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Lecture - 57 Future of CSR

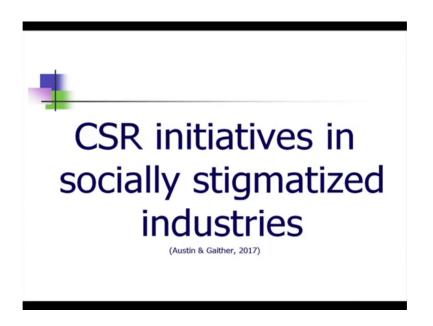
Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course. And we are in this lecture we are going to you know tie all loose ends and I will give you some examples of how or you know the directions that CSR is taking. So, we will discuss very briefly various areas into which CSR has progressed and this lecture might be a little longer than the rest of the lectures, but please bear with me will this time everything that I have found for you know various ideas that we have found.

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So, we will start with you know this is future directions in CSR.

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You will start with CSR initiatives and socially stigmatized industries. Now you know this is a field that is slowly gaining importance, let us see what we have for you here.

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This is from a paper by Austin and Gator that was published earlier this year. What are socially stigmatized industries? It is socially stigmatized industries are industries that have earned the reputation of being detrimental to some aspect of the 3 pillars, that is people planet or profit for examples soft drinks, fast food, alcohol or brewing companies, cigarettes or the tobacco industry, weapons and explosives etc.

So, these are industries that produce goods and services that can harm people. You know, soft drinks and fast food did not feature in this, but there has been a lot of hue and cry about how soft drinks and fast food are damaging the health of people and disposal of these you know maybe even the say the plastic bags industry the packaging industry has come under fire. Because they are you know producing you know everything that this cell is in these plastic bags. And we all prefer this we talk about plastic bags for shopping, but we do not really discuss you know plastic bottles of or packaged water.

We do not discuss packets of chips and biscuit is in and candy in chocolates and everything is wrapped in plastic these days. And so, you know all that is generating a whole lot of non biodegradable waste. And all of these industries the factory is producing these packets have come under fire and they are being labeled as the socially stigmatized industries I mean, they are doing something that helps us, but there is a stigma attached to the products they produce all the processes probably they employ.

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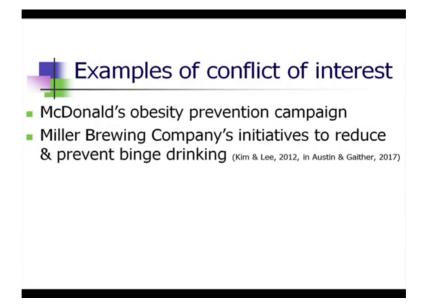


The challenge with socially stigmatized industries is, that CSR activities that pro portray our company as responsive to the concerns of the society for social causes negatively impacted by the company are likely to face heightened scrutiny from the stakeholders regarding the motivations for these initiatives. Because there is no coherence, there is no coherence between or there is very little coherence between what these industries do and or how they earn their money and what they give back to society.

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Why is it so difficult for these industries to indulge in or to engage in CSR efforts? Stakeholders evaluate CSR more favorably when the supported causes related to the companies products services or market. Stakeholder's skepticism may be heightened when a CSR campaign and a corporations goals appear to be in contrast. Such as when CSR appears on the heels of an organization of an organizational crisis or seems to be an effort to appease activist groups or prevent regulatory actions detrimental to the company.



Ah some examples of conflict of interest are MacDonald's obesity prevention campaign, Miller Brewing company's initiative to reduce and prevent binge drinking so, but if in this now there is one very interesting example that I would like to show you where a socially stigmatized industry has done or a socially stigmatized organization has done wonders and that is the example of the ITC Choupal, let me just pull that up here. So, ITC stands for India Tobacco Company there on the one hand you know I mean, as the name suggests they do a lot of work you know in addition to dealing with tobacco industry, but they have really done very well in terms of their each of our initiative here.

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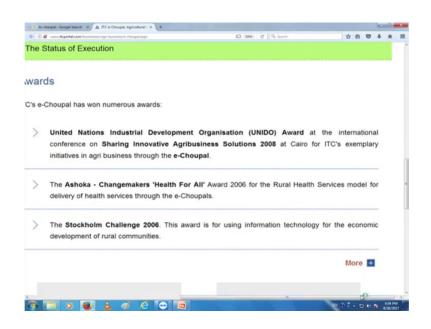
So, they are FMCG products include cigarettes and cigars foods, personal care, education, stationery etc. They also have this agribusiness division.

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And they have come up with this e-choupal as a more efficient supply chain aimed at delivering value to it is customers around the world on a sustainable basis. So, here all right. So, the e-choupal initiative is through the through the agribusiness initiative and they are they are really doing wonders as far as their efforts towards agribusiness solutions are concerned and you can go through this in your own time.

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So, this is one example of an of an organization not an industry, but an organization one of whose products is really under fire for being socially irresponsible is doing wonders through their agricultural through their efforts in another sector.

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Now, the next topic in this list is the mega project social responsibility which is known as the MSR also the short form for this. What our mega projects? Mega projects are large projects that are spread over. So, you know what our mega projects are large projects that are spread over you know years and decades. And so, you know they take things like dams and building of dams or building of roads and building of flyovers and renovating the national highway or building a new national highway or converting an existing road into a national highway. (Refer Slide Time: 07:12)



Or reclaiming the land to made to broaden the national highway all of those constitute mega projects. Now what happens in mega projects social responsibility? The policies and practices of stakeholders through the whole project lifecycle we this refers to the policies and practices of stakeholders through the whole project lifecycle that reflect responsibilities for the well being of the wide society.

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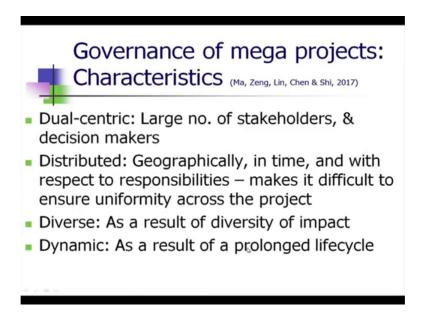
Some challenges in mega projects are complexity of tasks, the size of project you know, several it takes several years to several decades for example, building or renovation of a

national highway setting up a new railway head flyovers in metropolitan cities metro rail service in large cities etc.

These are all examples of megaprojects, these are projects that take years sometimes decades to come to complete it includes a large any megaproject includes a large number of stakeholders there is ongoing sizeable and usually irreversible impact on the social and environmental change, because you know a lot of things are happening the soil is permanently damaged the water bodies may you know completely dry up because they are consuming So much water again you know in some parts of central India some revelates have completely dried up because of the you know sprouting mushrooming of several factories around them.

So, some revelates have completely gone. Then again another challenge is that megaproject social responsibility can never rest with any single individual or organization due to be above. So, this is from a paper by Ma Zeng Lin Chen and Shi that is that was published earlier this year ok.

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Now some characteristics of the governance of mega megaprojects are that governance in megaprojects is dual centric there is a large number of stakeholders and decision makers, it is distributed geographically in time and with respect to responsibilities which makes it difficult to ensure you uniformity of any activity across the project. It is diverse as a result of diversity of impact and it is dynamic as a result of the prolonged life cycle. So, you really cannot have a structure in place as the project evolves the requirements for governance change.

So, at a time when you are scouting you are you know treating the land on which this project is to be built at that time you know you do it in phases. So, you do it in one part, then you will do it in other part, then you do it in another part. So, a different set of people a different kind of governance is required to manage big the work at that point of time because and it could spread over several years. And then you start building something so, you are putting you know pillars in place. So, let us take the example of widening of the national highway number 1 which lasted for about 8, 10 years I do not have the exact timeline in mind, but I have seen it I have experienced it.

And. So, you know the widening started and. So, the first thing was to reclaim the land and flatten out the land on national highway number 1 and then that went on for a long time and then you start you know cutting down trees and leveling the land and every in every section that is happening. So, you know whether it is raining or it is peak summer or whatever this season is. So, whether it is raining or it is peak summer whatever the season you take time to 2 things. And then the next phase starts and then you start you know, making the road and then you have or you make the divider and then you know the level of one side of the road was increased and the other side was lowered.

So, that you know I mean, So that the light from the oncoming traffic would not fall into the eyes of drivers on the other side and that would in turn lead to higher speeds on the road and lesser accidents, because people are not blinded by the full lights of the oncoming traffic. Then roads were built and then you know, flyovers were built on national highway number 1 because you know to avoid the rush through major cities. You know, let us take the example of re-road between say Ambala and New Delhi I mean. So, these flyovers 3 major cities are now not a problem you do not get stuck in traffic jam in Ambala, in Karnal, in Panipath and you know the time to travel between say Chandigarh and Delhi is reduced probably by thirty percent and that is really nice. So, you know anyway, so this process took so much of time and at different phases you had to have different systems of governance.



Some principles and processes of societal governance of MSR.

Now, when we talk about societal governance this is with reference to the OECD principles, you need you know prudence and decision making you need reasonableness of action taking and you need uniformity, transparency and accountability of controlling. Now one very specific aspect of megaprojects is that megaprojects take place or they are completed only with the full cooperation of the local community. We are talking about major construction projects and or construction or development projects. Unless the community is involved the project cannot be you know put in place it cannot be undertaken and it cannot be successful I have seen the road between Kharagpur and Calcutta widening. And so, when I joined the institute and 2008 the road you know, the there were there were a lot of bottlenecks.

And now it takes about 2 to 2 and a half hours to go from Kharagpur to Calcutta whereas, in those times it used to take about 4 to 5 hours, because you had to factor in the traffic jams. And so you know these are big projects and so you land had to be reclaimed. So, those farmers had to be kept happy they had to be convinced to give up their land then the land was reclaimed then the land was treated, then the road was widened, then the road was laid and then flyovers were built you know, in various places. So, you know the dividers were put in and the lighting was there and I mean million

things had to be done. So, unless people are on board you cannot make this project successful. Then the processes of and there has to be controls.

And the control has to be uniform across time space across complexity across different aspects across different parts of the project. Then process of societal governance you need to have social participation, you have to have social learning, you have to have social interaction and you have to have social integration. People need to be convinced that this is absolutely necessary for their development I am sure while they were widening the road between Kharagpur and Calcutta, a lot of local people who had that you know temporary shacks on the roadside were not very happy when these shacks had to be removed. And then they were told that probably again you know, that that the road would be widened and larger cars would be able to come and they would be speeding up and you could have this and that now lot of shops have sprung up in the past 9 years that were not there.

So, more people now for a period of time there was nothing there. You know, when the roads were being widened even the existing shops were taken away, but after that after everything was set in place a lot of a lot more shops have come up and now there is hardly any place where you do not find you know I mean, probably not for more than half a kilometer you would not you would not need to travel more than half a kilometer to be able to find a tea shop or a shack or someplace that says whatever cold drinks or something like that. So, so you know people need to be convinced and then they come on board and then it becomes I mean, it is essential for what for management of megaprojects at that point ok.

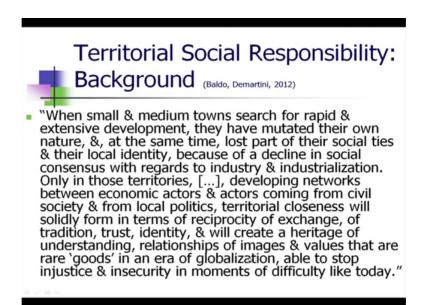
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Ah then territorial social responsibility is another part of CSR.

Now, what is territorial social responsibility? The background again you can read it on your own I put this for notes.

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But I am not going to read the whole thing the crux of what I have put on this slide is, that you know when people, in smaller towns get opportunities for rapid development they go for it and when they go for such rapid development then they forget to take care of the environment around them. So, and that does not sustain them very long. So, in

order to you know come back and in order to be able to you know sustain themselves they need to look after the environment. And they need to have a interaction and integration with the social culture the social milieu in order to survive.

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So, territorial territory genius loci the business climate the process of territorial what is territorial sustainable responsibility produces? A territorial sustainable responsibility refers to your responsibility your social responsibility as a corporation to the physical territory the geographical territory that you exist in. And so, the you know where does it start? It starts with the business climate that in turn leads to the emergence of territory. Entrepreneurs this was again a diagram and I have just put it in the form of a slide here. This was from a paper by Baldo and Demartini that was published in 2012 ok.

So, the business climate then encourages the emergence of territory entrepreneurs or small and small and medium enterprises. And they in turn have their own ethical principles and values oriented towards CSR that feeds into the mission that feeds into the qualification of governance and companies with a sole that feeds into the country governance oriented towards sustainability. And then they also have territory networks, so the territory the business climate then also influences the territory networks. So, the networks within that geographical territory, we are not talking about business sectors we are talking about physical geographical territory here.

And then both one and 2 which is the territory entrepreneurs and the territory networks ultimately lead to territorial social responsibility these then encourage social responsibility towards the community. You have different organizations you know in different territories, so, you have people doing newer things in a smaller territory. And these people doing newer things in smaller territories then finally, say oh you are also doing it? I am doing this you are doing this for sustainability and you know you are doing this to save energy, I am saying doing this to save the environment. So, they form a network of people who have gone above and beyond their comfort zone and done something new and succeeded in it.

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So, and then they come together and they form networks and through these networks social responsibility can be then you know inculcated a sense of social responsibility can be inculcated in these territorial territory and entrepreneurs. Another concept here is called sustainopreneurship, which is sustainable entrepreneurship very interesting term um.

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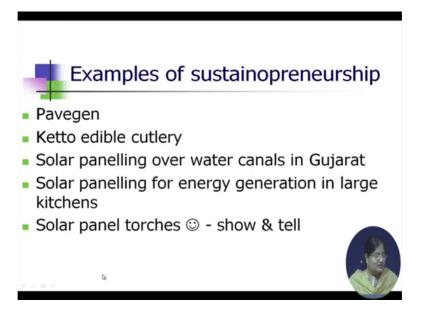
I found a reference to this in this paper by Iyigun, I hope I am pronouncing the name right Iyigun. Anyway the reference is there. So, it is sustainable entrepreneurship is a concept that combines both sustainability and entrepreneurship and has been defined as an innovative market oriented and personality driven form of value creation by environmentally or socially beneficial innovations and products exceeding the startup phase of a company.

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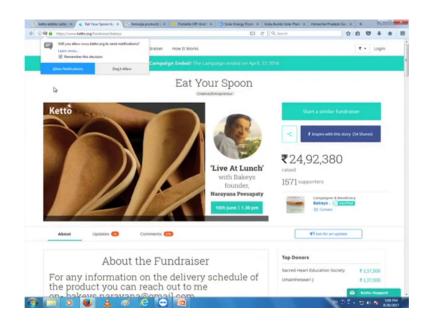
So, the use, what does, what is sustainopreneurship? It is an evolved form of sustainable entrepreneurship and according to the author sustainopreneurship a refers to the use of businesses, business organizing to solve problems related to social and environmental sustainability. It is a business with a cause where world problems are turned into business opportunities by deployment of sustainability innovations.

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Let me show you a few examples here. We have discussed Pavegen you know, in an earlier lecture. So, I am not going to go into it we also have the example of Ketto edible cutlery let me show you this here we did not ITC e-choupal yeah, Becky's. And a company called Becky's manufactures these edible spoons I have them, but I could not find them.

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So, I would have shown them to you, but I have tried these you know, I have tried these spoons and even though they I mean the taste is very bland. You know it is not very much they have raised a lot of money definitely I contributed a little bit, to this I bought a packet of hundred spoons it is very interesting I mean, it tastes like dried roti you know. So, it just tastes like very dry overcooked roti I got the unflavored spoons, but they last. I have tried these edible spoons instead of using plastic spoons and all our meetings and functions and all I mean we can try these. And you know these spoons then last you through a meal and then you either even if you throw it away stray dogs will consume and birds will consume it, after all it is made out of cereal grains and so, it is compressed cereal grains.

So, they have flavored ones also, they have sweet ones that you can use with your desserts, they have these salted and masala flavored ones that you can use with your normal food. Or they have plain ones they are absolutely tasteless, if you have bad teeth then maybe you will have a little bit of toothache, but I am trying to eat them, but you do not need to eat them you just need to you know even if you throw it is not going to damage the environment. It is come from local grains it is just grain powder of different grains that has been compressed and then shaped into these spoons that will last you through a meal, even with Indian style foods you know with curries and all the all the wet stuff that goes into our foods.

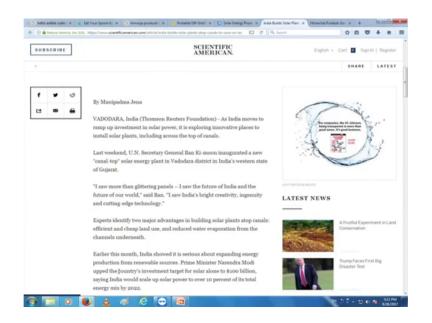
So, it will last you through one wheel meal and you know you do not need to I mean if you wash it and keep it in water definitely will go soggy. But even if it becomes soggy in the monsoon all you have to do is put it in the microwave and you know it becomes crisp again and then you use it and you know, so it is it is very nice. So, this is one very interesting example of sustainable entrepreneurship. We need disposable cutlery, we want this for possible cutlery that does not damage the environment that is not a threat to wildlife, that is not a threat to be soil what do we do. So, we make cutlery out of the edible products that are available to us. Amazing example please definitely go to the website and see if you can try it. You know they, I have this is one example that I found here. The other thing that I would like to show you is solar paneling over water canals in Gujarat here.

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So, in Gujarat what was done was canals were built over you know, solar panels were installed over canals in Gujarat I am sorry, I do not have a picture here probably I do not all right never mind. So, canals were built and this is an article in the scientific American. So, un secretary general Ban Ki-Moon inaugurated a new canal top solar energy plant in Vadodara district in India's western state of Gujarat, solar panels were installed over the canals.

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And in addition to protecting water from evaporation, from you know providing a natural shelter for the water to travel through. So, with the heat also since they were not directly what it was not directly exposed to the sun light water was not evaporating. So, it was more water was available for use by different by farmers in addition to keeping the water clean.

So, no animals falling in the water you know no birds dying no children falling in these canals. So, it provided a natural barrier for you know against any potential accidents and installing panels on these canals gave a source of energy to the surrounding areas. Now very , very nice initiative you can read more about it. Then another example is you know solar paneling for energy generation in large kitchens like you know, the kitchens of various temples and all then you also have an organization called Himachal you know him Urja, which is the Himachal Pradesh energy development agency this is something that I have personally experienced.

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And I have brought something to show you, can you please focus on this.

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This is a solar panel torch that I use in my own home, it is not fully charged and here there is too much light.

So, you may not be able to see it; however, let us see if we can I do not know if I will be able to show you. You know it is it is on I do not know if you can see there is a tiny light inside. So, you can see the bulb glowing and it is been charged, but this room is too bright, but you can probably make out there is let me see yeah you can see a little dot over here somewhere. So, this is a solar panel torch that you can use in your home and again, you know this is this is something very nice and you buy it one time and then there is no maintenance cost and these things are very sturdy and fully charged this thing lasts about 9 hours, I personally tried it I am aware of one company that does it. But I am sure a lot of other companies are doing similar things.

But I thought you know showing you something that I had used would really help you convince you to come up with such ideas in your own environments if you are going to try something like this and the state that I come from I mean, you know many of us have solar panels for water heating, we need regular hot water in Hamachal Pradesh. So, it is cold up in the mountains. So, we have solar panels installed and especially you know except in the rainy season or when it is snowing we primarily use hot water from the solar geezer. And we do not need to switch on regular geezers we have those geezers as a backup in our bathrooms and kitchens, but we do not use them.

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So, this is one example of sustainable entrepreneurship. Then CSR in forestry and wildlife you know, again there is enough research is going on I mean not enough research.

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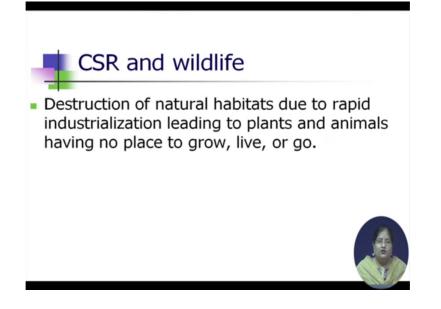
But there is some talk of CSR in forestry this is with reference to a paper that was published by Panwar and Hansen in 2008 and the reference was to forest products industry in the United States. Again there is research going on this talk going on about how you know the forest products industry can be made you know more aware of the dangers of deforestation etc. Some issues here that they quoted that are applicable across you know, various countries are as far as environmental issues are concerned promotion of sustainable forestry practices increase in the use of renewable resources adopting environmentally sound purchasing policies mitigation of global warming reduction of overall energy consumption improvement of waste management.

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As far as social issues are concerned, you know as far as the forest products industry is concerned you could encourage public scrutiny of environmental and land management practices you could invest in surrounding communities. You could promote responsible consumption among consumers you could stem declining employment in the sector you could engage with surrounding communities to produce these products in a more environment friendly way, you could improve the industry's public image which is also the case here in India.

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Another idea that I had when I was talking to a friend in the wildlife crime control bureau was that you know, we are constantly when we talk about the environment, we are talking about the physical environment.

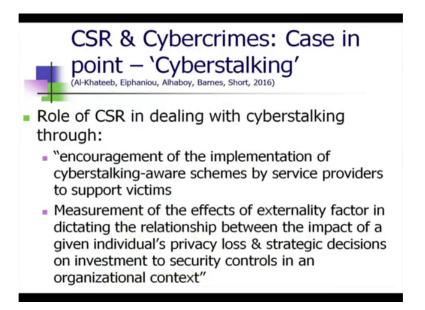
We are talking about the impact of energy we are talking about the impact you know water depletion temperatures rising depletion of plants. We do not really want to talk about the animals a lot of endangered animals lot of animals are entering the endangered animals list. Why is that? Because we are destroying natural habitats due to rapid industrialization and that leads to plants and animals having either no place to go, no place to grow or live. So, you know so we are driving them out of their natural habitats. Now through our CSR efforts we could also help these poor animals. Plants cs we talk about planting trees and forests, but what about animals? You know, so that is one idea that you could look at, and see how.

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Then another thing that I wanted to talk to you about was cyber stalking again, you will say what does cyber stalking have to do with CSR? Well a paper was written and I was surprised to find this, pleasantly surprised I must admit to see that some software companies are actually taking this very, very seriously and in their efforts to contribute to the to the society they are actually doing what they do best which is dealing with the with the cyber aspect. You know or with the internet and helping with the problems that crop up due to the presence of the internet.

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So, you know a role of CSR in dealing with cyber stalking through encouragement of the implementation of cyber stalking aware schemes by service providers to support victims measurement of the effects of us externality factor in dictating the relationship Between impact of a given individuals privacy loss and strategic decisions on investment to security controls in an organizational context. This was a paper by Al Khateeb, Eiphaniou, Alhaboy, Barnes and Short published in 2016. Then another example is CSR in heritage tourism.

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And again this is with reference to the consolidated model of CSR development proposed by Maon Lindgreen and Swaen we have discussed this model. CSR refers to the consolidation of cultural moral strategic and organizational elements that characterize an organization at different stages in CSR development.

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How can you know heritage tourism people come to the country to see heritage sites and all? Some perspectives here are preserving museums.

And heritage mass tourism tour operators you know, so all of these can benefit from CSR efforts airlines. The kinds of things you use in the airplanes leisure and sport responsible in environmental marketing, you could have community based tourism people come in exchange for lower rates for accommodation and travel. They may want to help with the community, fantastic that is very nice, you come you stay with us and then you help our community and you go. So, it becomes a synergistic activity and they come and help you know the community then green strategies and maintenance and upkeep of heritage buildings. So, you know you use environmentally friendly strategies in the maintenance and upkeep of heritage buildings. You employ local people for whom that heritage building is really a part of who they are. You do not allow outsiders to come and destroy that heritage people have an emotional attachment to these heritage buildings.

So, you know you employ them So that way you are helping the society also, then green environmental friendly accommodation especially energy and water use in hotels. So, you know you conserve energy and you I mean, solar paneling is a great idea for any place that requires that has a lot of surface area where that can be used for solar panels and that can really do wonders for the for the, you know for the energy problems that we are facing. So, that is all we have time for in this lecture and in this course actually. We have exceeded the time that was given to us, but I will have some more surprises put up for you on the website and in your list of lectures, but that pretty much winds up whatever I had to tell you.

Now in the very last class I am going to go through everything we have discussed and then we will just wrap this up and I look forward to your comments and suggestions and inputs on the forum. So, thank you very much for being so patient and so interested in the course and for all your comments and all your suggestions on the forum. I look forward to wrapping up the course with you in the last lecture.

Thanks for listening.