

Corporate Social Responsibility Practices in Port Sector with Reference to Major Port Authorities in India

REDNAM DEEPAK

Legal Advisor & Standing Counsel, Andhra University, Visakhapatnam

Abstract— Major ports in India play a vital role in the nation's economic growth. However, their large-scale operations can have significant social and environmental impacts on surrounding communities and ecosystems. Corporate Social Responsibility (CSR) offers a framework for ports to address these impacts and contribute positively to society. This research delves into the current state of CSR practices in major Indian ports, aiming to identify areas for improvement and enhance their overall effectiveness. The CSR has gained significant importance globally as businesses increasingly recognize their responsibility towards society and the environment. Major ports in India play a crucial role in the country's economy and trade, and their CSR initiatives have the potential to create substantial positive impacts on surrounding communities and ecosystems. This research explores the current landscape of CSR activities in major ports across India, assesses their effectiveness, and suggests strategies for future improvements. The CSR has emerged as a pivotal aspect of corporate governance globally. The CSR has become a critical component of business strategy globally, aiming to ensure that corporations contribute positively to society while maintaining profitability. Major ports in India, being pivotal hubs of trade and commerce, hold significant potential to impact local communities, environments, and economies. This research proposal seeks to conduct a thorough examination of CSR practices within selected Indian major ports to understand their effectiveness, challenges, and potential for improvement.

Index Terms- CSR, Environment, Stakeholders, Sustainability, Responsibility, Profit, Society, Corporation, Culture, Budget

I. INTRODUCTION

CURRENT STATE OF CSR IN INDIAN MAJOR PORTS

Major ports in India have been implementing various CSR initiatives, including community development programs, environmental conservation projects, and skill development initiatives. These initiatives often focus on areas such as education, healthcare, sanitation, skill development, and environmental

sustainability. However, the extent and impact of CSR activities vary among ports, influenced by factors such as organizational culture, regulatory requirements, and stakeholder engagement.

The Corporate Social Responsibility guidelines is the Ports' commitment to operate in an economically, socially, and environmentally sustainable manner while recognizing the interests of its stakeholders and society at large. This commitment is beyond mandatory requirements, and is closely linked with the sustainable development of its periphery.

The Major Port Authorities Act, 2021 came into force on 03-11-2021 and the Major Port Authorities (Corporate Social Responsibility) Rules, 2021 were notified on 22-11-2021. In pursuance of clause (d) of sub-rule (1) of rule 2 of the aforementioned rules, the Central Government has made the following Corporate Social Responsibility (CSR) Guidelines, 2023. These guidelines are applicable to the

- i) Projects or programs relating to activities specified in Section 70 of the Major Port Authorities Act, 2021.
- ii) Projects or programs relating to activities as specified in the Corporate Social Responsibility Guidelines issued by the Central Government from time to time.

For the purpose of planning and implementing CSR projects, a Corporate Social Responsibility Committee shall be constituted in each Major Port. The Committee shall be headed by the Dy. Chairperson of the Major Port and shall have two other Members viz., one member of the Board and one HOD of the Major Port (as nominated by the Chairperson of the Major Port). This Committee shall discharge the functions enumerated in Rule 5 of the Major Port Authorities (Corporate Social Responsibility) Rules, 2021 notified on 22 November 2021.

The CSR Budget will be mandatorily created through a Board Resolution as a percentage of net profit in the following manner:

Financial Position of the Port Net Profit (Previous Financial year) Expenditure range of CSR in a Financial year (%) of profit

- a. Less than Rs.100 crore 3% - 5%
- b. Rs.100 crores to Rs.500 2% - 3% (subject to a minimum of Rs.3 crore)
- c. Rs.500 crore and above 0.5% to 2%

II. REVIEW OF LITERATURE

(Goel M. & Ramanathan P. E.,2014) The paper explores the concept of Business Ethics and Corporate Social Responsibility with a perspective that meaningfully CSR should be seen in the context of an overall paradigm of business ethics. The study proposes that ethics in business remains a topic of debate that cannot be defined or resolved through measuring or enforcing CSR.

(Valenti A., Carden L. L. & Boyd R. O, 2014) This study examines the CSR programs at both Boeing Company and ExxonMobil Corporation and highlights each company's effective implementation components, using the case study method. Although the benefits of CSR on stakeholder's perceptions of a company and its products are widely accepted, it is also suggested that companies should view CSR strategically.

(Servaes, H. & Tamayo, A., 2013) The aim is to investigate whether the advertising of CSR activities proves profitable for a firm, with special reference to customer awareness. Advertising intensity proves to be beneficial for a firm, but is highly dependable on the firm's prior reputation and goodwill in the market.

(Kitzmueller M. & Shimshack J, 2012)This paper significantly explores whether CSR should exist and investigates conditions when CSR may produce higher welfare than other public good provision channels. The paper provides a systematic framework for the economic analysis of CSR. The literature demonstrates that CSR can only achieve a second – best level of public goods provision.

(Khanifar, H., Nazari, K.,Emami, M.,Soltani, H.A, 2012) This study attempts to define the concept of corporate social responsibility and to examine its guiding principles. The study into the effects of corporate social responsibility has produced mixed results.

(Kincaid, M, 2012) Investigating the ideals of working in servant- leadership style, its benefits to the firm without compromising on the financial terms. Keeping the idea of serving others first, provides the firm with new ways of gaining social advantage. Following this approach sees even high percentage of financial profits.

(Medarevic, S, 2012)The study discusses the benefits of adopting CSR and the significant advantages for both shareholders and the environment, particularly when taken voluntarily. It concludes that it should be the moral obligation of the corporates today in the world to become conscious about the cause of saving the environment.

(Bauman C. W. & Skitka L. J, 2012)The study identifies four distinct paths through which corporate social responsibility may affect employees' relationship with their company that correspond to four universal psychological needs. The study represents one possible way to organize how employees are likely to interpret the wide range of firm activities that have been included under the banner of CSR in work conducted at macro level.

(Ismail M, 2009)The article aims to analyze three theories of CSR namely utilitarian, managerial and relational in terms of their meaning and practical emphases. Skills needed by CSR managers do vary due to the diverse disciplines involved and also the complexity of the roles and responsibilities of a CSR initiative.

(Kercher K, 2007)The study deals with how corporate social responsibility is associated with the conduct of corporations and in particular whether corporations owe a duty to stakeholders other than shareholders. Whilst considerable progress has been made in holding companies accountable for their environmental performance, progress on social issues such as human rights, has been more limited.

(Williams, A.M., Seigel, D.S. & Wright, P.M, 2006) If being socially responsible is profitable for the firm. The strategic implications of being indulged in CSR activities. There should be a certain level to be socially responsible so that the investment gives you good returns.

(Maignan, I. & Ferrell, O.C, 2004) Giving due importance to all stakeholder groups while formulating the CSR activities in accordance with the marketing strategies. A set of rules and guidelines should be framed internally to work ethically in the corporate environment.

III. OBJECTIVES

- 1) Analyze existing CSR policies and activities of major Indian ports.
- 2) Identify key social and environmental challenges faced by communities near major ports.
- 3) Assess the effectiveness of CSR initiatives in mitigating these challenges.
- 4) Evaluate stakeholder engagement in port CSR activities.
- 5) Develop recommendations for improving the effectiveness and impact of CSR practices in selected Indian major ports authorities.
- 6) To assess the current landscape of CSR activities undertaken by major ports in India.
- 7) To identify key stakeholders and their perceptions regarding CSR practices in these ports.
- 8) To evaluate the impact and effectiveness of existing CSR initiatives on social, environmental, and economic parameters.
- 9) To propose strategies for enhancing CSR practices in major ports, aligned with national development agendas and global sustainability goals.

IV. METHODOLOGY

A mixed-methods approach will be employed to achieve a comprehensive understanding:

Literature Review: Conduct a comprehensive review of existing literature, case studies, and reports on CSR practices in major ports globally and in the Indian context.

Document Analysis: Examining CSR reports, government policies, port authority documents, and academic literature related to CSR and port operations in India.

Case Studies: Conducting in-depth case studies of a selected number of major Indian ports with diverse CSR initiatives.

Surveys: Employing surveys to gather data from port authorities, local communities residing near ports, and other relevant stakeholders.

Interviews: Conducting focused interviews with key personnel involved in port CSR planning, implementation, and evaluation.

Strategic Framework: Develop a strategic framework for enhancing CSR practices in major ports, integrating findings from the literature review, surveys, interviews, and case studies.

Expected Outcome from Indian Major Port Authorities:

This research will provide valuable insights into:

- (i) The strengths and weaknesses of current CSR practices in selected Indian major port authorities.
- (ii) Areas for improvement in CSR initiatives to maximize social and environmental benefits.
- (iii) Strategies for enhancing stakeholder engagement in port CSR activities.

The 'Sagar Samajik Sahyog' – Revised Corporate Social Responsibility (CSR) Guidelines 2023 were launched by the Ministry of Ports, Shipping and Waterways on 27-06-2023 for Major Port Authorities. Under these guidelines, the Major Ports have been empowered to sanction and approve CSR projects.

These guidelines aim to make a lasting impact by addressing the pressing needs of our society, focusing on education, healthcare, skill development, environmental sustainability and community empowerment. All Major Port Authorities have taken various measures to boost community welfare initiatives, especially for the local community in the vicinity of the ports. The activities included under the CSR projects comprise of health and family welfare,

drinking water and sanitation, education and skill development, disaster management, preservation and restoration of environment and ecology and sustainable development goals etc.

The expenditure incurred for CSR activities by Major Ports in Financial Year 2022-2023 are as under :-

TABLE

Name of the Port	Expenditure in CSR Activity in FY 2022-2023 (Rs. in Cr.)
New Mangalore Port Authority	2.07
Cochin Port Authority	1.52
Syama Prasad Mookerjee Port Authority	0.41
Paradip Port Authority	8.58
Mormugao Port Authority	0.0027
Kamarajar Port Authority	9.80
Deendayal Port Authority	10.14
Visakhapatnam Port Authority	0.27
V.O. Chidambaranar Port Authority	1.84
Jawaharlal Nehru Port Authority	1.22

CONCLUSION AND SUGGESTIONS

The CSR has emerged as a critical aspect of corporate governance, and major port authorities in India have a unique opportunity to contribute positively to society and the environment through their CSR initiatives. By addressing the challenges and seizing the opportunities outlined in this research, Indian major ports can enhance their reputation, mitigate risks, and create shared value for stakeholders while advancing the nation's socio-economic development goals. By examining and improving CSR practices in major Indian ports, this research strives to contribute to a future where economic growth is balanced with social well-being and environmental sustainability. Enhancing Corporate Social Responsibility initiatives in major ports of India is imperative for promoting sustainable development, stakeholder engagement, and ethical governance. This research outlines a

structured approach to assess the current CSR landscape, identify opportunities for improvement, and develop a strategic framework to foster responsible business practices within these ports. By aligning CSR initiatives with national development goals and global sustainability frameworks, major ports can play a transformative role in advancing inclusive growth, environmental conservation, and social equity in the maritime sector.

This research can significantly impact policy and industry practices. The findings can inform the development of more comprehensive CSR guidelines for major port authorities in India, emphasizing measurable outcomes and stakeholder involvement. Additionally, the research can provide recommendations for port authorities to improve their CSR initiatives, leading to a more sustainable and socially responsible maritime sector in India.

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