

## Corporate Social Responsibility

Concept of development encompasses the activities designed to improve the standard of people living in less developed conditions. Corporate Social Responsibility (CSR) for large projects, is designed to address the genuine needs of people impacted by the project towards development, especially those who live in inaccessible and poverty stricken remote areas, where such projects are generally in operation. The process can be greatly enhanced under CSR if management is sincerely interested in the welfare of the people. A refreshing example is from Laos where Nam Theun 2 health programme strengthened the existing health services by collaborating with the local health authorities and demonstrated, at the time of project completion, great improvements in the health status of the resettled people and others living in the project area (details in the website).

Project owners, contractors and private enterprises must recognise that their profits are linked to the sacrifice of many communities who lived in the project area before its start. Basic humanitarian feelings of giving in return through selfless service is required. Many communities around the world are known to have suffered because of the large projects, showing total disregard for the affected people. This is particularly so for poor and vulnerable people living in the remote areas. These people often suffer the exploitation without much protest. It is not too far back in time that explorers from Australia went to Papua New Guinea in search of gold. The explorers used the knowledge and labour of local people to dig for gold and in return gave them cigarettes, which the natives were quite happy to receive. Many large organisations, concerned with mining, dams and other development projects, have used cheap hand-outs only to satisfy the superficial short term needs of local communities. As far as health service to impacted populations is concerned, it is often a clinic or two, providing free treatment to the local communities, available during the building phase of the project. These limited health services are closed or neglected when the active construction phase is completed and the communities are left to fend for themselves. Since most of these projects are in rural and remote areas they do not count under the priorities of the governments. At the same time the impacted people are too ignorant to demand or fight for their rights for basic services. Such communities are often left with no option other than to be satisfied with whatever has been offered, considering something is better than nothing.

Corporate Social Responsibility (CSR)[\[1\]](#) is voluntary responsible behaviour of enterprises towards society and presupposes legal compliance. Societies differ by nation, history, culture, language, religion, level of education, way of thinking and many other factors. In the western countries CSR and related activities are an essential corporate requirement that are well regulated and this is significantly different from many other regions. The basic **principles** of social responsibility are *accountability*, *transparency*, and *ethical behaviour* as well as *communication* within the network of people, groups and organisations that have an interest in business through development. These varied networks, including the communities, are stakeholders impacted by any such project undertakings. CSR is not only an ethical issue but it is of great benefit to the enterprises in the long run.

The major benefits of behaving in a socially responsible way could be:

1. Higher motivation and productivity among investors, employees (including local communities) and contractors;
2. An increased reputation and trust that leads to higher appreciation from customers and suppliers and all other stakeholders that are impacted by its activities, therefore aiding its greater economic success;
3. Enhanced recognition as operating publicly in society involves consideration for the intentions of customers, representatives of local communities, banks and other important stakeholders contacts;
4. An acknowledgement of commitment because CSR is not a short-cut to business success but instead requires financial investment that pay off in the longer term;

5. A higher acceptance within the community because CSR makes a business adapt more quickly to the needs of its impacted stakeholders, their environment as well as its clients;
6. An opportunity to help the host nation in general development of project impacted remote areas, where most projects are situated.

Often corporates raise an issue when discussing CSR that a private company is not an NGO, yet many corporates make donations to voluntary organizations who may be doing social development work. Carnegie—who famously said that the wealthy should consider their wealth to be trust funds that they should use for the good of the community<sup>[2]</sup>. Even in 13th (1271) century in Sivas, Central Asia had great medical schools and mental hospital. The money which financed these foundations came not from war and farming, but from trade (William Dalrymple. *Xanadu* 1990. Penguin Books). The question may be asked, what is wrong for a corporate to act a bit like an NGO with a sincere goal of making the deprived poor communities move a step further for better livelihood and sustainable future, through a small contribution from their sizable profits?

In compliance with the EDF Groups agreement on Corporate Social Responsibility and NTPC being a major part of its interest, CSR was a priority issue for the company and every effort was made to employ the principles discussed here in the NT2 project. At a fraction of the cost of the construction project, the project was able to benefit large areas in Lao PDR and poverty removed in a considerably short period of time. The deprived status of the districts in Khammouane province, which was adjudged to be one of the most deprived and poverty stricken area of Laos; after five years into operation phase, only one district remained in deprived status and clearly Nakai district has been graduated out of poverty stricken districts.

*NB: Detailed version of this article can be found under Blog.*

#### References:

1. NORMAPME User Guide for European SMEs on ISO 26000 Guidance on Social Responsibility. First edition, July 2011.
2. *North American Review* (June 1889). Reprinted in *The Annals of America*, vol. 11, 1884–1894 (Chicago: Encyclopaedia Britannica, 1968), 222–226.

[https://www.cnn.com/advertorial/2018/04/03/can-corporations-really-make-a-positive-impact.html?\\_\\_source=taboola%7Cglobe%7Cndtv](https://www.cnn.com/advertorial/2018/04/03/can-corporations-really-make-a-positive-impact.html?__source=taboola%7Cglobe%7Cndtv)