

## Health Care in Corporate Social Responsibility of Tata Steel

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### Abstract

*After the Industrial Revolution, the aim of an enterprise was only to earn maximum profit. Thinking has changed since then. Now it is believed that it should contribute to the development of the area of its operations. The Government of India has also made it mandatory. Tata Steel is following this policy from the very beginning of its establishment in early 20<sup>th</sup> century. It has contributed to the improvement of public health in the area of its operation and beyond.*

### I. Introduction

Traditionally the objective of an enterprise was to earn profit. Now the thinking has moved on to involve it in the well-being of the surrounding area of operation. Consequently, corporate social responsibility (CSR) is treated as a part of corporate governance. Joseph writes, "CSR is the point of convergence of various initiatives aimed at ensuring socio-economic development of the community as a whole as a credible and sustainable manner" (Joseph, 2009, p. 403). There is also self-interest of business houses. Husted believes, "As a real option CSR projects provide a way of reducing the downside business risk of the firm and are thus an essential element of the risk management of the corporation" (Husted, 2005, p. 176). CSR is defined as sacrificing profits in social interest. It embraces behaviour that is employee-friendly, environment-friendly, mindful of ethics, respectful of local communities, and even investor-friendly (Benabou & Tirole, 2010). Critics of CSR allege that the ulterior motive is to improve the company's image. Collingsworth writes, "... any progress made in "corporate social responsibility" is simply on paper." (Collingsworth, 2005). It is used to project far more than what is done.

Second, companies undertake it under duress and not voluntarily. Denmark in Europe and India in Asia were among the first countries which made it mandatory by law. Third, it is a myth since it is done with fanfare. In the case of Indian Tobacco Company, it is only a smokescreen because about 70 per cent of its revenue comes from tobacco related activities. Besides, it is done with fanfare.

In India philanthropic activity was traditionally done. But owing to global influences and communities becoming more demanding, CSR is increasingly linked with business. Many companies report their activities in their official websites and annual reports. The Indian Companies Act, 2013 requires a CSR committee to be constituted by the board of directors of a company. It lists the activities to be undertaken in Schedule VII which include reducing child mortality, improving maternal health, combating HIV-AIDS, malaria and other diseases, etc. Undertaking CSR activities is mandatory for a company which has a net profit of at least Rs. five crores during a financial year. Its board is required to constitute a CSR committee with the following duties: recommend to the board a CSR policy; recommend the amount of expenditure on it; monitor the CSR of the company; list the projects/programmes; and specify the modalities of implementation.

The board shall approve a CSR policy for the company, disclose it in its report, and place it on its website and the directors' report. It will ensure that the company spends in every financial year at least 2 per cent of the average net profit of the three preceding financial years. In discharging its CSR, the company shall give preference to the area where it operates. S.G. Biradar suggests, "Let us be optimistic and hope that CSR spending is going to create a positive image and bring about a win-win situation in the society. For achieving this optimistic hope, the need of the hour is that all the

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corporate bodies should create a separate CSR wing headed by high profile persons with necessary expertise and real concern for the people” (Biradar, 2016).

## II. Tata Steel and CSR

This Company was established in Sakchi, then in Bihar and now in Jharkhand in 1907. It invited socialists Sydney and Beatrice Webb to write a memorandum on “Medical services in the welfare work at Sakchi in 1917” and then services of Thakkar Bapa to execute their recommendations in 1918 (Benjamin, undated). It follows the ‘Tata’ ethics with regard to CSR. It established the CSR Committee and then renamed it Corporate Social Responsibility and Sustainability Committee in 1917. Its function is to formulate a CSR policy which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure to be incurred and monitor CSR policies. JRD Tata, former Chairman of Tata Sons, once asked, “Is there a village in our country which does not need some improvement to its scant services and amenities – a school, a dispensary, a road, a well and pump and above all opportunities for gainful employment” (Sabavala & Lala, 1986, 44).

Sakchi was in the Santhal heartland without medical facilities. Once an employed Santhal girl had labour pain while carrying bricks and gave birth to a child. Thereafter she walked off to her home! (Lala, 2007). Since then remarkable progress has been made in creating medical facilities. In 1958 the Company set up Community Development and Social Welfare Department for the benefit of common people.

Tata Main Hospital, Jamshedpur was established in 1907 as a tent hospital. It has now state-of-the-art medical facilities with over 900 beds. It is for the Company’s employees, their families as well as non-entitled patients in Jamshedpur and the surrounding areas. For the non-entitled patients, the services are charged nominally. It extends super speciality services in cardiology, neurology, neurosurgery, urology, and paediatric surgery.

For serving the weaker sections, the Company patronizes five hospitals in Jamshedpur: Jamshedpur Eye Hospital offering eye care services, Ardeshir Dalal Memorial Hospital offering advanced treatment in kidney disorders and thalassemia, Meherbai Memorial Hospital offering specialized services for cancer treatment, Kantilal Gandhi Memorial Hospital (a general hospital) and Arogya Bhawan for ayurveda, yoga and other alternative treatments.

They address the communities spanning Jamshedpur works, mines, collieries or greenfield locations across Jharkhand and Odisha. Tata Relief Committee responds to the needs of *Dalit* people during natural calamities. The Company strives to enhance their livelihood and contribute to their future economic and social well-being through a proactive community partnership programme based on three key pillars, i.e., education, environment and health & well-being around its sites. During 2013-14, around 1.5 million people in India benefitted from the community programmes of the Company (TATA STEEL, 2013-14).

Since March 2000 the activities are undertaken through the Tata Steel Family Initiatives Foundation. It operates in Jharkhand, Odisha and Chhatisgarh. It provides maternal and child health and family planning services. It also works on adolescent reproductive and sexual health issues and has a care and support programme for HIV/AIDS, as well as to create awareness about it. It has Youth Access to Reproductive Health Services (YARS) project and Strategies to Improve Adolescent Reproductive Health and Rights through Advocacy and Services (SAHAS). Yet another project RISHTA (Regional Initiative for Safe Sexual Health by Today’s Adolescents) in Jharkhand and Odisha. (*Ibid.*). Illiteracy and ignorance in rural areas lead to early marriages and parenthood. RISHTA enables adolescents to make informed choices about sexual and reproductive health. It reached out to 19,610 adolescents in 2017-18. Besides, Lifeline Express is the world’s first hospital on rails. The Company was one of the first partners of Impact India Foundation to host it. It was launched in 1991 using the Indian railway network. It is a mobile hospital equipped with a modern

operation theatre and other medical and advanced surgical treatment in inaccessible areas of Bihar, Jharkhand, Odisha, Chhattisgarh, West Bengal and Tamil Nadu.

The Board of Directors of the Company adopted the CSR policy on September 17, 2014. In 2014-15 the Company had a paid-up capital of Rs. 971 crores, total turnover of Rs. 41,785 crores, total profit after taxes Rs. 6,439 crores and total spending on CSR as percentage of PAT Rs. 171.46 crores, i.e., 2.66 per cent of PAT. This expenditure was incurred, inter alia, on health. From the earmarked amount, the unspent amount was nil (Tata Steel, 2014-15). The Company holds social audits once in ten years. In 2014 *The Economic Times* awarded the Company 'Corporate Citizen of the Year Award.' The jury took special note of the Maternal and Newborn Survival Initiative (MANSI) and recognized it as one of the best healthcare practices globally. This project aims at improving maternal and new born survival rates. It is implemented in 12 blocks across Jharkhand and Odisha. It has reduced neonatal mortality by 61 per cent and infant mortality rate by 63 per cent since its inception. (*Integrated report, 2017-18*). Three other CSR initiatives of the Company are discussed below.

### III. Tata Steel Rural Development Society (TSRDS)

It was established in 1979 with headquarters in Jamshedpur. Its activities have expanded from Jharkhand to Odisha. Its objectives are: (a) to create a self-sustaining process of integrated rural development; (b) to build a model that could be replicated by other organizations; and, (c) networking with other agencies. TSRDS began with an initial annual budget of Rs. 8.5 lakhs for 32 villages. Now it has crossed Rs. 4 crores, meeting the needs of almost 650 villages. It seeks to improve the health quality through preventive, curative and promotive interventions.

Its preventive interventions include awareness generation on measures to control water and air-borne diseases, eye care services in hospitals and through camps, family planning, provision of safe drinking water, and advocating environmental sanitation and personal hygiene practices. Its promotive interventions cover capacity building of community health service providers including para medical staff, narrowing the health service gap by provision of mobile clinics, overcoming Aids and appliances for orthopaedics in villages, and organizing blood donation camps. Its curative interventions embrace treatment of general ailments through mobile dispensaries, control of chronic diseases, and organizing specialized diagnostic/surgical camps for cataract operations, etc.

TSRDS has joined Cooperative for Assistance and Relief Everywhere for a four-year initiative in 162 villages in East Singhbhum. This USAID financed programme seeks to reduce high childhood mortality.

Mobile medical units and health check-up camps provide extended services both to urban slumps and remote rural areas. They take seek to improve sanitation and hygiene by increasing access to safe drinking water and low cost toilets. West Bokaro Zone had appalling health conditions. In Mukundabera village the situated was aggravated by coal mining as coal dust damaged the respiratory system of the people. This and other villages are visited by a mobile van. Specialized camps are organized to ensure that villagers have access to primary health care services. Cataract operations are undertaken, children immunized and ante-natal care check-ups done. Besides, health awareness programmes are conducted in schools.

TSRDS has also faced problems. Rengadbera village (Noamundi Zone) did not have the approach road and its workers constructed it. Its activities were viewed by villagers with suspicion. One villager admitted, "TSRDS has... provided health services and imparted adult literacy." (Prasad & Kumar, p. 95). In Idalbera village reproductive health awareness has spread and institutional deliveries have become popular. Pregnant and lactating mothers are aware about the need for the immunization of infants.

The functioning of TSRDS has weaknesses. People of Kuchibeda village (Noamundi Zone) do not get free treatment for pollution-related diseases which they attribute to the Company. True, it provides health facilities through mobile clinics. But villagers visit nearby health centres for getting specialised services. In Itarbaljodi village (Noamundi Zone) a villager’s condition turned critical and he died because the mobile medical team did not reach since it was attending serious patients far away resulting in an agitation. Political pressure is brought for CSR activities. Sometimes there prevails internal disharmony among the TSRDS staff which hinders its functioning.

Overall TSRDS undoubtedly plays a useful role in rural health care. Prasad and Kumar conclude, “It appears that overall, the specialized medical care has provided relief to the thousands of villagers in the remote parts of industrial zone who earlier completely lacked modern health services.” (*Ibid.*, pp. 218-19).

Table 1. Tata Steel and public health, 2014-15 to 2015-16

Items	2014-15	2015-16
Primary health care (patients treated)	485384	568984
Immunisation (children covered)	9808	8900
Ante-natal care (women covered)	9726	7895
HIV/AIDS (awareness coverage)	247583	72642
Eye care services (patients covered)	6198	4099

Source: *Corporate Social Responsibility: Interventions of TATA STEEL.*

**IV. Tata Central Hospital**

It was established in Gahto, West Bokaro in 1950. Its services include major medical facilities except orthopedics; OPD and indoor services; two bed ICU & NICU with incubator; modern operation theatre; eye, ENT, dental unit and labour room; occupational health services; pathology lab and blood bank; X-ray, ECG and sonography; telemedicine consultation with TMH; and five satellite dispensaries.

Its services cover free primary immunization; voluntary blood donation, free cataract surgery camps, health camps in remote locations, free family planning operations, health check-ups in schools, Lifeline Express, free cleft lip surgery, HIV screening camp, and first aid classes for employees. It helps TSRDS with para medical and medical staff for providing health services.

**V. Miscellaneous activities**

Activities of Tata Steel under CSR have contributed towards public well-being. In 2014-15, over 200 girls were under training in health sector skills across India. Work was initiated for a 500-bedded hospital at Gopalpur and a 200-bedded multi-speciality hospital in Kalinganagar. An MoU with Sankara Eye Hospital to set up a 100-bedded super speciality eye care hospital in Ganjam was signed. (TATA STEEL, 2014-15). Progress has been made on these fronts. It is notable that Tata Steel was the first company to launch a family welfare programme.

**VI. Conclusion**

Among about 75,000 companies listed in Bombay Stock Exchange, only about 500 discharge CSR. Hence, Tata Steel’s contribution as depicted above is creditable. It has worked in a backward region where there was hardly any semblance of modern medical facilities. Its CSR activities have made them available to the common people and brought about a reduction of both morbidity and mortality. The example set by Tata Steel can be emulated by other corporate bodies for the good of the society as a whole.

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