

Nalco's CSR Towards Project Affected People: A Study of Gotamara, Angul District, Odisha

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Abstract

This paper discusses on the socio-economic changes took place in the lives of Gotamara Village with the establishment of a manufacturing giant like National Aluminum Company (NALCO). The studies found that Nalco has brought about positive changes among the Project Affected People (PAP) and majority of them are changing their lifestyle. Further as an interface, the present research work establishes a close relationship between community and industry. It discusses the state of the socio-economy of Gotamara village- the villages that is affected by Nalco's operation. It makes an assessment of the socio-economic impact of NALCO on the village.

Keywords: CSR, Community, Socio-economic changes, NALCO

1. Background of the Study

The research paper is an attempt to measure the socio- economic impact of NALCO - a Public Sector Undertaking (PSUs) on its periphery. With the advent of NALCO, villagers have experienced both positive and negative changes on the periphery. The company has been instrumental in generating pollution, causing health problems among the people of its periphery. But at the same time, the company has also been conducting a lot of CSR activities in the villages. As per the CSR policy, the company has been allocating 2% of its net profit for CSR. Nalco allocates 1% of its net profit for its periphery, 1% beyond its periphery. Nalco's CSR activities are conducted by Rehabilitation and Periphery Development Advisory Committee (RPDAC) and Nalco Foundation.. The researchers have taken Gotamara as the canvas of their study

2. Gotamara: The Village Profile

Gotamara is located in the Banarpal Block of

Anugul District, Odisha. It is situated at 15 Km distance from the district head quarter. The geographical area of the village in 1100.78 hectares out of which the unirrigated area comprises of 928.34 hectares, cultivable waste (including gochar and groves) 155.93 hectares and area not available for cultivation is 16.51 hectares. There are 1 primary schools in the village, 1 middle school and 1 secondary school in the village. There is also an industrial school in the village. The college is available at a distance of 5 Km. Allopathic hospital, maternity child welfare center are available within a range of 10 Km and primary health care center are available within the range of 5 Kms. Sometimes, Nalco conducts health camps for the villagers and villagers have access to mobile hospital and free medicine. Nalco has developed infrastructure for water supply to the village. In summer, Nalco also supplies tank water to the village due to acute shortage of water. There is a post office in the village and nearest

railway station is at 5 km distance. The village is getting electricity supply. There is no sports club or sports center in the village. There are both paved and mud road available in the village.

Table 1: Gotamara Data

Particulars	Total	Male	Female
Total No. of Houses	1627		
Population	7420	3894	3526
Schedule Caste	2098	1060	1038
Schedule Tribe	244	123	121
Literacy	5466	3112	2354
Total Workers	2290		
Main Worker	1977		
Marginal Worker	414		

Source: Census 2011

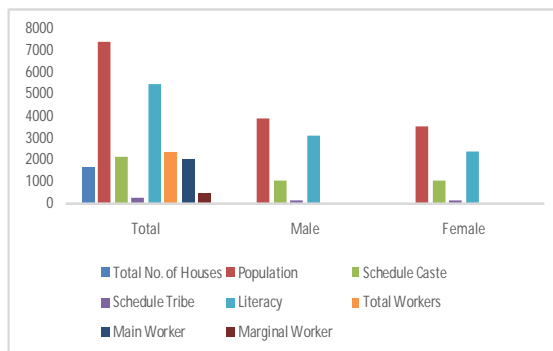


Figure 1: Gotamara Data

There are 1627 households in the village. 32 % of the total population belong to SC and ST communities. The literacy rate in the village is 69% which is also less than the state average (72%).

The village is located on plain area. It has mainly having red soil which is conducive for paddy,

vegetables and china peanut cultivation. Lingra River passes through the east direction of the village. But the village has not been affected by the floods of river during the rainy season. The village enjoys 125-135-degree cm rainfall per annum which can be treated as average. But indeed, there has been fluctuation in the actual rainfall in the area.

Occupational distribution of the population reveals that majority of the people in the village depend upon agriculture for their subsistence. But as agriculture is mainly seasonal, therefore, they have to rely on other sources for employment and income. Most of the people mainly ST, SC and OBC (chasa) people are engaged in paddy and vegetables cultivation from January to December.

There is a mini-Anganwadi center functioning in the village. There is a Therepitha temple at the end of the village and one lord Siva temple in the village. There is also one youth club functioning in the village.

3. Review of Literature

The practice of CSR in India is subject to much debate and criticism. Proponents argue that corporations benefit from CSR activities in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of businesses. Others argue that it is nothing more than superficial window-dressing.

Table 2: Debate on CSR Literature

SL.NO	SCHOLAR	YEAR	DEBATE
1.	David Henderson	2001	CSR threatens prosperity of country, reduces competition, and undermines market economy.
2.	Salazar & Husted	2008	It is wiser for corporations to act strategically than to be coerced into making investment in CSR.
3.	Lantos	2001	Altruistic CSR is not legitimate but strategic CSR is good.
4.	Scott Gallagher	2005	Strategic advantages are gained by being ethical in business.
5.	Franck Amalric and Jason Hauser	2005	Companies derive potential benefits from CSR.
6.	Porritt	2005	Companies should adopt CSR policy as part of risk management.
7.	Ken Coghill	2005	CSR as business strategy designed to avoid risks that threaten the companies' shareholders' interests or to promote innovation that benefits company's interests.

India has a long rich history of close business involvement in social causes for national development. CSR in India is known from ancient time as social duty or charity, which through different ages is changing its nature in broader aspect, now generally known as CSR. From the origin of business, which leads towards excess wealth, social and environmental issues have deep roots in the history of business. India has had a long tradition of corporate philanthropy - the spirit of active goodwill toward others. Industrial welfare has been put to practice since late 1800s. Historically, the philanthropy of business people in India has resembled western philanthropy in being rooted in religious belief. Business practices in the 1900s that could be termed socially responsible took different forms: philanthropic donations to charity, service to the community, enhancing employee welfare and promoting religious conduct. Corporations may give funds to charitable or educational institutions and may argue for them as great humanitarian deeds, when in fact they are simply trying to buy community good will.

4. Objectives

The study has following objectives.

- (i) To study the state of the socio-economy of Gotamara village.
- (ii) To makes an assessment of the socio-economic impact of NALCO CSR on Gotamara.

5. Methodology and Scope

For the purpose of data collection, the present research work follows two sources of data collection: Primary and secondary. The researchers review the relevant literature, company reports, and village data from the secondary sources. They also use a survey questionnaire to assess the socio economic changes emerging due to Nalco operation. The questionnaire has been validated by Sahoo C & Mohapatra D (2016). 5 focused group discussions are also conducted to collect community feedback on Nalco CSR. 100 projected affected family have

been studies using random sampling. The data are summarize in the form of tables.

The present survey has been conducted in Gotamara- a village located in the periphery area of Nalco, Anugul. The present work studies the socio-economic impact of Nalco's operation and its CSR activities on the Gotamara village.

6. Findings and Analysis

Sample households of Gotamara are classified on the basis of their stated annual income into nine groups, with an interval of Rupees one lakh. While the lowest income class is up to Rs 1 lakh. The highest group has annual income above Rs. 8 lakhs.

6.1. Profile of the Respondents HHs

6.1.1. Family Size

Table 3 indicates that the average family size is 4.00, which relatively low. The highest family size of 5 members arefound in the income group of Rs 4 to 5 lakhs. There is wide gender gap found in the village. The sample HHs comprises of 57.25% of male and 42.75 female population. Total HH surveyed is 100 and population surveyed is 400.

Table 3: Family size of the sample households

Sl. No	Annual income range (Rs in lakhs)	Male	Female	Total Population	No. of total Families	Average size
1	Up to 1	36	31	67	15	4.46
2	1-2	28	34	62	16	3.87
3	2-3	12	12	24	8	2.87
4	3-4	42	17	59	14	4.35
5	4-5	13	17	30	6	5.00
6	5-6	20	19	39	12	3.41
7	6-7	22	11	33	8	4.12
8	7-8	22	17	39	9	4.11
9	Above 8	34	13	47	12	3.91
10	Total	229	171	400	100	4.00
11	Percentage Distribution	57.25	42.75	100.00

Source: Compiled from field Survey

6.1.2. Educational level of the HHs

Table 4 shows that people of the lowest income group i.e. up to 1 lakh have the lowest literacy i.e 52.23 and most of them studied up to 10th class. In accordance with the sample distribution, there is positive relation between income and literacy as the study revealed that income increases with increased level of education. Both are increasing. The literacy rate of sample population is 66.50%.

Table 4: Level of education of the Sample family members

Sl.No.	Annual income range (Rs in lakhs)	Up to 10 th	+2	+3	P.G	Total	Total population	Literacy
1	Up to 1	22	12	1	0	35	67	52.23
2	1-2	10	11	9	5	33	62	53.22
3	2-3	10	9	5	1	23	23	100.00
4	3-4	12	7	18	7	44	61	65.57
5	4-5	8	7	1	1	17	30	56.66
6	5-6	8	5	12	6	30	41	73.17
7	6-7	10	5	9	4	28	33	87.5
8	7-8	12	5	8	5	30	37	83.33
9	Above 8	7	8	8	3	26	46	56.52
10	Total	99	69	71	32	266	400	66.50
11	Percentage	24.75	17.25	17.75	8	66.50	100.00	---

Source: Compiled from field survey

6.1.3. Property of the Household

Table 5 revealed that the house property of the HHs under different income groups. Eleven households under the high income range of above 8 lakh have Pacca houses worth Rs 95.5 lakh. On the other hand 6 out of 12 households under lower income group (up to Rs 1 lakh) have Katcha houses.

Table 5: House property of the households

Sl.No.	Annual income range (Rs in lakhs)	No. of Households	Property of the household (No. of houses)				Value (Rs in lakhs)
			Katcha	Pacca	Total		
1	Up to 1	16	7	11	18	62.5	
2	1-2	16	2	14	16	78.00	
3	2-3	8	1	7	8	51.00	
4	3-4	14	1	13	14	80.00	
5	4-5	6	2	20	12	83.00	
6	5-6	12	0	12	12	91.5	
7	6-7	8	0	8	9	93.5	
8	7-8	9	0	9	14	94.00	
9	Above 8	11	0	11	20	95.5	
10	Total	100	6	96	123	729.00	

Source: Compiled from field survey

6.1.4. Distribution of dry land according to ownership

Table 6 reflects that farmers belonging to low income group less than 1 lakh income have owned 20.78% of the total dry land of the village which is highest in the sample. The families of the income group of Rs. 2 lakh to 3 lakh have lowest area of 5.4% dry land and high income group HHs have 11.68 % of land area. There is a total of 77 acres dry land owned by all the sample households of the village.

Table 6: Distribution of dry land according to ownership

Sl. No.	Annual income range (Rs in lakhs)	Up to 1 Acre	1 to 2 Acres	2 to 3 Acres	Total dry land (Area in acres)	Percent
1	Up to 1	6	6	4	16	20.78
2	1-2	6	1	1	8	10.38
3	2-3	2	1	1	4	5.4
4	3-4	10	2	0	12	15.58
5	4-5	8	3	0	11	14.28
6	5-6	4	0	1	5	6.4
7	6-7	2	3	0	5	6.4
8	7-8	5	2	0	7	9.09
9	Above 8	4	1	4	9	11.68
10	Total	47	19	11	77	100.00
11	Percentage	61%	25%	14	100	-

Source: Compiled from field survey

6.1.5. Distribution of dry land according to ownership

Table 7 shows that 23.19% of total wet land is with the lower income group of below Rs 1 lakh and 8.79% of total wet land is under high income group in the village. The farmers of between Rs.5 to 6 lakhs income group have second highest wet land area, which is 17.39%.

Table 7: Distribution of dry land according to ownership

Sl. No.	Annual income range (Rs in lakhs)	Up to 1 Acre	1 to 2 Acres	2 to 3 Acres	Total wet land (Acres)	Percent
1	Up to 1	12	1	3	16	23.19
2	1-2	2	1	1	4	5.7
3	2-3	3	0	1	4	5.7
4	3-4	5	4	2	11	15.94
5	4-5	4	2	0	6	8.7
6	5-6	6	3	3	12	17.39
7	6-7	2	2	0	4	5.8
8	7-8	1	2	3	6	8.79
9	Above 8	2	2	2	6	8.79
10	Total	37	17	15	69	100.00
11	Percentage	54%	25%	21%	100	-

Source: Compiled from field survey

6.2. Socio-Economic Condition

6.2.1. Source of Income of the HH

Table 8 revealed that higher income group get their major source of income from service. The major occupation of 7 households in the income group of above Rs. 8 lakh is service. There are 7 HHs belonging to lower income group of less than Rs. 1 lakh income and they derive their income from agriculture. They stated that Nalco has brought about direct and indirect benefits. It has created township where many of the villagers are getting employment opportunities. But there are still many

people in the village who have not educated. Their skills are related to farming. Farming these days being a non-lucrative profession, those people suffer from penury. Nalco is not able to address their needs.

Table 8: Major source of income of the Sample households

Sl. No.	Annual income range (Rs in lakh)	Service	Agriculture	Business	Total
1	Up to 1	3	6	7	16
2	1-2	5	8	3	16
3	2-3	3	3	2	8
4	3-4	3	4	7	14
5	4-5	5	0	1	6
6	5-6	6	2	4	12
7	6-7	6	1	1	8
8	7-8	5	0	4	9
9	Above 8	8	1	2	11
10	Total	44	25	31	100
11	Percentage	44	25	31	100

Source: Compiled from field survey

6.1.2. Changes in Economic Condition

Table 9 reveals the change in economic condition that Nalco has brought about under different income ranges. 8 HHs have received BPL card under the income range (below Rs. 1 lakh). Out of the 100 HHs surveyed, 99 HHs have deposits in their savings in different Banks. 39 HHs have also availed loan from Banks under income range in the lowest income bracket. The respondents stated that the industrialization brought out by Nalco have attracted the banks to have their operations in the nearby towns. They have been able to deposit money and avail loans from the bank.

Table 9: Change in economic condition after coming of NALCO

Sl. No.	Income Range (Rs in lakhs)	No Of HHs	Change in economic condition		
			Bank Account		Average amount per family (per annum in Rs)
			Deposit (No of households)	Loan (No of households)	
1	Up to 1	16	14	7	35,000
2	1-2	16	15	15	64,375
3	2-3	8	7	1	143,750
4	3-4	14	13	8	3,428,871
5	4-5	6	5	4	3,00,000
6	5-6	12	11	2	33,00,00
7	6-7	8	7	1	5,00,000
8	7-8	9	9	0	65,00,000
9	Above 8	11	10	1	7700,000
10	Total	100	99	39	19,001,996

Source: Compiled from field survey

7. Nalco CSR in the Gotamara

'It's not charity, it's our responsibility.' Nalco CSR brochure reads in its preamble. As part of the commitment, Nalco continued its CSR program for the community wellbeing in terms of infrastructure development for better quality of life among the members of the community:

- Nalco develops and maintain the road infrastructure to facilitate transport in the villages in periphery.
- Nalco also developed and supplied electricity infrastructure to the villages where PAP are residing.
- Nalco continued to supply drinking water to the community throughout the year. In summer, since the water level depletes and community does not get the adequate water, Nalco supply water tankers to the community.
- In Education, Nalco has provided 2 schools: Delhi Public School (DPS) and Saraswati Vidya Mandir (SVM) for the children up to intermediate. The schools are funded and maintained by Nalco ad the staffs of the schools are also provided quarters in the campuses.
- Free Medical Checkup and medicine for the PAP in the Nalco Hospital.
- As part of Skill India, Nalco has been providing employment training to the youth of the villagers through its partner institutes.

8. Community Feedback on Nalco CSR

To ascertain community feedback on the CSR activities of the company Focus Group Discussions (FGD) was chosen as effective means for qualitative assessment of the impact. The researcher conducted 5 FGDs, 10 each in the village of NALCO at Anugul.

The discussion began with a broad topic on company's developmental works in that village and how much they were beneficial to the community.

Gradually the discussion focused on specific topics as per the prepared guideline.

After about 1 hour, to bring proceedings to a close, the researcher summarized the key points, and sought consent of the group to close the meeting.

The 5 FGDs conducted in the peripheral villages of NALCO Anugul revealed that -

- The company, since its inception, has been doing a lot of work for the village, such as road construction, plantation, culvert construction, school building, health camps, assisting poor students for higher study, assisting cultural festivals, and so on.
- NALCO's peripheral development works, however, are not community-need based, mentioned several participants. Since the government is controlling the implementation of major project, quite often there are political pressures; as a result the benefits are not equally distributed.
- The villagers are not always involved either in planning or in the execution of infrastructure development works - those are executed by government machineries or NGOs.
- As regards other programs, beneficiaries get direct aid or assistance from the company.
- Most participants complained about the quality of work and the biased decisions of the company or the government agencies who execute the work.

Despite their complaints on the quantity and quality of work, nearly 90% of the FGD participants were in praise of NALCO's community concerns. They were almost unanimous in admitting the fact that it is because of NALCO their life styles have changed. Besides, direct benefits of improved road communication, community asset like school buildings, their socio-economic status has also improved. Many families are earning better income

due to expanded livelihood options. Many are carrying out small businesses like shops, transport, restaurants, etc. because of NALCO's industrial township. But the community at large does not know that these benefits come from the company, as NALCO's visibility is poor. However, indirect benefits are many. The impact of peripheral development is visible in improved education status of children, health status of families, awareness about government welfare schemes and positive change towards modernization.

9. Conclusion

Nalco CSR is embedded in its philosophy of operation that it's not charity; it's our responsibility. Since its inception, Nalco has been organizing CSR activities for the wellbeing of the community. The villagers perceive that the company has brought about positive change in the lives of the community. However, they stated that the community engagement programs are not need based. They suggested that Nalco should involve community members in planning and implementation of various CSR programs. Therefore, the company should explore participatory model of CSR for effective community engagement programs.

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