Disaster in Uttarakhand: The Rise of Corporate Social Responsibility

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Abstract

India, with a long history of droughts, along with recent experiences of cyclones and earthquakes has increased the vulnerability of both the urban and rural populace to natural disaster. In disaster response, Indian corporate sector is considered as one of the most important in the social development of the country. Recently in India Uttarakhand has suffered with one of the worst natural disasters. In this context in addition to the government and voluntary sector, corporate sector of India is playing the most important role for the development of the state by Corporate Social Responsibility. The paper has made an attempt to understand the progress and initiative made by the corporate. Barring accounts in the media, their participation during the different phases of the disaster cycle have found little or no documentation. Hence, the purpose of this study is to recognize and document the CSR of the public and private sector in response to the natural disaster in Uttarakhand. Data has been collected from the official websites of the company’s and from the websites of Media.

Key Words: Corporate Social Responsibility, Uttarakhand, Disaster, Sector

The Uttarakhand tragedy:

The continuous rains from 14 to 17 June accompanied by cloudbursts caused grave natural disaster in the hills of Uttarkhand impacting five districts – Uttarkashi, Rudraprayag (kedarnath), Chamoli, Tehri and Pithorgarh. The tragedy having struck at the time of the Char Dham Yatra, both the locals and the visiting pilgrims were impacted by the calamity. As of 16 July 2013, according to figures provided by the Uttarakhand government, more than 5,700 people were "presumed dead." [1] According to the state government, 147 bridges have been washed away completely in the state. More than 1,300 roads in different locations have suffered extensive damage, blocking connectivity to most of the places in the four districts. The initial loss estimates are expected to be above Rs.10, 000 crore. [2]

A study done by the progree Harmony Development Chamber of Commerce of India (PHDCCI) reveals this to the Indian economy, according to the state Government of Uttarakhand, a press Information Bureau said. Loss of government tourism properties has been assessed to be approximately $ 16 million or Rs 1.020 billion. The Indian economy lost an estimated $ 1.905 billion or Rs 120 billion due to the devastating floods and landslide, the country’s worst natural disaster since the 2004 tsunami that ravaged the state of Uttarakhand in June 2013 which left 5,700 people, mostly pilgrims, dead [3]

In addition to the immense loss of precious lives and damage to property and infrastructure, the disaster has also caused loss of livelihood; the economy of the region was primarily
depending upon the Char Dham Yatra for sustenance. The rebuilding effort required is massive and at least medium term.

Prime Minister of India undertook an aerial survey of the affected areas and announced ₹1000 crore (US$150 million) aid package for disaster relief efforts in the state. Several state governments announced financial assistance, with

- Uttar Pradesh Government pledging ₹25 crore (US$3.8 million),
- the governments of Haryana, Maharashtra ₹10 crore (US$1.5 million) each,
- the governments of Tamil Nadu, Odisha, Gujarat, Madhya Pradesh and Chhattisgarh ₹5 crore (US$770,000) each.
- The US Ambassador to India extended a financial help of USD $150,000 through the United States Agency for International Development (USAID) to the NGOs working in the area and announced that the US will provide further financial aid of USD $75,000.[4]

The Uttarakhand government has announced the establishment of a Punarvas and Punarnirman Pradhikaran (Rehabilitation and Reconstruction Authority) which will be financed by the Centre.

**Purpose of the study**

In the context of India, the corporate sector is perceived to be one of the active players in the social development. Its works has received visibility across progressive high profile natural disasters in the country. In addition to the government and the voluntary sector, this commercial sector holds a special position in the list of stakeholders active in disaster response. However, barring accounts in the media, their participation during the different phases of the disaster cycle have found little or no documentation. Hence, the purpose of this study is to recognize and document the CSR of the public and private sector in response to the natural disaster in Uttarakhand.

On the other hand, the management of recent natural and human made disasters in India is indicative of the need for more stakeholders to be better prepared and coordinated to efficiently handle and mitigate such calamities. The view that through practice of CSR, the corporate sector can potentially act as a responsible partner that works towards evolving a capable and efficient disaster risk management system is gaining ground. This too necessitates serious documented studies on CSR response to national disaster.

**Research Methodology**

The research method used for this report consisted of a desk study of journals, newspaper and magazine reports and financial reports accessed through libraries and websites of Government, NGOs and companies.

In researching this topic it was found that there was a severe lack of empirical evidence. The material available was mostly on business philanthropy, but documented evidence of corporate social responsibility (CSR) in the context of natural disaster reduction was virtually non-existent.
Definition:

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. In some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law. CSR is a process with the aim 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 who may also be considered as stakeholders. [5]

There is no neat dividing line between different element of CSR and between it and commercial work, and no clear start and finish (Twigg 2001). The typology developed for the overview did not have to address such a wide range of issues; it focused on business involvement in natural disaster reduction initiatives with in the philanthropic and CSR programmes. The overview assumed that much of this would involve partnership with organisation outside the business community like public sector, NGOs and Community organisation. The typology set out below in table 1. It sets out five main type of CSR involvement and their characteristics. This model is not rigid or static: a relationship/ form of involvement can compromise more than one of these types, or change from one type to other during the course of particular initiative. This typology is illustrated in the global overview paper (Twigg 2001)[6]

Table: Types and characteristics of CSR involvement / relationship with other actors in disaster reduction

<table>
<thead>
<tr>
<th>Type of Involvement</th>
<th>Examples (general)</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philanthropic/charitable</td>
<td>Donations in cash or in kind( goods, service or facilities) to other organisation and groups working in disaster reduction, or directly to beneficiaries</td>
<td>• Altruistic (although business may derive other benefits eg good publicity but that is secondary).&lt;br&gt;• Typically one to one relationship that is between the giver (business) and receiver (non-profit/community) other stake holder are not involved.&lt;br&gt;• May be formal (i.e based on grant agreement) or informal.&lt;br&gt;• Typically short-term and one-off interventions, but may be long term.&lt;br&gt;• Business controls the agenda.</td>
</tr>
<tr>
<td>Contractual</td>
<td>Contract other organisations or groups to</td>
<td>• Business controls the agenda and manages the resource.</td>
</tr>
</tbody>
</table>
### Table: Types of Business Response

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Carry out work for public benefit** | • Based on formal and legal contract.  
  • Altruistic  
  • Typically short term and one-off initiatives  
  • Typically one-to-one relationship, other stakeholders are not involved |
| **Sponsorship of other organisations or groups** | • Self interested: business gains through publicity, provision for goods and services that meet its needs (any public benefits arising from work are secondary)  
  • Business controls the agenda and manages the resource.  
  • Based on formal and legal contract. |
| **Collaborative Working partnerships with other organisations and groups for public benefit** | • Greater emphasis on dialogue, shared aims, mutual respect (the extent to which this happens in practice varies)  
  • More likely to involve a range of stakeholders  
  • Ideas may generate from various stakeholders  
  • Diversity of partners arrangement (formal and informal)  
  • All stakeholders should benefit from partnership (win-win scenario) but may not benefit equally  
  • Control of resources can give some partners greater control over partnership  
  • Better opportunities for long term interventions. |
| **Adversarial Business response to lobbying about human and environmental impact of business activities.** | • Responsive: agenda driven by other organisations and groups.  
  • Public relations more than public benefits. |
| **Unilateral Business undertakes its own non-commercial actions independently of other actors** | • More likely to be short term, one-off initiatives driven by urgent need and compassion (e.g. emergency relief) |

### RESPONSE OF PUBLIC SECTOR and PRIVATE SECTOR

In order to encourage state-run PSUs to undertake rehabilitation work in the flood-affected areas of Uttarakhand, the government has announced that the expenses would be treated as corporate social responsibility (CSR) activities.
The Central Public Sector Enterprises (CPSEs) can spend more than the prescribed limit of 5-10 per cent of their annual budget for CSR and sustainability activities earmarked for natural calamities or disaster. The relief and rehabilitation projects undertaken in Uttarakhand during 2013-14 by the CPSEs would be treated as the projects in the backward region and would also qualify for the purpose of MoU evaluation.[7]

Table: 1 Public and Private sector Company’s contribution towards Uttarakhand disaster as a part of Corporate Social responsibility. From [12] to [23]

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the company</th>
<th>Sector</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National Mineral Development Corporation</td>
<td>Iron and Steel</td>
<td>₹ 2.5 crore</td>
</tr>
<tr>
<td>2</td>
<td>Steel Authority of India Ltd</td>
<td>Iron and Steel</td>
<td>₹ 1 crore</td>
</tr>
<tr>
<td>3</td>
<td>Rashtriya Ispat Nigam Ltd</td>
<td>Iron and Steel</td>
<td>₹ 0.75 crore</td>
</tr>
<tr>
<td>4</td>
<td>Manganese ore India Ltd</td>
<td>Iron and Steel</td>
<td>₹ 0.75 crore</td>
</tr>
<tr>
<td>5</td>
<td>KIOCL ( own funds)</td>
<td>Iron and Steel</td>
<td>₹24 lacs</td>
</tr>
<tr>
<td></td>
<td>Employees Salary of one day</td>
<td></td>
<td>₹26 Lacs</td>
</tr>
<tr>
<td>6</td>
<td>Gas Authority of India Ltd</td>
<td>Oil and Gas</td>
<td>₹2 crore</td>
</tr>
<tr>
<td></td>
<td>Employees Salary of one day</td>
<td></td>
<td>₹92.25 lacs</td>
</tr>
<tr>
<td>7</td>
<td>National Thermal Power Corporation</td>
<td>Power</td>
<td>₹10 crore</td>
</tr>
<tr>
<td>8</td>
<td>Power Grid Corporation</td>
<td>Power</td>
<td>₹5 crores</td>
</tr>
<tr>
<td>9</td>
<td>National Hydro Power Corporation</td>
<td>Power</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>10</td>
<td>Tehri Hydro Development Corporation</td>
<td>Power</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>11</td>
<td>Satluj Jal Vidyut Nigam</td>
<td>Power</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>12</td>
<td>Power Finance Corporation</td>
<td>Power</td>
<td>₹3 crore</td>
</tr>
<tr>
<td>13</td>
<td>Rural Electrification Corporation</td>
<td>Power</td>
<td>₹2 crore</td>
</tr>
<tr>
<td>14</td>
<td>Damodar Valley Corporation</td>
<td>Power</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>15</td>
<td>North East Electric Power Corporation</td>
<td>Power</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>16</td>
<td>Indian Oil Corporation. Ltd</td>
<td>Oil and Gas</td>
<td>₹2 crore</td>
</tr>
<tr>
<td>17</td>
<td>Bharat Petroleum Corporation. Ltd</td>
<td>Oil and Gas</td>
<td>₹2 crore</td>
</tr>
<tr>
<td>18</td>
<td>Oil Industry development Board</td>
<td>Oil and Gas</td>
<td>₹2 crore</td>
</tr>
<tr>
<td></td>
<td>Company Name</td>
<td>Sector</td>
<td>Revenue</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------</td>
<td>---------------------</td>
<td>----------</td>
</tr>
<tr>
<td>19</td>
<td>Oil &amp; Natural Gas Corporation. Ltd.</td>
<td>Oil and Gas</td>
<td>₹2 crore</td>
</tr>
<tr>
<td>20</td>
<td>Hindustan Petroleum Corporation. Ltd</td>
<td>Oil and Gas</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>21</td>
<td>Engineers India Ltd.</td>
<td>Oil and Gas</td>
<td>₹0.60 crore</td>
</tr>
<tr>
<td>22</td>
<td>Oil India Ltd.</td>
<td>Oil and Gas</td>
<td>₹0.40 crore</td>
</tr>
<tr>
<td>23</td>
<td>Oil and Natural Gas Corporation</td>
<td>Oil and Gas</td>
<td>₹2 crore</td>
</tr>
<tr>
<td>24</td>
<td>Bharat Heavy Electricals Limited</td>
<td>Heavy Industries</td>
<td>₹6.38 crore</td>
</tr>
<tr>
<td>25</td>
<td>Coal India Limited</td>
<td>Coal</td>
<td>₹50 crore</td>
</tr>
<tr>
<td>26</td>
<td>Western Coalfields Ltd</td>
<td>Coal</td>
<td>₹5 crore</td>
</tr>
<tr>
<td>27</td>
<td>BSNL</td>
<td>Telecom</td>
<td>₹18 crore</td>
</tr>
<tr>
<td>28</td>
<td>Security Printing &amp; Minting Corporation of India Ltd.</td>
<td></td>
<td>₹1.94 crore</td>
</tr>
<tr>
<td>29</td>
<td>Hindustan Aeronautics Ltd</td>
<td>Defence</td>
<td>₹2 crore</td>
</tr>
<tr>
<td>30</td>
<td>Toyota Kirloskar In India</td>
<td>Automobile</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>31</td>
<td>Mahindra &amp; Mahindra Group</td>
<td>Automobile</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>32</td>
<td>Honda Group</td>
<td>Automobile</td>
<td>₹3 crore</td>
</tr>
<tr>
<td>33</td>
<td>ICICI Group</td>
<td>Banking &amp; Finance</td>
<td>₹15 crore</td>
</tr>
<tr>
<td>34</td>
<td>Central Bank of India</td>
<td>Banking &amp; Finance</td>
<td>₹11 Lacs</td>
</tr>
<tr>
<td>35</td>
<td>Dell India</td>
<td>Information Technology</td>
<td>US$ 220,000</td>
</tr>
<tr>
<td></td>
<td>Employees contribution</td>
<td></td>
<td>US$ 27,000,</td>
</tr>
<tr>
<td>36</td>
<td>India Infrastructure Finance Company Ltd</td>
<td>Banking &amp; Finance</td>
<td>₹1 crore</td>
</tr>
<tr>
<td>37</td>
<td>SunTec Business Solution</td>
<td>Information Technology</td>
<td>₹7.5 lacs</td>
</tr>
<tr>
<td>38</td>
<td>Jindal Steel and Power Limited</td>
<td>Steel and Power</td>
<td>₹5 crore</td>
</tr>
<tr>
<td>39</td>
<td>Bharat Coking Coal Limited</td>
<td>Coal</td>
<td>₹20 crore</td>
</tr>
<tr>
<td>40</td>
<td>Jaypee Group</td>
<td>Iron and Steel</td>
<td>₹5 crore</td>
</tr>
<tr>
<td>41</td>
<td>SBI</td>
<td>Banking &amp; Finance</td>
<td>₹2 crore</td>
</tr>
</tbody>
</table>
Corporate Social Responsibility in KIND

**Tata Chemicals:** Tata Chemicals provided 5,000 Tata Swach water filters to the affected. Besides ensuring safe drinking water, Tata Chemicals planned forestation process to restore the flora and fauna that was destroyed in the flood. [8]

**Tata Projects:** To avoid a breakout of any kind of water-borne epidemic, Tata Projects installed RO plants in the affected areas to supply purified safe drinking water. [8]

**Tata Power:** Tata Power has supplied 5,000 solar power lamps. Also engineers and technicians have helped the Uttarakhand Power Corporation (UPCL) restore electricity in several regions. [8]

**Tata Motors:** The company supplied vehicles to transport RO plants and for transporting people landing at airports / Dehradun / anywhere else in Delhi. Tata Motors also arranged for a godown for storage of relief materials. Besides this, the company’s employees donated one day's salary towards rehabilitation efforts. [8]

**Tata Consulting Engineers and Tata Housing Development Company** are working together towards a low cost housing solution to provide shelters to those who lost their homes in the floods. In the long-term, Tata Housing will be working with the Uttarakhand government to find a low cost and long term housing solution for the people who have lost their homes. [8]

**Tata Global Beverages:** The Company has procured 7,000 bottles of Tata Water Plus from Hyderabad to be distributed. Tata Tea also supplied tea in the area. [8]

**Tata Communications:** Tata Communications has handed over 25 satellite terminals to the Indo-Tibetan Border Police to facilitate faster communication among relief teams. [8]

**Tata Teleservices:** The company has offered to provide mobile base stations in Dehradun or locations affected that do not have connectivity to enhance communication between relief teams. [8]
Tata Steel: Teams from Tata Steel were the first to trek through non-existent paths to reach villages that had become inaccessible due to the landslides. The teams were quick to assess the situation and speed up relief efforts. Moreover, the company provided pre-fabricated homes to the people who lost their homes in the floods. [8]

Titan Industries: Titan Industries managed warehouse in which relief materials have been stored, besides sending food and other items to around 400 families in the affected areas in Pindar Valley. Blood donation camps have been organised by the watches and jewellery divisions in Dehradun. Employees have volunteered a day's salary and offered their services for the relief effort. [8]

Indian Hotels: Taj Hotels has set up its kitchens at key points in the affected areas. Hotel staff prepared fresh food which was transported wherever required. [8]

Tata Power Delhi Distribution: Tata Power Delhi Distribution deputed its engineers and workers for taking up restoration work of 33KV and 11KV lines at location. [8]

Tata Steel Processing and Distribution: Employees at the company's plant at Pantnagar, Uttarakhand, made a collection and bought items like puffed rice, grams, tetra packs of juice, towels, dhotis, etc. with the proceeds. These items were given to those affected in Rishikesh. [8]

Rallis: In association with Goonj, an NGO, Ralli collected relief materials in kind. [8]

Voltas: The company along with cash has also distributed relief packets. The company has also organised blood donation camps to help those affected. [8]

Trent: Retail businesses such as Croma, Westside and others have established a system to collect food, money and clothing from their customers. [8]

Indian Oil Corporation (IndianOil) has made all arrangements to ensure uninterrupted supply of petroleum products in the affected areas and fuel for the relief teams of the Indian Army.

IndianOil has also positioned adequate stocks of all vital petroleum products, including petrol, diesel, kerosene and LPG, at various places in the region. IndianOil has also moved mobile aviation refuellers over long distances in inhospitable terrain to ensure faster refueling of the choppers that are taking part in the relief operations.

Hindustan Aeronautics Limited provided logistic support for the rescue operations led by Advanced Light Helicopter Dhruv.

Airports Authority of India (AAI) undertaken rehabilitation of communities in couple of villages which are worst affected by the massive floods in Uttarakhand in coordination with the state and local government authorities. [9]

The companies that have units in the state under the tax holiday scheme are also come forward for the relief efforts. ITC, Nestle and Britannia has sent relief and food packages to the disaster-affected areas.
Sahara India Pariwar provided more than 1 lac Sahara Q Shop pure drinking water bottles, more than 1 lac juice bottles and food packets along with candles and match boxes. Deployed 25 medical health unit vans equipped with doctors, pharmacists, free medicines and basic testing equipments. Sahara are also providing complete food and household items every month to 10,000 families for months and years, depending upon the need of these poor families. They have 10,000 Solar Lanterns with hand crank and mobile charger facility, with cranking facility the lantern can be charged manually. Sahara have also decided to construct 10,000 pre-fabricated houses based on latest technology under rehabilitation programme. [10]

**Conclusion:** The findings of the study provide insights into an area of growing concern of corporate towards society. Corporate are giving great efforts for the achievement of business goal and marrying the business goal with social responsibility practices. The study also concludes that secondary data related to CSR activity in this context is inadequate. This finding is suggestive of the depth of interest from both the commercial and non-commercial sectors in the area of CSR. India has an impressive history of philanthropic activities, rooted in its religious and cultural heritage. It is normal practice whenever there is a crisis resulting from a natural hazard, for financially able individuals and institutions to come forward to help. This study reveals that the nature of the CSR activities in the disaster sphere is spontaneous and ad hoc. Whenever there is an emergency, private sector organizations come forward to assist. The assistance may comprise donations by the employees, investment from the companies’ resources, and collections from the general public. Most organizations view these initiatives as a single activity, and prefer to carry them out on an individual basis rather than in partnership with other private sector organizations, or the government and NGO sectors. Almost all interventions observed were on emergency relief, with a few rare exceptions offering relatively long-term perspectives. Assistance extended in relief can be seen as part of the broader social responsibility taken by the private sector. The private sector’s engagement in the Uttarakhand crisis shows that there is substantial potential to seek greater and more constructive engagement from this sector in disaster management. The positive signs were visible in terms of initiative, resource generation capacity, and efficiency. The fact that the private sector is operating within a weak and dwindling economy did not seem to dilute its enthusiasm.

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