Can Indian ZOOS become a CSR (Corporate Social Responsibility) destination? - A Review
Bipul Chakrabarty

Introduction
Changing nearly six decades-old regulations for corporate reporting, the new Companies Act, 2013 makes it mandatory for a certain class of profitable enterprises to spend profits on social welfare activities. Such collective expenses are estimated to be about Rs.15,000-20,000 crore a year.

Considered the first of its kind, the new legislation requires certain class of companies to spend at least 2% of their three-year average annual net profit towards Corporate Social Responsibility (CSR) activities. Companies having a net worth of at least Rs.500 crore, or having minimum turnover of Rs.1,000 crore, or those with at least a net profit of Rs.5 crore have to make CSR spend.

In case the firms are unable to spend the money, they have to provide reasons and disclose the same. The regulation makes it mandatory for the Directors of the company to supervise this spending and to set up a CSR committee to plan, strategize, implement, document and disclose the activities. Failure to comply could lead to serious consequences.

CSR activities shall include i) eradication of hunger and poverty, ii) promotion of education, promotion of gender equality and women empowerment, iii) reducing child mortality and improving maternal health, iv) combating Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS), malaria and other diseases, v) ensuring environmental sustainability, employment enhancing vocational skills, social business projects, and contribution to the Prime Minister’s National Relief Fund.

CSR in India
Compared with other countries, India has one of the richest traditions of CSR. Much has been done in recent years to make Indian entrepreneurs aware of social responsibility as an important segment of their business activity but CSR in India has yet to receive widespread recognition. The fundamentals of CSR rest on the fact that not only public policy but even corporates should be responsible enough to address social issues. Thus, companies should deal with the challenges and issues looked after to a certain extent by the states.

The Indian concept of CSR translates to philanthropic activities. It is more about giving donations and uplifting the poor. The evolution of corporate social responsibility in India refers to changes over time in India of the cultural norms of corporations’ engagement of Corporate Social Responsibility (CSR). CSR refers to the manner in which businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate.

The history of CSR in India has its four phases which run parallel to India's historical development and has resulted in different approaches towards CSR. However, the phases are not static and the features of each phase may overlap other phases.

The First Phase
In the first phase charity and philanthropy were the main drivers of CSR. Culture, religion, family values and tradition and industrialization had an influential effect on CSR. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the wider society by way of setting up temples for a religious cause. Moreover, these merchants helped the society in getting over phases of famine and epidemics by providing food from their godowns and money, thus securing an integral position in the society. With the arrival of colonial rule in India from 1850s onwards, the approach towards CSR changed. The industrial families of the 19th century such as Tata, Godrej, Bajaj, Modi, Birla, Singhania, etc. were strongly inclined towards economic as well as social considerations. However it has been observed that their efforts towards social as well as industrial development were not only driven by selfless and religious motives but also influenced by caste groups and political objectives.

The Second Phase
In the second phase, during the independence movement, there was increased stress on Indian Industrialists to demonstrate their dedication towards the progress of the society. This was when Mahatma Gandhi introduced the notion of “trusteeship”, according to which the industry leaders had to manage their wealth so as to benefit the common man. “I desire to end capitalism almost, if not quite, as much as the most advanced socialist. But our
methods differ. My theory of trusteeship is no make-shift, certainly no camouflage. I am confident that it will survive all other theories”. This was Gandhi’s words which highlights his argument towards his concept of “trusteeship”. Gandhi’s influence put pressure on various Industrialists to act towards building the nation and its socio-economic development. According to Gandhi, Indian companies were supposed to be the “temples of modern India”. Under his influence businesses established trusts for schools and colleges and also helped in setting up training and scientific institutions. The operations of the trusts were largely in line with Gandhi’s reforms which sought to abolish untouchability, encourage empowerment of women and rural development.

The Third Phase
The third phase of CSR (1960–80) had its relation to the element of “mixed economy”, emergence of Public Sector Undertakings (PSUs) and laws relating labour and environmental standards. During this period the private sector was forced to take a backseat. The public sector was seen as the prime mover of development. Because of the stringent legal rules and regulations surrounding the activities of the private sector, the period was described as an "era of command and control". The policy of industrial licensing, high taxes and restrictions on the private sector led to corporate malpractices. This led to enactment of legislation regarding corporate governance, labour and environmental issues. PSUs were set up by the state to ensure suitable distribution of resources (wealth, food etc.) to the needy. However the public sector was effective only to a certain limited extent. This led to shift of expectation from the public to the private sector and their active involvement in the socio-economic development of the country became absolutely necessary. In 1965 Indian academicians, politicians and businessmen set up a national workshop on CSR aimed at reconciliation. They emphasized upon transparency, social accountability and regular stakeholder dialogues. In spite of such attempts the CSR failed to catch steam.

The Fourth Phase
In the fourth phase (1980 until the present) Indian companies started abandoning their traditional engagement with CSR and integrated it into a sustainable business strategy. In 1990s the first initiation towards globalization and economic liberalization were undertaken. Controls and licensing systems were partly done away with which gave a boost to the economy the signs of which are very evident today. Increased growth momentum of the economy helped Indian companies grow rapidly and this made them more willing and able to contribute towards social cause. Globalization has transformed India into an important destination in terms of production and manufacturing bases. As Western markets are becoming more and more concerned about and labour and environmental standards in the developing countries, Indian companies who export and produce goods for the developed world need to pay close attention to compliance with the international standards.

As discussed above, CSR is not a new concept in India. Ever since their inception, corporates like the Tata Group, the Aditya Birla Group, PSU’s like Indian Oil Corporation, to name a few, have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basic objective of CSR in these days is to maximize the company’s overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. A growing number of corporates feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

Companies have specialized CSR teams that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the mainstream business. The programs are put into practice by employees, who are crucial to this process. CSR programs ranges from community development to development in education, environment and healthcare, etc.

For example, a more comprehensive method of development is adopted by some corporations such as Bharat Petroleum Corporation Limited, Maruti-Suzuki India Limited and Hindustan Unilever Limited. Provision of improved medical and sanitation facilities, building schools and houses, and empowering villagers. In the process they make them more self-reliant by providing vocational training and a knowledge of business operations are the facilities that these corporations focus on. Also Corporates increasingly join hands with Non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems.

In fact, CSR has emerged as priority area under broad umbrella of corporate governance. As society’s expectations from business are ever growing, CSR is emerging as inescapable obligation for business. Organizations have started looking at CSR as an important functional strategy within strategic management framework.

Strategic CSR involves both inside-out and outside-in dimensions working in tandem. Strategic CSR helps impact the value chain on a sustained basis, as it enhances shares value by investing in social projects that strengthen company competitiveness. It develops symbiotic relationships between the company and society. A CSR initiative for wildlife security would be ‘strategic CSR’ when not only it does not set up any of its business units in the wildlife sensitive area but also contributes directly in
producing feedstock which wildlife consumes. In the process the company not only contributes for wildlife conservation by producing quality feedstock but may also earn from the business unit set up for feedstock production for this purpose. It is the collective responsibility of everyone, individuals, industry, trade associations, global entities such as the UN Global Compact, World Business Council for Sustainable Development, etc. They mobilize efforts at the global level in facing the challenge of biodiversity loss resulting from shrinking forests, collapsing fisheries, eroding soils, melting glaciers, rising sea levels, disappearing species, dying coral levels, etc.

Several corporate entities are focusing on wildlife conservation and animal care as area of concern and working in association leading NGO’s like the Wildlife Protection Society of India (WPSI), World Wide Fund (India) and Wildlife Trust of India for protecting wildlife. As a case-in-point Tata Chemicals in past created a corpus of Rs. 2 crore for financing awareness campaign for whale shark conservation. The company has also built 1,000 parapet walls around wells in Gir forest in Gujarat for protection of lion and other wildlife. Indian Oil Corporation in year 2000 donated Rs. 1 crore to the Government of Orissa for supporting turtle conservation policy. HSBC provides Rs. 4 lakh per year for ‘Operation Kachhapa’ to spread awareness about the conservation of the sea turtle, a project launched by the WPSI and the Wildlife Society of Orissa. The project involves setting up local turtle clubs, lobbying for strict enforcement of fishing laws, monitoring unsustainable fishing activities, and organizing awareness campaigns.

Several corporate governance codes mandate business to disclose ethical, social and environmental risks emanating from business activities and steps taken to mitigate them such as risk to forest cover and wildlife. CSR has many aspects and one angle is transparency in corporate disclosures. In view of vastness of the country and growing population, government alone cannot do everything for environment protection, biodiversity and wildlife security, members of civil society, corporate entities and NGOs thus should not lag behind in extending a helping hand. Government expectations from business for forest and water conservation, biodiversity preservation and wildlife security are bound to increase with its own resource constraints. Corporate leaders should also keep in mind the immense strategic gains, which the CSR may bring to their organizations in long run from eco-friendly business.

CSR & Zoos

The concept of corporate sponsorship in zoos has been around for quite some time. Typically, it involves a once-off or annual payment to an individual zoo in return for some form of company exposure (on-site and/or via publications and the zoo website).

The benefits of zoo corporate sponsorship for contributing companies are clear. Zoos enjoy immense public popularity and are among the most popular visitor attractions in the areas where they exist. Over 15 million visitors visit 150 institutions affiliated to the Central Zoo Authority each year. In each of the past two years alone, around 3 million visits were made to Mysore Authority, incredible for a city of 1 million. The potential exposure to the public offered by zoo sponsorship is largely unmatched by other sites and, in many cases, is a lot more cost-effective than, for example, stadium or billboard sponsorship because it is less well-developed. Thus, companies can expect greatly expanded brand awareness, potentially increased sales volumes and heightened image (related to perceived social responsibility and community involvement) in return for what is often a tax-deductible investment in zoos. Although it remains undeveloped, zoos have contrived a number of innovative means to encourage corporate sponsorship, through adoption of animal and animal enclosures, naming rights to newly-born or newly-arrived animals, exclusive or preferential product placement in retail and catering outlets, advertising space in zoo publications or other media, etc. Till date Corporate sponsorship has been used to defray the annual operational expenses like pay wages, cover overheads (electricity, waste, water, etc.) and other mundaneities of any typical business operation.

While the proportion of most zoos’ incomes that are derived from corporate sponsorship is generally small, the question remains as to whether this type of funding is ethically used.

Despite their undoubted popularity, the question as to whether keeping animals in zoos is ethical and whether they actually have a role in conservation remains a recurrent controversy. It is clear that, in some cases, zoos have been the undoubted saviour of certain species, such as Scimitar-horned oryx, Bali starling and black-footed ferrets. Such efforts are to be commended but, of course, they tend to prioritise the greater good of the species over the welfare of individual animals. Additionally, the conservation benefit of maintaining populations of non-threatened species is less obvious. It could be argued that, for example, giraffe are talismanic of Africa and, thus, act as ambassadors for wildlife conservation. However, again, this overlooks the welfare issues of the individual animals. More worryingly, the continued existence of sub-standard zoos purporting to be conservation institutions undermines the credibility that conscientious and ethically-minded zoos strive towards. The plight of animals in such institutions cannot be ignored and more should be done to close them down.

Fortunately, nowadays, there are guidelines in place in most areas to regulate zoo operations. These regulations, such as Recognition of Zoo Rules, 2009, serve to ensure that animal welfare standards are adhered to. In addition non-legally binding guidance documents such as the World Zoo Conservation Strategy, prompt zoos to concentrate their efforts in the areas of education, conservation and animal
husbandry. However, adherence to such guidance and even legally-binding legislation is severely lacking among some zoos, both in India and elsewhere.

Secondly, companies should demand that their sponsorship be funneled into legitimate conservation or research activities. According to EU Directive 1999/22/EC, all European zoos must engage in such activities to some extent to retain a licensed status, and the World Zoo and Aquarium Conservation Strategy considers such activities as two of the pillars of zoo operations. Alternatively, sponsorship can be specifically targeted to improvements in animal welfare (for example, by funding upgrades to animal exhibits); indeed, funding of this type can be invaluable to small zoos that may not have the means themselves to undertake extensive enclosure renovations.

Thirdly, companies must review their sponsorship contract on an annual basis to ensure that the funds have been used as agreed and that, in general, the zoo is improving its welfare standards.

Overall then, companies can consider zoo sponsorship as a viable means of public exposure, as long as the zoos they invest in are committed to improving animal welfare standards and are involved in conservation, education and research activities. For their part, zoos could further develop partnerships with local companies to fund enhancements of animal facilities and to become more active in local and international conservation efforts.

Thus, companies that blindly donate to zoo sponsorship schemes may be doing their corporate image more harm than good. As a first step, companies should ensure that the zoo is licensed and is a member of a national or regional zoo association. While membership of such associations does not always guarantee adherence to basic animal welfare standards, it often does suggest some oversight (regulatory or peer-based).

CSR is often called the triple bottom-line approach — Sustainability in Environment, Social Community & Business. The law is here and so is the implementation mandate. However, it remains to be seen how long India Inc takes to redefine the concept and how corporate India moves away from philanthropy to a world of redistribution of wealth especially when it comes to biodiversity & wildlife conservation and welfare of Indian zoos.

References:

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