's lifestyle. Corporations no longer exist to earn only profits, but also strive to satisfy various societal needs. Thus, corporations need to be socially responsible, for their business activities. Also, they need to be socially conscious and consider the social and ethical implications of their decisions.

Keith Davis defined Social Responsibility as the "businessman's decisions and actions taken for reasons at least partially beyond the firm's direct economic and technical interests." In this definition, 'Social Responsibility' of business is viewed from two different angles of business obligations, i.e. Socio-economic obligations, and Socio-human obligations. Corporate Social Responsibility is the sense of obligation on the part of companies to build certain social criteria and manage the business activities by taking strategic decisions. Socially responsible companies should consider various issues, from the organization of the firm to building relationships with the community. The issue of corporate responsibility has come into focus through community development.

CSR in India

CSR is not new to India; companies like TATA and BIRLA have been imbibing the cause for social good in their operations for decades long before CSR become a popular cause. In spite of having such life size successful examples, CSR in India is in a very nascent stage. It is still one of the least understood initiatives in the Indian development sector. It is followed by a handful of public companies as dictated by the very basis of their existence, and by a few private companies, with international shareholding as this is the practice followed by them in their respective foreign country. Thus the situation is far from perfect as the emphasis is not on social good but rather on a policy that needs to be implemented.

Lack of understanding, inadequately trained personnel, non-availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. further add to the poor reach and weakness of CSR programmes. But the situation is changing and CSR is coming out of the purview of 'doing social good'. It is fast becoming a 'business necessity'. The 'business cause' for CSR is gaining ground. Corporate houses are realising that 'what is good for workers - their community, health, and environment is also good for the businesses'. Several major CSR initiatives have been launched in India since the mid-1990s. Among these is the first voluntary code of corporate governance.

Long referred to as a company's core food, corporate social responsibility is finally being taken seriously by Indian tech companies as they embark on a gamut of philanthropic activities. Through Infosys Foundation and other initiatives, Shri.Narayanamurthy, Chairman and Chief mentor of Infosys, has always been in the forefront of philanthropic activities as a part of CSR. Mr. Narayanamurthy firmly underlines the significance of CSR: "for benefit of globalization and technology to

reach the poor, the private sector, philanthropic institutes and individuals should cooperate and establish partnership with government institutions. This would lift millions of our people out of poverty, provide them with opportunities and make them participate in the process and progress of globalization". While Murthy and Infosys are proactive on the CSR front, how do other tech companies stuck up? According to a recent survey by Mumbai - based online organization Karmayog the sad part is that CSR has not yet taken off in India. The second edition of the research revealed that nearly half of the top companies do nothing by way of CSR.

For the Indian companies, whatever the CSR activities are happening, are centered around education, rural upliftment and helping the physically challenged. Some of the CSR initiatives the major IT companies have undertaken include Education for all, community development, child development, and volunteering. (Shruti das, 2009).

Expectations of Society

In general, the society expects more from corporations in terms of jobs, decent salary, goods and services that satisfy their needs. Society also invites challenges from corporations to exhibit creativity and ingenuity. Corporations are also expected to work with society to maintain a healthy environment. Society seeks an assurance of growth and progress from corporations. *This paper focuses on the Evaluation of CSR activities of the Company TNPL (TamilNadu Newsprints and Paper Limited). Tamil Nadu Newsprint and Papers Limited (TNPL) was incorporated on 16 April 1979 as a Public Limited Company under the provisions of the Companies Act, 1956. The Registered Office of the company is situated at 67, Mount Road, Guindy, Chennai. The factory is situated at Kagithapuram in Karur District of Tamil Nadu.*

Business

The company is in the business of manufacturing and marketing Newsprint and Printing and Writing Paper using bagasse, a sugarcane residue, as the primary raw material. The initial capacity of the plant, which commenced production in the year 1985, was 90,000 tpa of Newsprint and Printing and Writing Paper. The capacity was doubled to 1,80,000 tpa in January 1996 after implementation of the first expansion project. The capacity has been further enhanced to 2,30,000 tpa in April 2003 through upgradation of both the paper machines. Production capacity has been enhanced to 2,45,000 MT in May 2008. A mill expansion plan to erect paper machine III taking the Production Capacity to 4,00,000 MT has been taken up.

Salient Features of the Mill

The mill is the largest commercially successful bagasse based plant in the world and a mill with largest production capacity in India at a single location. It is the only paper mill in India assisted by the World Bank. The company uses bagasse pulp to the extent of 70% in the pulp furnish in making printing and writing paper. Presently, the company has two of the fastest, new generation paper machines in the country. The mill has the world's finest equipment, advanced and sophisticated on-line processes and a quality system. It is ably supported by cutting edge R&D activities in line with the emerging global trends. The company has long term agreements with nearby sugar mills to procure bagasse in exchange for steam under

barter and unique arrangement to ensure uninterrupted supply of bagasse.

TNPL'S CSR Contribution

Being Eco-friendly

The Company acquired about 832 acres of land for setting up the factory and other support facilities. Utmost care has been taken not to disturb the ecology or the greenery of the area. With this in mind, fruit bearing trees and shade giving trees have been planted providing complete green cover to the factory and Township. Facilities set up by the company in the Housing Colony meet the educational, cultural and socio-economic needs of the employees and also cater to the supporting population in the neighborhood. TNPL manufactures quality, wood free paper, showing to the world the eco-friendly route to make paper, without inflicting irreversible damage to the environment friendly producer.

Helping Inhabitants of the Surrounding villages

On the social and community development front, TNPL is committed to helping the inhabitants of the surrounding villages by taking part in drinking water supply schemes, construction of retaining walls in the irrigation channels, laying and improving roads, culverts, providing lighting facilities, development of parks, supply of equipment and instruments to Fair Price Shops and improving infrastructure facilities in government schools. TNPL has identified itself with the local community by augmenting basic amenities and also by conducting medical camps, supplying free medicines and providing assistance to needy people. TNPL has earned a name through its involvement in contributing to cultural programmes, sports activities and temple construction / renovation works. This has paved the way for establishing a harmonious relationship in the area.

The CSR activities are treatment of effluent water of the organization, education and development activities, community development activities i.e., greening the environment, organising sports, drinking water facility, career development centre, medical camps and cattle care camps, blood donation camps, women and child welfare, training programmes, assistance for the otherwise disabled persons

The four areas of CSR taken up for the study are following:

- *Educational Sponsorship Programme*
- *Water Supply Programme*
- *Medical and Public Health Programme*
- *Training*

Educational Sponsorship Programme

The objective is that the rural children especially from SC families should get education. It started in the year 2007. The amount allotted for education is 36% of the total amount allotted for CSR activities. The company has been sponsoring five children every year belonging to the socially and economically weaker sections from the neighborhood to study. So far, 15 children have been sponsored. During this year, additionally two children whose parents died in an accident have been added in this programme. This educational activity is concentrated in a village

named Onavakkal. Here, a large number of people are illiterate, no one is a government employee, no one holds any property and all of them belong to Schedule Caste. People say that they cannot give better education continually to their children, without the help from TNPL.

TNPL has given commitment letters to the parents of beneficiary to the effect that they would educate their children. The parents are happy in ensuring their children's continuous education without pecuniary hazard. They hope that their future will change. From these observations, we could learn that more than a distant advantage, the parents expect immediate help in providing education to their children. They also expect that TNPL could extend educational help to more children.

Water Supply Programme

The objective of the programme is to provide purified water and to reduce the effect of the effluent water. The water supply process is maintained by TEWLIS (TNPL Effluent Water Lift Irrigation Society), started in 1994. It supplies both drinking water and water for irrigation purposes to five villages. The 155 public pipes were placed at a distance of 100 – 150 meters. Water is supplied for four hours in the morning and three hours in the evening. Among all the villages, Pandipalayam is more benefited. Some of the beneficiaries are living on their own land which is distant from the village. Such villagers prefer to have individual taps rather than public taps. The irrigation water is supplied to 1665 acres.

There are 34 water tanks placed commonly for all users to irrigate 30 acres per day. However, the people were of the opinion that water supply once in 15 days was not sufficient. The irrigation water is the purified water from effluent water. The beneficiaries feel that though the effluent water is treated, it still had chemicals harmful to land and as a result, their yield was poor. They were happy about gypsum given by the company. The company gives one ton of gypsum to one acre of land. An agreement was entered into by TNPL with some agriculturists that the company would plant saplings on their land. However, they feel that the company has not done anything except cleaning the land. In the case of water supply, there would be adverse impact if TNPL withdraws its help.

Medical and Public Health Programme

In this service, there are two categories, namely, Medical Health Camps for Human beings and Cattle care camps. The objective of the programme is to provide health facilities to people and cattle. It has been on track from 1995. Every month, medical officers and para medical staff of the company and medical personnel of the government primary health centre join to conduct the medical camp. They supply medicines for ailments free of cost. In addition, specialized camps (eye, nose, orthopedic, dental) for villagers and students have been held. Cattle care camps are conducted once in two months. The villagers benefited, as the expenditure was reduced to a large extent. The village Moolimangalam is more benefited.

The total number of beneficiaries of the program was nearly 50,000. People preferred cattle care camp than medical camp for human beings. Each cattle is given adequate care and medicine. They were not fully satisfied with the medical camp for people because they felt enough attention is not given to patients. Also, they supposed

that the camps do not provide medical care for all their illness in their day to day life. They felt that TNPL could build a clinic in villages so that they would be benefited. The impact is minimal a not much is being done in the area of medical and public health, except a few camps.

Training

Training is the social development programme that concentrates on women development. Rural women are given priority in training. The objective is to develop the economic condition of the people. It also aims that the women should get better economic status through these training programmes. The various programmes pursued are tailoring, computer training and typing. The amount allotted for training is 5.3% of the total amount allotted for CSR activities.

Tailoring was started in the year 2007. Farm cultivation in the nearby villages was affected due to the loss by the effluent water. TNPL has responded to this and has started a tailoring training centre (duration 6 months), to provide alternate livelihood. So far, 190 women have been trained. Training was offered for two batches but now it has been increased to six batches of 20 members each. The centre has linkages with a textile company. They employ the women who complete the course. On Saturdays, the trainer teaches them some crafts or handwork. It is good to note that no one remains without earning after the completion of the course.

The computer training is only for rural people. It includes MS Office, Tally, etc. Totally 160 members were benefited. It has been set up to provide computer literacy. It satisfies the beneficiaries in different job opportunities. It helps married women, in teaching their children and to apply the skill in various sections. Typing was started in 2007. It is intended for rural people, especially for school children and dropouts. Nearly 230 members have benefited. It becomes an extra-curricular quality.

Dissatisfaction

The activities of the TNPL in the four spheres chosen are appreciable. They do benefit the villagers. However there a is some dissatisfaction among the beneficiaries:

- Water supply is not regular for irrigation purposes.
- The medical camps conducted for villagers are not adequate. Also the immediate health problems are not attended, people cannot wait until camps are conducted.
- Some people are not satisfied with public taps. They are away from the village so they do not have access to public taps.

Recommendations

- The TNPL can extend educational help to more children.
- The quantity of water supplied may be increased and individual taps can be installed for individual houses or for a group of houses. \
- The TNPL can stop the supply of effluent to purify water.
- More health camps for villagers may be conducted. Also, as desired by the beneficiaries, at least one clinic may be set up for all the nearby villages.

Conclusion

The company should aim to contribute towards increasing the standard of living and alleviating the poverty of rural communities. Even though companies are making serious efforts for sustained development, some critics are still questioning the concept of CSR. The reality is that CSR is not a tactics for brand building; it is the responsibility of paying back to society. Indulging in social development activities helps society in one way or the other and adds to the goodwill of a company. Corporate Social Responsibility has the role of continuing commitment; it denotes voluntary services towards social environment and contributes to a better society; it should exhibit the developmental activities in a friendly manner. The corporate should meet the needs of the present generation and also generate an ability for future generations to meet their own needs.

References

- Carroll, A. Buchholtz (1979), Three-Dimensional Conceptual Model of Corporate Performance, *Academy of Management Reviews*, October, 1979, PP.497...505
- Keith Davis, (1974), "The meaning and scope of social responsibility" in Joseph W. MC Guire, ed, *Contemporary Management Issues and Viewpoints* (Englewood Cliffs.. Prentice-Hall).
- World Business Council for Sustainable Development, (1999) – Corporate Social Responsibility – Meeting Changing Expectation <http://www.wbcsd.org/DocRoot/hbdf19Txhmk3kDxBQDWW/CSRmeeting.pdf>
- <<http://www.referenceforbusiness.com/management/Comp-De/Corporate-Social-Responsibility.html>>
- <http://timesfoundation.indiatimes.com/articleshow/4662536.cms>
- http://www.norwayemb.org.in/News_and_events/Business/CSR-in-India/
- <http://hubpages.com/hub/corporate-social-responsibility-an-overview>
- <http://lbsim.ac.in/downloads/placements/19-placement-brochure-f/download>

J Anitha, Ph.D. Scholar, Department of Extension Education, GRI.

M P Boraian, Professor and Head, Research Supervisor, Department of Extension Education, GRI.