

Participatory Approach for Corporate Social Responsibility Plan in India

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Abstract The ministry of environment, forest and climate change (MoEF&CC) has notified the environmental impact assessment (EIA) Notification, 2006 under the provisions of the Environment (Protection) Act, 1986, which regulates development and expansion/modernization of 39 sectors/activities listed in the Schedule to the EIA Notification, 2006. There are two category of the projects viz. Category 'A' projects are handled at the level of MoEF&CC and the Category 'B' projects are handled by the respective State Environment Impact Assessment Authority (SEIAA) following the procedure prescribed under the EIA Notification, 2006. Developmental projects in various sectors need environmental clearance either SEIAA or MOEF&CC (MoEF) depending upon their categories and scale of development. A project proponent, any person desiring to establish his industrial unit or project is required to apply for environmental clearance (EC) before establishing project or industry for getting the EC. Standard procedures of development of environmental impact assessment (EIA) Report are prescribed by the authorities and are available in public domain. Project Proponents approach EIA consultants to prepare their EIA reports as per the norms and standard procedures. EIA consultants are the persons or group of persons having experience and specialization in various environmental aspects and are conversant with various policies applicable at the state or national level. The government of India, MoEF&CC has adopted various measures to improve the quality of EIA reports prepared by the consultants. Recently, grading of consultants and their accreditation has been enforced through quality council of India (QCI) under the scheme National Accreditation Board for Education and Training (NABET). Only NABET approved consultants and laboratories are permitted to prepare EIA reports and make presentations on behalf of Project Proponent to state or MoEF&CC authorities. Various studies of environmental parameters are undertaken by the expert EIA consultant organization, results are tested in approved laboratories and reports are generated for EC. MoEF&CC has also prescribed the preparation of social impact

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assessment reports (SIA), socio-economic survey reports (SES), ecology and biodiversity (EB) reports, rehabilitation and resettlement plans (R&R) and corporate social responsibility plans (CSR) to be a part of EIA reports. Standard terms of reference (TOR) for EIA/EMP report for projects/activities requiring environment clearance has been issued by MoEF&CC in April 2015. It contains a general condition for CSR that “along with details of villages and specific budgetary provisions (capital and recurring) for specific activities over the life of the project should be given.” This paper deals with methodology of preparation of CSR plans as per the felt needs of project affected people. Classically, CSR is considered as a responsibility of project proponent to compensate losses to the environment and people that are directly or indirectly affected due to project. This paper gives insight on developing the CSR plan as per felt need of people in core as well as peripheral zone of the project. Existing approach of preparation of CSR plan can be benefited by the proposed methodology and project proponents can deliver their social responsibilities keeping people and environment in focus. The participatory approach of involving people and various techniques of participatory rural appraisal (PRA) and logical framework analysis (LFA) can be used to collect and synthesize the information for developing CSR plans; in fact, people themselves develop the plan.

Keywords SIA · SES · R&R · EB · CSR · PRA · LFA · EIA
EMP · Plan · Methods

Introduction

Growth and development of any region often depend on introducing urban and industrial activities in a planned way. Baseline data on socio-economic parameters such as demography, infrastructure, economic resource base, health status, cultural aspect and aesthetic attributes are generated using information available with the Government agencies, census books, statistical abstracts and health agencies. The opinions of local people about the proposed action are also obtained during socio-economic survey carried out in core and buffer zones villages selected close to the proposed project site.

The socio-economic study is generally set in the Core Zone (the area of project establishment/plant erection) as well as Buffer Zone (the area falling within the radius of 10 km of the core zone). The study assesses and evaluates broad economic resource base and socio-economic profile of the villages with an implicit purpose of assessing socio-economic impact of proposed project and its policies addressing various issues including corporate social responsibility (CSR) of project proponent. Hence while preparing CSR plan it is equally important to carry out socio-economic baseline studies or refer to such studies if already carried out for the area under project.

It may be asked why a corporate person should take into consideration the Social Responsibility? The answer to this is very simple and logical. In fact, it has been well accepted that development sector is epicentre of our sustainable development and people-centred policies are taking root not only in public enterprises but also in private sectors. Investments made to improve the service delivery and upgrade the value chain in India in last few decades are witnessing the unprecedented change in outlook of people and greater awareness among them.

Recently in the year 2013, a mandate for corporate social responsibility has been formally introduced in the Companies Act by Government of India. Response to the initiatives suggested for CSR by government will be on test of time for various public, private and multinational industries/organizations. The practice of CSR is not new to companies in India. However, what New Company Act 2013 does is to bring more companies into the fold. Also, it is likely that the total CSR spends will increase. What is clear to many companies is that if this increased spending is to achieve results on the ground—which is the intent of the Act—then it needs to be done strategically, systematically and thoughtfully (Mittal 2013). Provisions in the new companies act call for structured and participatory engagement of companies with communities especially for planning and designing of social and environmental impact mitigation measures through their environment impact assessment (EIA) reports and environment management plans (EMP) comprising of need base CSR plan and socio-economic survey (SES) baseline studies. Now every industry/enterprise is required to have their own CSR policy, strategy and programmes with some dedicated manpower who are responsible for implementation of CSR plans of the said unit. Few organizations are practicing CSR for many years and discharging their responsibilities towards the society. However, it was not common and popular among many other organizations to adopt social responsibilities on their own before introduction of new act and its provisions. Hence it is an opportunity to build a society which provides equal access to harness the resources and also negate the disparities and promotes collective responsibility. This paper discusses a participatory process of ensuring utilization of CSR funds to fulfill the felt needs of the communities, which are identified and prioritized by community themselves.

Socio-economic Baseline Data for CSR Plan

Identification of needs of villagers to develop Corporate Social Responsibility plan is the first step towards people's involvement in CSR activities. Objectives of socio-economic baseline study should include:

- Collection of socio-economic and demographic details of areas by adopting the participatory approaches.
- Identification of felt needs and income generation activities preferred by villagers and develop business plans for selected options.

- Identification of impacts of the project on community as a whole.
- Development of Corporate Social Responsibility Plan to address the felt needs as expressed by communities.

Participatory Survey

Basic information is always required for planning the CSR and community development programs which depend on the demographic parameters of the project area. This includes total population, their livelihood, total number of families, family size wise classification of households, age composition, etc. Similarly, and equally important is the data related to the occupational pattern of the population and relative size of each occupational group.

Precise information on availability or necessity of various infrastructure related to health, education, transport, drinking water, electrification and other civic amenities is also necessary for planning. A participatory survey by involving communities is the key to develop a sound foundation for CSR plans.

Participatory Approach

Participatory approaches are now commonly adopted by the practitioners, social and economical experts in the field. Most popular among these are the participatory rural appraisal (PRA) tools, rapid rural appraisal (RRA) tools, logical framework analysis (LFA), etc. A basic concept of participatory survey is the community assessment of available resources and analysis of vision for their own improvement. The funds available with the corporate enterprises can be utilized for CSR activities.

Team Building

Team building for collection of facts from the field is the most important activity. Every member of the team must have a clear understanding of purpose of the activity and shall be able to use the participatory approaches effectively to collect information from the field. Similarly, selection of supervisors and field workers/enumerators/animations especially from social work background is of equal importance. It is imperative to organize one training-cum-workshop before actual field survey is undertaken.

Preparation of FGD Guides: Separate instrument in the form of FGD Guide is required in local vernacular language in the light of the objectives of the activity. The questions in the guide need to be worded clearly in a simple manner in order to

make it easy for the respondents to understand and reply without any difficulty and express their opinion freely and frankly. Direct observation of the site by the surveyors is the important part of the activity. A check list to record the facts in support of the respondents' replies is also required wherever possible. These instruments can then be administered in the field for collecting the facts and felt needs of the villagers.

Data collection: For collection of data, graduate and post graduate youth with qualifications in social work may be preferred as enumerators. These enumerators with previous experience of conducting similar kind of task can be instrumental in collecting the error-free data. Enumerators having cognizance of local cultural value system may be preferred during selection process. Selected enumerators are then required to be made aware of the specific purpose of the activity and trained to seek required information.

Focused Group Discussion: Focused Group discussion is one of the effective tools of PRA for gathering the information on specific issues which need general consensus of people at large. FGD can be conducted among different stakeholders with the help of the FGD Guides at some at common places in the villages where respondents had easy access and could participate freely in the discussions. Exclusive FGD sessions with the vulnerable groups, especially the women, may be necessary to have insight into their specific needs.

Participatory Rural Appraisal (PRA): PRA is also conducted in the villages to collect the factual information by involving the community. Different tools of PRA like transect walk and reconnaissance survey, etc. are used to collect the information.

Infrastructure Survey: Survey of the existing infrastructure in villages is useful in improving the infrastructure as well as planning for its development. Project team collects all the relevant information in a participatory way during various meetings, discussions with villagers, local leaders, etc. This comprises of collection of information on all items of basic facilities like roads, street lights, water resources, pasture lands, open areas, forestry resources, cremation/burial grounds, extent of agricultural land, irrigation, educational facilities, health services, veterinary healthcare services, business units, service industries, panchayat and infrastructure that exist in the villages. The data on availability of and access to infrastructural facilities is also compiled from census 2011 or the latest Census Data and adequate survey in selected villages.

Common Property Resource Survey: Transect walk is used as a tool whereby animators take an observational walk with villagers during which due attention is given to people, resources, environmental features, physical setup, etc. The community members provide useful information and clarify the doubts. The output of transect walk is the hands-on experience in a community to understand the village setup and identification of common property resources that exist within the villages.

Village information: Village information schedule is used for collection of village information. The following information is collected.

A. General information of village, its geographical location etc.

B. Demography

1. Population as per Ward/Tola

2. Marital status

3. Migration status

4. Reasons for migration

5. Population distribution

C. Social structure

6. Size of family

7. Housing

8. Social composition

9. Educational status

D. Economical status

10. Occupation

11. Cropping pattern

12. Milk, eggs and fish production

13. Land holding

14. Labour class status

15. Labour rate (existing Rs. per day)

E. Status of villages

16. Ground water level

17. Surface water availability

18. Source of water

19. Biomass cover

20. Energy

21. Community—groups

22. Agricultural implements

23. Parental businesses

Socio-economic Information: A pre-designed questionnaire is generally used for collecting socio-economic information of the village households. Following important information is included in the schedule:

- Village infrastructures and its status
- Village facilities and its status
- Professional training need of villagers
- Socio-economic profile of village households

Capital investment activities

S. No.	Work	S. No.	Work
A	Modular and non modular businesses	VIII	Sector: education
I	Sector: modern agriculture equipments and tools	IX	Sector: entrepreneurship development

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S. No.	Work	S. No.	Work
II	Sector: animal husbandry and dairy works	X	Sector: water related infrastructure development
III	Sector: social forestry	XI	Sector: community development and community information center
IV	Sector: strengthen agriculture	XII	Sector: community-related infrastructure development
V	Sector: health	XIII	Sector: education related infrastructure development
VI	Sector: drinking water	XIV	Sector: solid/liquid waste management
VII	Sector: community infrastructure	XV	Sector: school sanitation hygiene education

Recurring cost investment activities

S. No.	Particular	S. No.	Particular
I	Strengthen off farm and non-farm occupations (local unemployed youths)	VI	Social awareness campaigns
II	CBOFCB: community based organizations for capacity building	VII	Health awareness to improve health
III	Strengthen irrigation and agriculture facilities in villages—farmer's training	VIII	Minor forest produce
IV	Capacity building of subsidiary enterprises	IX	Maintenance and repair
V	Improve functional literacy	X	Strengthen extension services

FGD guide/observation format

Areas	Observations and photographs
<i>Health</i>	
Public health	
Veterinary clinic	
<i>Education</i>	
Schools/anganwadis	
Anganwadi kitchen shed	
<i>Livelihood</i>	
Handloom/weaving, etc.	
Agriculture and allied	
Forest/NTFP/local species	
SHGs	
Animal husbandry	
Dairy	
Sericulture	

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Areas	Observations and photographs
Social/agro forestry	
Horticulture	
Water resources, irrigation source (river/well/tube well)	
Enterprise development	
Local skills	
Soil and water conservation	
<i>Infrastructure</i>	
Road/connectivity	
Electricity/solar power	
Drinking water/dug-well/tap water	
Sanitation/water SLWM (solid/liquid waste management)	
Playground/public park, etc.	
General utility, community infrastructure/gotul (community hall constructed for tribal villages)/waiting room, etc.	
Markets/haats/bazaars/pashu bazaars, etc.	
Water bodies (lake, pond etc.)	
Entrance gate	
Computers/internet, etc.	
Haudis (drinking water arrangement for animal, cattle)	

Impact of CSR Activities: The following is an illustrative list of possible impacts:

Social/Cultural

- community cohesion
- integration of social support systems
- Development of women's economic activities
- Restoration of time-honoured sacred places of worship
- Restoration of archeological sites and other cultural heritage property

Economic

- Benefit to agricultural lands, tress, wells
- Benefit to dwellings and other farm buildings
- Benefit to access to common property resources
- Benefit to shops, commercial buildings
- Benefit to businesses/jobs
- Overall Benefit to in income due to above developments

Improvement to Public Infrastructure and services

- Government office buildings
- School buildings

- Hospitals
- Roads
- Street lighting

Other Impacts

Impact on livelihood: Impact of the project is exemplified by people becoming landless, removal of their main occupational foundation and affecting their commercial activities and livelihoods. CSR activities restore people's economic and commercial activities by improving their skills and providing them opportunities for doing modular and non-modular businesses.

Creation of job opportunities: Joblessness or loss of employment and wages deprive landless labourers, service workers, artisans, and small business owners of their sources of income due to project are restored with CSR activities.

Community Development: Homelessness or loss of housing and shelter threatens to become chronic for the most vulnerable. In a broader cultural sense, it also affects communities' cultural space and identity. Community development activities of CSR help communities in restoring their cultural space and culture.

Improvement in upliftment of project affected persons: Marginalization is one of the predicted impacts of project which occurs when families lose economic power. Middle-income farm households become small farmers; small shopkeepers and craftsmen are downsized and slip below poverty thresholds. Economic marginalization is often accompanied by social and psychological marginalization and manifests itself in a downward mobility in social status, displaced persons' loss of confidence in society and in themselves, a feeling of injustice and increased vulnerability. CSR activities combined with environment mitigation plans in project affected area provide opportunity to rural farm households, artisans, small shopkeepers, craftsmen to improve their sources of income and economic status, and thereby ensuring them financial stability and restoring their confidence.

Food security: Regular income, increased income source and economic stability overcome the food insecurity.

Reduction in Morbidity and Mortality: There is increased accessibility to health facilities due to infrastructure development under the CSR activities which reflects in good health, minimizing malnutrition, reducing stress and psychological traumas. Improvement in village facilities provides safe water supply and waste disposal which further reduces possibilities of proliferation of infectious disease.

Increased Access to Common Property: Increased access to commonly owned assets (forestlands, water bodies, grazing lands and so on) is possible due to various developmental initiatives and it compensates the losses in the long run.

Steps in Conducting CSR

Step 1: **Define the CSR Area**

The first step is to define the *Area of CSR activities*. The CSR team must get a map showing clearly demarcated area that will be brought under CSR activities. Field visit to the area needs to be undertaken to have a better understanding of the geographic limits of the area and the people living there.

Step 2: **Identify Information/Data Requirements and their Sources**

Review the existing data on various developmental activities being undertaken by public and private agencies. This may provide basis for planning appropriate CSR initiative and converge the activities and funds with other developmental initiatives to get synergy effect. This review will also help identify the need for collection of additional primary data through surveys and participatory methods.

Step 3: **Involve Stakeholders in planning CSR**

Share information of CSR and consult with all stakeholders. Stakeholders are people, groups or institutions which are living in the identified area proposed for CSR intervention. This sharing of information helps to develop and implement an effective public involvement plan. The first step in developing plans for public consultation and participation is to identify stakeholders who need to be involved in the consultative processes. The basic questions to consider in identifying stakeholders include:

- Who will be directly or indirectly and positively and negatively affected?
- Who are the most vulnerable groups, who need CSR support?
- Who might have an interest or feel that they are affected?
- Who supports or opposes the CSR activities or the changes that the project produces?
- Who are opposing the CSR initiatives and why?
- Whose cooperation, expertise or influence would be helpful to the success of the CSR activities?

Step 4: **Stakeholders Consultation in the Field**

Stakeholder's consultation is conducted in field at common place accessible to all stakeholders. It is important to confirm their understanding of key issues. The local knowledge can be invaluable in finding alternatives that help to restore or cover developmental interventions to avoid or at least reduce the magnitude and severity of adverse impacts. This is done during initial assessment and can be used for further in-depth inquiries for need-based CSR interventions.

Step 5: Prepare a Socio-economic Profile of Baseline Condition

To assess the extent of impact of CSR activities, it is necessary to assess the socio-economic conditions in the project area. This assessment generally involves conducting a socio-economic survey and a broad-based consultation with all affected groups.

The socio-economic profiling is done while social impact assessment is conducted, and the same can be used for baseline socio-economic analysis. However, it should not be restricted to adversely affected population only. The survey should include those who benefit from the employment and other economic opportunities generated by the project.

CSR Methods and Tools

CSR planning should be carried out before the start of the project. The basic objectives of this study are to provide

- Interventions to meet the people's felt need
- Interventions to reduce the potential impacts of the project, its magnitude, distribution, and their duration;
- Information on who will be benefited, individual or group, positively or negatively affected
- Information on perceptions of the people about developmental initiatives
- Information on potential mitigation measures to minimize the impact
- Information on institutional capacity to implement mitigation measures

Examples of Questions to Be Addressed in CSR Planning

- Who are the key stakeholders? What do they already know about the proposed project, and the measures including CSR activities being contemplated to mitigate its negative impact?
- What are their interests? Are the objectives of the CSR are in line with their needs, interests and capacities?
- What will be the impact of CSR on various stakeholders, and particularly on women and vulnerable groups?
- What social factors affect the ability of stakeholders to participate or benefit from CSR (gender, caste, ethnicity, or income level)?
- What institutional arrangements are needed for implementing CSR interventions?

Sources of Information

The CSR Plan Requires Both Primary and Secondary Data

- (a) **Primary Source:** The existing data from secondary sources cannot, however, be a substitute for project-specific surveys. In addition, SIA derives much more relevant information directly from surveys of various kinds including socio-economic survey, and FGD and consultation with the affected people
- (b) **Secondary Source:** Such sources of data include:
 - Government census data
 - Land records, including records of land transactions
 - District gazetteers
 - Other administrative records (such as NSS)
 - Documents from non-governmental organizations

Data Collection Methods for Preparing CSR Plan

Qualitative Methods

- (a) **Key Informant Interview:** A set of questions on identifying the social development activities or environmental conservation activities which can be covered under CSR are incorporated in the questionnaire. Such questionnaire is useful in collecting the responses of people in structured manner. The design of the questionnaire is rather important. It should focus on key issues, yet be simple and in the local language. Persons selected to conduct the interviews should be properly briefed and trained to get the questionnaires completed. The team conducting the interviews should include female members, to collect information on women issues especially in rural areas and among communities where there are restrictions on their movements.
- (b) **Focused Group Discussions (FGDs):** In FGDs, one or more informants guide a group discussion and encourage the group members to discuss the topic among themselves. The group usually has six to ten participants for better interactive session. However, more participants are also encouraged to join the discussion to get a proper representation from all social sections. The informant usually follows an interview guide but interferes minimally in the discussion.
- (c) **Participatory Rural Appraisal:** This low-cost method is based on in-depth interactions with rural people and involving them in the process of data generation. There are several PRA tools which are used to generate the information which later is used for planning purpose.

Quantitative Methods

- (a) *Common property assets survey*: Common property assets survey is conducted by using questionnaire wherein detailed information of assets available in the village are explored along with its year of origin and present status. This survey helps in understanding the new interventions or management and maintenance requirement of already created assets. The common property survey is expected to provide answers to questions such as the following:
- Where is the property developed?
 - Who is the current owner?
 - What is present status?
 - What is the present use?
 - In addition, a comprehensive list of common property is prepared which includes:
 - Connectivity: Approach roads, roads, bridges, power lines, and water and sewage lines.
 - Pastures, ponds and forests including craft materials, biomass for domestic energy.
 - Public structures: These include schools, clinics, places of worship, bathing and washing places, community centres, lampposts, playgrounds, wells and bus stops
 - Cultural property: Cultural property includes archeological sites, monuments and burial grounds, places of historical or religious importance.

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