

## **Economic and Social responsibility of Oil and Tea Industries with special reference to Assam**

**Monuj Das**

*Research Scholar, Dibrugarh University.*  
*Corresponding Author: Monuj Das*

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**Abstract:** Economic and Social responsibility is a theory that asserts that businessmen in addition to maximizing shareholder's value, have an obligation to act in a manner that benefits society. They apply not only how the business interacts with the world at large, but also to their one-on-one dealings with a single customer. Corporate social responsibility (CSR) is emerging as a new field in the research. In India many firms have taken the initiatives of CSR practices which have mate with varying needs of the society. The present study has made an attempt to understand the status and progress and initiatives made by the large firms of India in context of CSR policy framing and implementation. Data has been collected from the official websites of the firms. The CSR initiatives in the context to health, education and environment protection etc specially in context of Assm.

**Objectives of the study:** The objectives of the paper is to study about the economic and social responsible work done by the various corporate groups like OIL, ONGC, Coil India limited, various tea- company etc with special reference to Assam. The study will also try to study the prospects of social responsible works would be done by the corporate sector. And lastly study will also focus on the new scheme of the govt. of India "adopt a heritage" and how it will benefitted Assam.

**Methodology:** This paper is based on the secondary data. The secondary information is collected from various journals, publications, articles etc.

**Keywords;** Responsibility, Ethics and Corporate world.

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### **I. INTRODUCTION**

Every business firm has to work under some social environment that is known as society and as a good corporate entrepreneur one has to be responsible for the society where their firm is operating. Helping the society by means of preserving the environment, minimising the wastage of natural resources, helping needful, conducting educational capms, All these type of activities constitutes corporate social responsibility practices or initiatives, which help the society/inspiring the lives of the underprivileged and lend a hand in the upliftment of the society.

Corporate Social Responsibility is becoming an increasingly important activity to business nationally & internationally. The broadest definition of CSR is concerned with what is or should be the relationship between global corporations, Government of countries& individual citizens. More locally the definition is concerned with the relationship between a corporation and the local society in which it resides or operates. Another definition is concerned with the relationship between a corporation and its stakeholders. CSR is also known by a number of other names, these include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship, responsible entrepreneurship and Triple Bottom Line.

In Assam various small and corporate groups are working. But most of the corporate groups treat this particular place as colony and try to exploit natural resources from this site before independence. But a few industries care about the environmental degradation .A very few groups trying to uplift the society with proper education, infrastructure and adequate health facilities. In this paper , I am trying to highlights the steps taken by Oil India limited and tea industries which are doing their business in Assam.

### **II. REVIEW OF LITERATURE**

There are numerous national and international works related to business ethics and corporate social responsibilities, but literature related to Assam CSR is very limited. So some important works related to my study are highlighted below:

According to **CSR Asia**, “CSR is a company’s commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of diverse stakeholders.

According to Fakay and Buragohain (2015) Businesses are no longer viewed as only the economic entities but are perceived to be an inseparable part of the society. Corporate Social Responsibility (CSR) is basically a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. Over the last years an increasing number of companies worldwide started promoting their business through CSR strategies because the customers, the public and the investors expect them to act sustainable and responsible.

According to Sharma And Ravi Kiran (2012) Corporate social responsibility (CSR) is emerging as a new field in the management research. In India, many firms have taken the initiatives of CSR practices which have met with varying needs of the society. Although India has entered or taken a transformational change by involving into new CSR initiatives, but still a lot has to be done in this area.

According to **CSR Asia**, “CSR is a company’s commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of diverse stakeholders.

According to John and Simmons(2010) the concept of the responsible organization and ethical business conduct is also a very important. Main focus of the study is on operationalizing corporate social responsibility in the context of employee governance with a purpose is to evaluate critically the ethics of “mainstream” human resource management (HRM) and to propose an alternative stakeholder systems model of human resource

Porter and Cramer (2006) stated that CSR can become source of tremendous social progress, as the business applies its considerable resources , expertise and insights to the activities that benefit society.

#### OBJECTIVES OF THE STUDY:

1. To study about the social responsible work already done by the reputed corporate companies working in Assam.
2. To study the about the prospects of doing various works under CSR.
3. To study about the new scheme of govt. Of India “adopt a heritage” and how it will benefitted Assam.

#### REASEARCH METHODOLOGY

Being an explanatory research it is based on secondary data of journals, articles, newspapers, magazines and the official website of the companies. Considering the objective of the study descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is intensively used for research study.

#### SOCIAL RESPONSIBILITY OF CORPORATE COMPANIES WORKING IN ASSAM:

##### **Oil India Limited:**

In post- liberalization India, corporate social responsibility (CSR) has broader implications for the nation than ever before. It reduces dependence on the government for action on social issues. The majority of government programs has become enmeshed in political manipulation, corruption and bitter infighting. As per the latest guidelines released by the Government of India, one of the important objectives for the implementation of CSR schemes by Central Public Sector Enterprise (CPSE) is to generate community goodwill, create social impact and visibility. Oil India Limited (OIL), a Navratna (The Government of India, in 1997, accorded the status of ‘Navratna’ nine Public Sector Enterprises (PSEs) which gave them greater autonomy to compete in the global market so as to “support [them] in their drive to become global giants”. Since then, the number of PSEs with a ‘Navratna’ status has been raised to 15. SOURCE: wikipedia.org) PSE that has a large footprint in Assam, considers community development (CD) as a key element of its CSR program. Assam is the gateway to north-east India and is not yet free from ethnic conflicts, insurgency and governance issues. There is a need for public-private partnership with well-defined controls, processes and the optimum use of resources to achieve social change. Participatory planning, building local capacities and financial sustainability can reinforce peace and tranquility in the region. It has been seen in the last decade that OIL, with its proactive approach towards community development, has generated immense goodwill which has benefited the company and the larger community in Assam. The central argument of this paper is that globalization, liberalization and forces of isomorphism have changed stakeholder expectations and are now of increased importance in managing business that is based on “beyond profit” motives and in a socially responsible way. The author has adopted the exploratory research design with qualitative techniques to cite OIL’s community development.

Major CSR Projects of Oil India Limited (OIL) and their alignment with activities/broad areas listed under Schedule VII of Companies Act, 2013 :

Sl. No.	CSR PROJECT OF OIL	PROJECT DESCRIPTION	ALIGNMENT WITH ACTIVITIES LISTED UNDER SCHEDULE VII OF COMPANIES ACT,
1	Project Sparsh	Mobile Dispensary services under Project Sparsha, launched in 2009, provides primary health care to people in remote villages in OIL operational areas in Assam and Arunachal Pradesh, through over 750 health camps conducted annually.	Point (i) eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and make available safe drinking water
2.	Project Arogya	Project Arogya, launched in 2012, is on reduction of Infant Mortality Rate(IMR) and Maternal Mortality Rate(MMR) in villages in OIL operational areas in Assam.	Point (i) eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and make available safe drinking water
3	Swachh Bharat Abhiyan	Under Swachh Vidyalaya Swachh Bharat Abhiyan, OIL had completed construction of school toilets in seven districts in Assam in July, 2015. Other ongoing projects include construction of separate toilets for men & women as well as community toilets, installing drinking water RO plants in villages in operational areas in different spheres of the Company such as Assam, Rajasthan & Andhra Pradesh.	Point (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and make available safe drinking water
4.	Project OIL Super 30	The project was launched in 2010, under which, 11 month free residential coaching for IIT / Engineering entrance examination is provided to students from BPL families in 5(Five) OIL Super 30 centres namely Jorhat, Guwahati Dibrugarh in Assam, Jodhpur in Rajasthan and Itanagar in Arunachal Pradesh with Thirty (30) students in each centre.	Point (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
5.	Project Dikhya	The project, launched in 2012, is on promoting computer literacy among students of Class V-VIII in remote rural schools through mobile computer labs (buses) as well as Adult Literacy Campaign in villages in OIL operational areas in Assam.	Point (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able
6.	Project Rupantar	Project Rupantar, OIL's flagship CSR project launched in 2003, focuses on formation and support of Self Help Groups (SHG) of unemployed youth and women of OIL operational areas in Assam, on various economic activities in the agro-based industry, providing opportunities for livelihood generation and self-employment	Point (ii) .....and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
7.	Project Swavalamban	The project was launched in 2013 under which, placement linked skills training is	Point (ii) promoting education, including

		imparted to youth of OIL operational areas in Assam and Rajasthan Project, various trades like Housekeeping & Hospitality, Jewellery designing, Sewing Machine Operator, Electrician, various trades of the construction industry, Automobile Technology etc.	special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
8	Project Sakhyam	The project is on support to rehabilitation projects for Persons with Disabilities eg. special schools such as Mrinaljyoti Rehabilitation Centre and Moran Blind School in Assam	Point (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled.....
9.	Capacity building for empowerment of women	Projects on women's capacity building including training of young women on handicraft & handloom in OIL's Handicraft & Handloom Production Centre (HTPC) (set up in 1984), and Certification course on General Nursing & Midwifery (GNM) in OIL Nursing School (set up in 1991) for employment opportunities and empowerment of women.	Point (iii) promoting gender equality, empowering women, setting up homes and hostels for women, backward groups
10.	Solar power to rural households	OIL has undertaken projects on providing solar energy to rural households in remote villages and on conservation of biodiversity in OIL operational areas in Assam	Point (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
	Rural Sports	Every year OIL conducts rural sports in villages in OIL operational areas in Assam, to encourage and nurture budding talent in various sports including traditional sports.	Point (vii) training to promote rural sports, nationally recognised sports, paralympic sports & Olympic sports
	Projects on Infrastructure Development	OIL supports projects on augmentation of rural infrastructure by way of construction of roads &, bridges, waiting shed, community hall / public auditorium, cultural centre etc. in its operational areas in Assam, Arunachal Pradesh, Mizoram, Rajasthan Project and KG Basin Project.	Activities/projects relating to point (x) rural development projects

### **Oil and natural Gas Company:**

The vision of sustainable growth drives both business decisions as well as ONGC's Corporate Social Responsibility work. The CSR activities are essentially guided by project based approach in line with the guidelines issued by the Department of Public Enterprises and Ministry of Corporate Affairs of the Government of India. The **CSR initiatives in India** by ONGC were marked by unrelenting commitment to several large – scale key projects as well as initiation of several new projects identified under the 12 focus areas of ONGC.

ONGC, in its quest for oil and gas, charters remote rural locations and is in a constant interface with underprivileged local communities which results in better understanding of the community and consequently an enhanced sense of responsibility and accountability to the communities whose lives they touch. A well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities characterize **CSR projects undertaken by the oil and gas company** to yield discernible, long-term, sustainable benefits for the communities in question. Major CSR projects in India undertaken during the year are enlisted below.

1. Education including vocational courses,
2. Health Care,
3. Entrepreneurship (self-help & livelihood generation) schemes,
4. Infrastructure support near ONGC operational areas,
5. Environment protection, ecological conservation, promotion,
6. Protection of heritage sites, UNESCO heritage monuments etc.
7. Promotion of artisans, craftsman, musicians, artists etc. for preservation of heritage, Art & Culture,
8. Women's Empowerment, Girl Child Development, Gender sensitive projects,
9. Water Management including ground water recharge,
10. Initiatives for Physically and Mentally challenged,
11. Sponsorship of seminars, conferences, workshops etc.
12. Promoting Sports/sports persons; supporting agencies promoting sports / sports persons.

### **Tea Industry:**

Assam is an agricultural based state. The net cultivated area of the State is 28.11 lakh hectares(2010-11) which is about 88 percent of the total land available for agricultural cultivation in the State(Economic Survey-Assam, Directorate of economics and statistics Govt. of Assam, Guwahati 2012-2013). There are 765 Tea Estates and 64,597 (including small tea Growers) tea gardens available in Assam (Government of Assam, 2012). Maniram Dewan was the first Indian tea planter in Assam. Corporate Social Responsibility has been defined in Income Tax Act, 1961 (amendment in 2014) and Companies Act 2013.

The Ministry of Corporate Affairs (MCA) had introduced the Corporate Social Responsibility Voluntary Guidelines in 2009. These guidelines have now been incorporated within the 2013 Act and have obtained legal sanctity. Section 135 of the 2013 Act, seeks to provide that every company having a net worth of 500 crore INR, or more or a turnover of 1000 crore INR or more, or a net profit of five crore INR or more, during any financial year shall constitute the corporate social responsibility committee of the board.

This committee needs to comprise of three or more directors, out of which, at least one director should be an independent director. The composition of the committee shall be included in the board's report. The committee shall formulate the policy, including activities specified in Schedule VII, which are as follows:

- 1.Eradicating extreme hunger and poverty
- 2.Promotion of education
- 3.Promoting gender equality and empowering women
- 4.Reducing child mortality and improving maternal health
- 5.Combating human immune deficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- 6.Ensuring environmental sustainability
- 7.Employment enhancing vocational skills
- 8.Social business projects
- 9.Contribution to the Prime Minister's National Relief Fund or any other fund set-up by the central government or the state governments for socio-economic development and relief, and funds for the welfare of the scheduled castes and Tribes, other backward classes, minorities and women etc.

### **Adopt a heritage**

A Central government scheme that saw the Dalmia Bharat Group adopt the Red Fort in New Delhi has triggered protests in Assam where four sites have been chosen to be handed over to the corporate sector as part of the plan. Members of the All Assam Students' Union (AASU),Krishak Mukti Sangram Samiti (KMSS) and other organisations on protested against the'Adopt a Heritage' scheme.

Archaeological Survey of India and the State government. The four sites chosen in Assam include the Kaziranga National Park, Rangghar, Asia's oldest amphitheatre,Kareng Ghar, and Shiva Dol, The four sites selected are the pride of Assam. The local people of Assam are strong against to handed over to any private party for maintenance. The Centre should instead hand them over to the local people if it cannot maintain them," KMSS leader Akhil Gogoi said. The Opposition Congress too slammed the Centre. "This is condemnable,"State Congress president Ripun Borasaid. The Bharatiya Janata Party-led coalition government, however, defended the move saying it has been misconstrued. "There is a misconception that the four heritage

sites are being privatised. Private parties will, under corporate social responsibility, develop and maintain tourist facilities such as toilets, parking etc.

From the various criticism and debates against the adoption, govt. of Assam declare that in the case of Kazironga , private firms would work only on the periphery not in the core area managed by the forest department. The view of local inhabitants of Assam is that the four most popular sight of Assam is already popular among the domestic as well as foreign tourist. There are various monuments and beautiful sights in Assam, but govt. could not protect them due to high cost and inadequate infrastructure facilities. Since adopt a heritage is a programme under CSR , so govt should jointly do some works to protect and preserve those potential sights through which tourism sector of Assam can gear up and attract more foreign tourist.

### III. CONCLUSION

In the age of globalised world , the concept of CSR can't be ignored by corporate firms. By keeping in mind the changing market scenario business firm have to change their work culture as per the market demands. To day the concept of CSR has undergone radical change. It has integrated social as well as environmental issues into their missions and decisions. Companies take keen interest in forming about their CSR activities. From the study we come to know that across the globe , business enterprise have accepted the concept of CSR as an element of success and survival of business along with fulfilling social objectives. However the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical environmental and social areas and meet the stakeholders objectives.

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