
Corporate Social Responsibility and Peacebuilding- A Case Study of Tata Group

Abstract

In the present time social responsibility has become very important because of shift in social norms and beliefs. If the individuals and companies work unitedly for the interest and welfare of all the stakeholders, they are viewed as socially responsible. These days the main duty of the business groups is to behave in such a way that by accomplishing their responsibilities towards various groups, they can also make contribution towards the objective of peacebuilding and managing various kinds of conflicts in their country. All the organisations in any country should make dual purpose policies, which will be beneficial to the concerned organisation and also to the whole society for resolving issues and problems related to the peacebuilding and management of conflicts amongst various groups and sections of the society. During pursuing their regular business as well as by engaging in fulfilling their social responsibilities, the various business houses have contributed for the development of the country which in turn will result in having peaceful environment as the people will be able to earn their livelihood which will further result in their satisfaction. In India, the big business houses like Tata Group is a leader in Indian business as well as in many philanthropical and charitable activities. They have worked for the economic growth of the nation in measurable ways. They faced a lot of challenges but still their contribution in reduction of poverty, employment generation and in reducing regional and sectoral disparities cannot be denied. The efforts and various steps taken by the businesses for providing solutions for poverty reduction and employment generation are helping the country in peacebuilding and management of various kinds of conflicts. The corporate sector is required to take initiative and adopt various strategies which will result in peacebuilding and conflict management in the country.

Keywords: Social Responsibility, Peace Building, Corporate Sector, Development.

Introduction

When the companies voluntarily take decisions to contribute for the betterment of society, country, region in which it operates, it is considered as corporate social responsibility. The corporate social

responsibility is a such kind of modern business tool which can be considered as a bridge to attain the goal of peacebuilding in any country. The corporate social responsibility practices of any organisation always put efforts for the development of humans, environment and the whole community. While fulfilling their social responsibilities the organisations help in improving the economic and social conditions of those sectors which are deprived of many basic resources and are affected due to any conflict or natural calamity. The corporate houses, micro, small and medium enterprises have financial resources, and other required tools for the employment generation, for improving the standard of living of the people and for maintaining peace by giving other kinds of supports.

Section 135 of the Companies Act, 2013

The Companies Act, 2013 in India has made it mandatory for every company as a part of its Corporate Social Responsibility (CSR) policy to spend, in every financial year, at least two per cent of the average net profits of the three immediately preceding financial years. It is also mentioned in the Companies Act, 2013 that the local areas around the company in which it operates shall be given preference for the corporate social responsibility activities. The Board of the company is also required to give the reasons in their report for not spending the amount on CSR activities in case they fail to do so. The activities, projects or the programs that can be done by the company to spend the specified amount on CSR activities are required to be as per the Schedule VII of the Companies Act, 2013.

This section is applicable to all the companies whose net worth is five hundred crores or more; or turnover is one thousand crores or more; or net profit is five crores or more during the immediately preceding financial year. The various activities as per the Schedule VII of the Companies Act 2013 are for the eradication of poverty, hunger and malnutrition; for taking preventive steps for the health, sanitation, safe drinking water; for the promotion of the projects related to employment, education etc.; for the women empowerment; for taking steps for reducing inequalities and for taking measures for the maintenance of ecological balance and for sustainability. Various measures suggested in the Schedule VII also involves providing employment opportunities and enhancing the vocational skills; promotion of national heritage, Indian art and handicrafts and slum and backward area development.

Any moral and ethical act or step taken by a company for the society is termed as corporate social responsibility. Whenever any company shows any commitment or any concern towards various

stakeholders with the aim of development of all the groups and for the sustainability, it is the corporate social responsibility. The public image of any company improves when any company gets involved in the CSR activities and actively participate in various developmental projects for the growth of the whole country. The company will be able to create a very strong relationship with its customers, employees and suppliers etc. due to the CSR activities undertaken by the company. By promoting overall development of the society, the companies can contribute towards the peacebuilding in the country.

The businesses and the companies also assist the government in the overall development of the whole country. Any kind of loophole in the law should not be taken advantage of by the corporate sector. They should pay their tax liability in full and at the right time so that the government can get the funds for its various projects for the growth and development of the country which will result in maintaining peace and managing conflict in the country.

The corporate sector is also helping in maintaining peace in the country by fulfilling its economic responsibility which is related with the maximisation of the profits of the company. When the profits are earned, salaries etc. will be paid on time, shareholders will get their share of profits and the government will get the tax amount on time. In this way also the corporate sector is able to handle the conflict and help in peacebuilding.

The companies also have social responsibility towards the employees. Timely and regular payment of wages and salaries to all the level of employees, providing various opportunities for the growth and development of the employees, by giving rewards etc. to the hardworking and good employees are the various things with the help of which the companies can prevent the chance of industrial unrest and can manage the conflict and can also contribute in maintaining peace in the country. The companies should also supply quality products at reasonable prices to its customers and should handle the grievances of the consumers without any delay in a reasonable time. There should be fair competition in the market and the chances of monopoly should be minimised.

By fulfilling the social responsibility towards the various stakeholders, the corporate sector is contributing its share in maintaining the peace and in managing various kinds of conflict which may arise because of any kind of dissatisfaction amongst these groups.

Indian Companies involved in CSR

Many Indian companies are actively involved in the corporate social responsibility activities. The list of the companies who spend the specified amount on CSR activities in the financial year 2020-21 is shown in Table-1.

Table-1 CSR Expenditure and the CSR Activities

S. No.	Company	Amount Spent (In Rs. Crores)	CSR Activities
1.	ITC Ltd.	353.46	• Vocational training programs for the youth. • Forestry programs. • Recycling programs for the dry waste.
2.	Vedanta Ltd.	331	• Development programs for health, education and women empowerment. • Development of the environment and community. • Optimisation of water, energy and carbon consumption.
3.	Infosys Limited	325.32	• Community Development. • Developing digital skills to empower people.
4.	Wipro Limited	251	• Healthcare support. • Meal distribution. • Regeneration of livelihoods. • Education programs.
5.	UPL Limited	100	• Infrastructure development for education. • Providing health and medical services. • Providing employable skills to the young people.

			● Development of women entrepreneurs.
6.	Mahindra and Mahindra Limited	92.78	● Promoting livelihood from agricultural activities. ● Healthcare initiatives. ● Provide support for the education of underprivileged girls. ● Training programs for the youths of the disadvantaged groups.
7.	Grasim Industries Ltd.	84.66	● Programs related to healthcare, education and livelihoods. ● Women empowerment. ● Development of the infrastructure.
8.	JSW Steel Ltd.	78.32	● Projects for quality education. ● Promoting skill buildings and livelihoods. ● Projects on preserving water resources. ● Promotion of art, culture, sports and heritage.
9.	Godrej Consumer Products Ltd.	34.08	● Livelihood Recovery Programs. ● Projects related to climate change. ● Recovery of waste plastic packaging from its consumers.
10.	Tata Chemicals Ltd.	21	● Helped farmers in capacity building and field demonstration. ● Support given to women artisans in rural areas. ● Tree plantation drive.
11.	Jubilant Life Sciences Ltd.	5.83	● Various development projects for health and education in villages.

			● Livelihood and entrepreneurship programs. ● Agricultural programs.
12.	Tata Power Ltd.	3.45	● Education and health programs. ● Financial inclusion programs. ● Skill development programs. ● Various sanitation projects.

Source- Compiled by the Researcher

Case Study of Tata Motors

Tata Motors alone spent Rs. 3.34 crore on CSR initiatives of the company and has impacted around 1,36,800 people of this country in the year 2020-21. (CSR report 2020-21, Tata Motors). What else a person would have dreamt of during this devastating Covid-19 than getting good health care services, education for his children and getting job for his livelihood. Tatas have tried to address all these problems in their CSR initiatives. Almost 66 per cent of the family and company's funds are given as charity for many social causes. Good health is the priority which can be maintained by having nutritious food, education and employment are secondary motives. Malnutrition is the major cause of poor health in many of the villages near their Tata plant at Sanad in Gujarat. Tatas are looking into the problem of malnutrition among children under the Integrated child development service plan of Government of India in partnership with Manav seva trust in 48 villages. In Anganwadi children are served with nutritious food. Mothers are also guided to cook healthy food for their families. It has brought about a big change as women can now go out to earn as they are not visiting hospitals frequently due to poor health of their children. People were provided with oxygen cylinders, hospital facilities and food during covid-19.

Tatas were looking after 141 schools in 2014-15 where they were working hard to improve the system of education in Bombay municipal schools and now, they are taking care of the infrastructure with quality education to such 191 schools. E-learning app was introduced by them which has helped the students to use audio-visuals along with 2D & 3D animation to learn on their own and teachers can assign homework, test or review their performance. Not only the CSR team of Tata Motors communicated with communities, management committee and school teachers to improve the quality of education, development of infrastructure, reducing the drop-out rate of

students but also helped in improvising the performance of school. Around 2000 students were benefitted from this endeavour.

Training was provided to the women living in the villages to manufacture and sell masks which generated and raised their average income from Rs.2500 to Rs.4500. Tatas also launched awareness programmes for students to save environment under Vasundhara project. They conducted national level online environmental awareness program where 2,75,000 students, 90,000 students from rural belt, 9000 schools and 29 states participated.

Providing online education for JEE and IIT entrance exam through the coaching centres run by Tata Motors to the students living in remote areas is also a great step by Tatas towards educating young generation who is going to contribute towards nation building. Students were also provided financial help for their higher education. Through their Asha Kiran schools needs of students with disabilities were addressed by Tata group. Many tribals women got benefitted and learnt the skills to be used in generating their income. This has been a major step towards empowering women and reducing gender inequality.

Tatas have been into these charity programmes since long. Ratan Tata called for a unified move for the entire group. Tata trust has been working for social initiatives. Trust has disbursed Rs. 808 crores in the financial year 2016. In 2019 they have spent Rs.1095 crore on CSR and impacted 11.7 million lives. The core principles of Tatas include that all their activities or initiatives should be impactful although every business is run for profit motive but serving the community should be the objective behind all their endeavours. Their initiatives should be related to the local areas in India where they have their business establishment. All their programmes should be so designed to take care of human rights and the environmental balance. Tata group is empowering communities to participate in such initiatives and carry forward it as they are the ones who can identify their real issues.

Most of the initiatives are carried out in partnership with NGO's or Local Samiti. One should learn how to create opportunities and should not be dependent on others for their livelihood. This is the vision of Tatas to empower people.

Tata motors has initiated all new winger vaccine van in Dharwad to the Indian Red Cross Society, Karnataka to support government vaccination drive. They also raised awareness among people.

In 2019-20 Over 8.3 lakh people were benefitted through the education programmes such as digital classrooms.

Due to covid pandemic profitability of the companies has gone down which has also affected their contribution to CSR. It has gone down by 64 per cent in the year 2021, lowest in recent years. Major portion of the funds had to be directed towards covid relief programmes, developing infrastructure for providing better health facilities including oxygen cylinders, ventilators. Tata group spend Rs. 999 crores on CSR activities in 2021 as per the data provided by Ministry of Corporate Affairs. Next is Reliance who spend Rs. 922 crores on CSR activities. They have also contributed towards the covid relief through Centre and state funds. Infosys and ITC contributed Rs. 362 crores and Rs. 335 crores respectively for CSR. A change has been made in CSR activities by including multiple activities like many companies can manufacture ventilators and such other items which help in manging this health hazard. Ministry has also urged to promote vaccination drive.

Relationship between CSR and Peacebuilding

Activities under CSR are contributing towards bringing about peace in a country. Unless basic needs of food, clothing and shelter of a community are fulfilled an economy cannot even think of any progress and development. When the issues of hunger and malnutrition are not addressed it will cause chaos and conflicting situation in an economy. Corporate social responsibility of companies facilitates in reducing inequality in the society. It helps in maintaining peace as hunger and malnutrition gives birth to all the problems in a society. When nutritious food is provided to the children through the efforts under CSR activities it reduces the number of children falling sick which in turn will reduce their visits to hospitals. Mothers looking after their children can now find time to look for jobs and support their families economically. This will create a peaceful environment at home and when you are at peace mentally your contribution at your workplace will be more which in turn will give you satisfaction, internal peace, cooperative environment at work place and revenue generation to the organisation.

Education is the right of everyone in a society and educating underprivileged students helps them in learning new skills to get employment, becoming more civilized, reducing poverty and ultimately in peacebuilding. CSR activities also tries to reduce the gender bias and class inequalities by skilling women in tribal areas.

In the era of digitisation, it is difficult to find respectable job without knowing digital skills. Infosys is working hard towards creating digital content for the community to learn digital and life skills and empower them. During Covid-19 when many people lost their jobs, face critical health issues, lost their mental peace, these initiatives of CSR helped in providing food, medicines, free online medical consultation which helped in peace-making. To maintain the ecological balance, green initiative, awareness about saving our environment is also taken by the companies which will ultimately improve the health of the society and contribute towards peacebuilding.

Conclusions

It can be concluded that although corporate social responsibility is made mandatory but when people like Ratan tata, Azim Premji are there, peacebuilding is not a serious challenge for India. The corporate sector and all the other members of the business community are supposed to play a very crucial role for peacebuilding and managing the conflicts in the country. The business houses are also required to use their leadership skills for peacebuilding through the various opportunities available in the country. The companies can work for the growth of the local communities and the local areas as part of their corporate social responsibility. By doing this there will be fulfilment of legal obligations as well as there will be indirect contribution towards peacebuilding of the nation. The conflicts arising because of unemployment, poverty etc. can also be resolved. There should not be any hesitation on the part of the business groups in changing the operational strategies for resolving the conflicts in their workforce and other stakeholders. The efforts and various steps taken by the businesses for providing solutions for poverty reduction and employment generation, are helping the country in peacebuilding and management of various kinds of conflicts. The corporate sector is required to take initiative and adopt the various strategies which will result in peacebuilding and conflict management in the country.

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