

CSR Responsibility Undertaken by Mining Concern in Odisha: With Special Reference to OMC Ltd.

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ABSTRACT

Corporate Social Responsibility(CSR) has become an integral part of the operational strategy of many organizations, particularly in resource-rich states like Odisha, where industrial and mining activities often impact local communities. Odisha Mining Corporation (OMC), a state owned public sector undertaking (PSU) has been actively involved in undertaking various CSR initiatives with the aim of promoting inclusive growth and sustainable development in Odisha. This article provides a comprehensive overview of CSR activities carried out by OMC, focusing on key sectors such as education, healthcare, livelihood promotion, infrastructure development, environmental protection, and empowerment of marginalized communities. Special attention is given to OMC's efforts in supporting tribal welfare, skill development programs providing scholarship, creating safe drinking water system, improving rural health care facilities, and promoting environmental sustainability through afforestation and conservation initiatives. The study highlights how OMC's CSR interventions have contributed towards improving the socio-economic conditions of people residing in mining affected and backward regions of Odisha, reflecting the corporation's commitment towards responsible mining and community development.

Keywords: Corporate Social Responsibility(CSR), Odisha Mining Corporation(OMC), Sustainable Development, Social Upliftment, Community Development.

Introduction

The mining sector plays a crucial role in economic development but it often leads to displacement, environmental degradation and socio-economic disruption in the local areas. It often effect the healthy lifestyle of the people in local areas in various ways. So in order to address these drawbacks and challenges, mining concern should undertake CSR initiative with the view of improving health, education, infrastructure and overall community well-being. In the absence of CSR initiative, mining activity will adversely affect with the social as well as economic condition of the people living in that particular areas.

This paper provides an overview of CSR initiatives undertaken by OMC in Odisha, highlighting their impact on communities. It aims to key CSR programme of OMC such as project Drishti for advance eye care and community led total sanitation for improving hygiene and sanitation. SAHAYA NGOs partner 24 x 7 help desk and patient information centre at Capital Hospital, Bhubaneswar District Head-Quarter further more it also explore the effectiveness of these initiative in fostering sustainable development and identifies challenges in implementation.

Minerals are non-renewable and limited natural resources, as well as constitute basis of vital raw materials for various important industries. Thus mining is concern with the extraction of raw materials from nature. It often creates imbalance in the environment which adversely affect the society at a large. So in order to protect the environment and society from the harmful effect of mining several types of CSR

Activities are undertaken by mining concern. CSR has emerged as a crucial aspect of corporate governance, particularly in industries with significant environmental and social impact as mining.

This paper focuses to provide a deep scenario of CSR in mining concern, its merits and demerits, government guidelines etc.

Literature Review

In extractive industries like mining, corporate social responsibility plays a vital role in corporate governance. OMC, a state-owned mining entity, has undertaken several CSR initiatives which focus on health care, sanitation, education, infrastructure, and community development. By exploring existing studies and reports on OMC's CSR, this paper examines their impact and effectiveness.

- Goyal, S., & Agrawal, P. (2019). CSR in the Indian mining sector: A policy perspective. *Economic and political weekly*, 53(6), 29-37.
- They have studied CSR in the mining sector, emphasizing its role in mitigating environmental and social challenges, as mining operations often cause displacement, environmental degradation, and health hazards, necessitating robust CSR initiatives.
- According to Porter & Kramer (2011), CSR should be aligned with business strategy to create shared values for both the company and society.
- Porter, M.E., & Kramer, M.R. (2011). Creating shared value. *Harvard business review* 89(1/2), 62-77.
- Kumar, A., & Rao, M. (2020). Role of CSR in improving health care access in rural India. *Journal of Social Responsibility*, 12(12), 112-127. Their studies highlight the role of CSR programs in improving access to medical facilities in rural areas.
- Mishra, B. (2020). CSR in Indian mining industries: A comparative study. *Journal of sustainable business practices*, 7(1), 88-102. The study highlights the need for community participation and transparent monitoring mechanisms to ensure effective implementation.
- Das, R., & Nayak, S. (2020). Community engagement in CSR project: A case study of Odisha. *Journal of Rural Development Studies*, 18(2) 78-91 :- The study reveals the effective CSR requires active participation from local stakeholders, which is sometimes lacking in OMC's programs.
- OMC has been actively involved in constructing roads, drinking water facilities, and community centers in Odisha's tribal regions. According to Pradhan & Mohanty (2021), CSR-driven infrastructure projects significantly contribute to development by improving accessibility and quality of life.
- Pradhan, S., & Mohanty, A. (2021). CSR-driven infrastructure development in tribal regions of India. *Journal of development studies*, 15 (2), 54-70.

In the mining sector, CSR activities have positively impacted local communities by improving health care, education, infrastructure, and economic conditions in Odisha. Henceforth, a community in CSR activities is needed to face challenges and to ensure that these initiatives lead to sustainable and inclusive development. However, further research is needed to assess the long-term impact and explore the contribution of CSR in various fields.

OMC: Odisha Mining Corporation (1961)

Odisha, one of India's most mineral-rich states, hosts several mining corporations, including the OMC (Odisha Mining Corporation), a leading state-owned enterprise engaged in the extraction of minerals like iron ore, bauxite, and chromite. OMC was incorporated on 16th May 1956 as a joint venture company of the government of Odisha and the government of India, and has been working with a prime objective of harnessing the mineral wealth through exploration and extraction. Minerals are non-renewable and limited natural resources which serve as the basis of vital raw materials for various important industries such as steel, Aluminium, Sponge iron, pig iron, ferro-manganese, ferro-chrome, etc.

OMC became a wholly state-owned corporation of the government of Odisha on 17th Nov 1961. Since the time OMC has come a long way and has established itself as the fastest and one of the largest mining companies in India. OMC is well known for its CSR and Sustainability.

- **Purpose:** Its purpose is Mining happiness by transforming resource responsibly.

- **Vision:** Its Vision is to be one of the most admired and largest mining companies in India with focus on sustainability, mineral resource augmentation and cutting-edge technology.
- **Mission:** OMC strives to achieve phenomenal business growth by driving excellence in exploration, production, sales, safety, and sustainability by leveraging cutting-edge technology, digital transformation and harnessing human capital while creating value for all stakeholders.
- **Values:** Act with Integrity
 - Live with Accountability
 - Care with Conviction
 - Lead with Ownership
 - Respect team and Inclusiveness.

OMC has gone beyond driving Odisha's economic progress by consistently striving to improve the lives of the community it engages with. In the last more than six decades, OMC has achieved many important milestones which have shaped the corporation to make this remarkable journey of being recognized amongst the top mining companies in the country. OMC has a remarkable transformational journey, it has emerged as one of India's fastest-growing and largest mining powerhouse.

Odisha Mining Corporation (OMC) operates extensively across Odisha, managing 35 mining leases for minerals such as iron ore, chromite, bauxite, manganese, limestone, and semi-precious stones. These operations are coordinated through eight regional offices and shipment office at Paradeep.

Key cities and towns where OMC has significant operations includes:

- Bhubaneswar: Headquarter of OMC.
- Barbil and Joda : (Keonjhar district): major iron mining hub.
- Kaliapani and Sukrangi(Jajpur district) : Notable for Chromite mining.
- Unchabali(Keonjhar district) : Location of the Maha Parvatirom ore mine.
- Guali(Sundargarh district) : site of the Guali iron ore mine.
- Kodingamali (Koraput district) : Known for bauxite mining activities.
- Bangur(Kalahandi district) : Area with semi-precious stone mining operations.

These locations reflect OMC's widespread presence in Odisha's mineral-rich regions, contributing significantly to the state's mining sector.

Adverse Effect of Mining

The extraction of raw materials from nature often creates imbalance in nature which adversely affects the environment and society at large. The impact of mining on environment can occur at local, regional, and global scale through direct and indirect mining practice. The effect of mining on environment largely depends upon the methods of mining which are adopted by the mining concern. The effect of mining on public and health is such large that mining companies in some countries are required to follow strict environmental and rehabilitation code to ensure that the mined areas returned to its original state. Mining can lead to environmental challenges such as erosion, sinkholes, loss of biodiversity, and the contamination of soil, groundwater, and surface water due to chemicals released during mining operations. This chemical emission process affects the air quality and atmosphere through carbon emission which leads to climate change.

Mining has a Significant Environmental, Social and Economic Effect

- **Environmental Effect:** The key environmental effects of mining are on wildlife, fishery, habitats, local climate, pattern of rainfall, ground water quality, soil erosion and air pollution.
- **Effect on Fishery and Ground Water:** Due to the release of high concentration of chemicals such as arsenic, sulphuric acid, mercury and heavy metals in water bodies pollutes the water and makes it unfit for aquatic life as well as human beings near by using that water. This majorly affects the fishery and deteriorates ground water quality. As mines do not have proper waste water disposal methods, so runoff water containing these chemicals can lead to devastation of the surrounding vegetation.

- **Soil Erosion:** The extraction of minerals disturbs the land surface, making it more vulnerable to erosion over time. Mining also disturbs the soil structure by decreasing soil quality and making it of no use.
- **Local Climate and Pattern of Landfall:** Clearing land for mining disrupts ecosystem and leads to deforestation which directly affects the climate and pattern of landfall in that particular region.
- **Air Quality:** Due to heavy emission of dust and toxic gases from mining contributes to decrease the quality of air which leads to various respiratory issues to the people living in the surroundings as well as working in mines. It also leads to climate change. These mining industries contribute between 4-7% of global greenhouse emission. The production of greenhouse gases such as CO₂ and CH₄ can occur both directly and indirectly throughout the mining process and can have significant impact on global climate change.

Social Effect

- **Human being Health issue:** There are many diseases that can come from the pollutants that are released into the air and water during the mining process. For example : during smelting operation large quantities of air pollutant, such as the suspended particulate matter so_x, arsenic particles and cadmium are emitted.

Most of the miner suffer from various respiratory and skin diseases such as asbestosis, silicosis or black lungs disease. The pollutant that ends up in water results in poor water quality. People suffer from oesophageal cancer and liver cancer. It is resulted that mines till this day still has negative impact on human health through crops and it is evident that there needs to be more cleaning up measures around surrounding areas.

According to a Swedish cohort study, diabetes seems to be included after long term air pollution exposure. Furthermore, air pollution has several harmful effects on early human life, including respiratory, cardiovascular, mental, and perinatal disorders, which can contribute to infant mortality and increase the risk of chronic diseases in adulthood.

- **Children:** Children in mining areas are deprived of good health and education facilities. They are given tasks of stone breaking in small pieces. The ILO estimates that more than 1million children world wide are involve in mining.

Corporate Social Responsibility

CSR is the business model which provides that business should not only focus on earning profit but also work for the betterment of the society and environment. CSR means companies should operate in an ethical manner, contributing positively to the community they serve protecting the environment and promoting sustainability. The core focus of CSR is to strike a balance well-being, and environmental stewardship.

CSR denotes a business approach that guarantee business are engage in an honourable, sustainable and socially responsible fashion. It call for taking responsibility for the troupe's impact on society, the environs, and the economy.

Concept of CSR:-CSR is based on the idea that business should go beyond earning devising and bestow positively to companionship, it includes:

- **Economic Responsibility:** It is the economic responsibility of CSR to control financial stability and average business enterprise practices.
- **Legal Responsibility:** complying with legal law of nature and regulations.
- **Ethical Responsibility:** It ensure that business concern are working morally and fairly in its every business dealing.
- **Philanthropic Responsibility:** It focuses on giving back to society through various activities such as charity, education and community programs, free health camp etc.
- **Environmental Responsibility:** It focuses on sliming down carbon copy footprints sustainable sourcing, and eco-friendly initiatives.

CSR benefits business sector by improving reputation, build customer trust, and fostering farsighted-terminal figure sustainability. Many companies incorporate CSR into their business models to drive positive social and environmental change.

Importance of CSR

Corporate social responsibility (CSR) for mining companies involves integrating various social, environmental, and economic consideration into their businesses practices. As mining operations often have significant environmental and social impact as discuss in this paper, it is essential for mining companies to engage in responsible practices that go beyond profit generation.

Here are some key aspectof CSR in mining sector:

- **Environmental Stewardship:** Mining can cause deforestation, soil erosion, water pollution, and biodiversity loss. CSR initiative should focus on minimizing environmental damage through sustainable practices, such as proper waste management system, proper water conservation, land rehabilitation, and reducing greenhouse gas emission as the result of which the environment can be protected up to certain level.

Companies may implement environmental management system to monitor and mitigate the impact of their operations, ensuring compliance with local regulation and international standards.

- **Community Engagement and Development:** Mining often takes place in remote areas that are home to local communities, whose livelihood may be disrupted by mining activities. Mining can affect their day to day life by making it unsafe to survive in that particular area. So in order to save the live of local communities the mining companies should engage with them through dialogue and participatory decision making process.

CSR programs can include community development projects, such as improving local infrastructure (e.g., roads, schools, healthcare), providing job training, and supporting local businesses to enhance social and economic benefits for the community.

- **Health and Safety:** Ensuring the safety of employees and nearby communities is a top priority. Effective CSR strategies should include strong health and safety programs to prevent workplace accidents and occupational illnesses.

Mining companies should also address potential health risks for communities, such as water contamination or air pollution, by implementing appropriate safety measures.

- **Human Rights and Labour Practice:** mining companies must respect human rights and labour laws. CSR initiatives should aim to ensure faire labour practices, non-discrimination, and the elimination of child labour and forced labour in their supply chain.

Company may also focus on faire wages, decent working conditions, and providing oppourtunities for skill development and career growth for workers.

- **Economic Contributions:** CSR activities aims to create a long term economic benefits for the host country and communities through local hiring, tax payments, and infrastructure investments.

Companies can also establish community development funds or revenue-sharing programs to ensure local populations benefit from the mining activities.

- **Ethical Business Practices:** Mining company should adhere to ethical business practices, including transparency, anti-corruption measures, and responsible sourcing. This objectives build trust with stakeholders and avoids legal and reputational risk.

- **Rehabilitation and Mine Closer:** Planning for mine closure and rehabilitation is a crucial part of CSR. Companies should ensure that the land is restored to a safe and sustainable condition after mining operations cease, which may involve land reclamation, reforestation, or creating alternative land uses for the local community.

Mining companies that are actively engage in CSR not only contribute positively to society but also enhance their reputation and manage risk effectively. By addressing environmental, social, and governance(ESG) concerns, they can achieve a more sustainable and responsible business model.

Core Principles of CSR

- "Give Back" to society.
- Inclusive growth of host community.
- Participatory and bottom up approach

- Beyond Compliance
- Volunteering
- Dovetailing and Partnership

Csr Taken by OMC Ltd

OMC has taken various steps to raise the standard of living of the people living in communities near OMC's operations. Various skills development programs were imparted for providing skills development and training to the peripheral communities over the years.

OMC has provided financial support to various school in strengthening school infrastructure also it provide scholarship to meritorious students in backward district of odisha.

- **Model School Initiatives:** OMC is working in collaboration with the state government on the construction of Model Schools. These schools are being developed as a centre of excellence with adequate infrastructure, staff, and quality education. OMC has been committed to the construction of 25 model school (Adarsh Vidyalaya).
- **MO School Abhiyan:** OMC has also collaborated with the state government and supported for the infrastructure development of 1556 school under MO School Abhiyan of the state.
- **Multilingual Education Program:** (MLE) refers to " first language age first". Education in 25 schools covering 3186 students, was implemented for tribal students belonging to HO communities in keonjhar district to address the high dropout rates and poor educational performance of school children in the tribal regions.
- **Speaking Walls:** Speaking wall initiatives is being implemented for the school belonging to HO communities of barbil region in partnership with the district administration.
- **Healthcare Facilities:** OMC has supported for 16 number of advance life support ambulance, which is deployed across various districts in the state. 24*7 help desk and patient information centers has been set up with SAHAYA (NGO Partners) at the capital hospital, Bhubaneswar district headquarter hospital, puri and SCB Medical college and hospital Cuttack to support and assist the needy, poor, homeless, destitute patients and accident victims.

A " Vision Plus Eye Centre" has been established at Barbil and an " Advanced Eye Care on wheels" has been started in partnership with LV prasad eye institute to provide comprehensive eye healthcare service in the mining regions across the state.

- **Infrastructure and livelihood Initiative:** OMC strongly advocates that the development of rural area can boost the state as well as the nation's economic growth along with tremendously improving the standard of living of the economically underprivileged communities living in rural areas. OMC has invested in the constructions of rural and semi-urban areas infrastructure like roads, bridges, culverts, pucca house, toilets, solar street lights, solar pumps, mahila samiti buildings, drains, bus stops, rural electrification, creation of water bodies, check dams, community centre youth clubs etc. it has spread across 23 district of the state.

Conclusion and Suggestions

Some of the core proceeds which the company should deal with are:-

- Rehabilitation and Compensation issues should be dealt with equitably. The fellowship should allow all infrastructure facilities to the rehabilitation colony. They should take into retainer the plight of landless households.
- Right Attention of environmental quality is essential. Business organisation about melodydefilement, water system pollution and abasement of realm and forest should be given proper emphasis.
- The company should invest in improving human and strong arm majuscule of the region. Education, basic amenities, health forethought, preparation opportunity should be provided not only to the employees house but likewise for the community in the region as a whole.
- Issues of post- mines block like unemployment, income electric potential, migration, environmental unclouded up should be discussed much in approach and necessary legal action should be taken.

- Efficient brass, rule enforcement and accountability should be keywords in the process of renewal as advantageously as function of the mines.

In order to make mining of minerals sustainable, the implementation of corporate social responsibility programme is very important for mine proprietor community and the authorities. In project and implementing the CSR programme all the stakeholder should be need from the very beginning and there should be transparency at every stage.

The mine owner should frame attractive CSR programmes for effectual utilization of the resource as consideration as to protect the environment and the sake of the stakeholder.

Odisha's journey of development is speed in resilience and aspiration. The state government leading the way in tackling the social challenges, along with the proactive engagement of corporates through CSR, fostered a concrete basis for sustainable growth. It's a huge deal for future collaboration. By promoting innovations, and ensuring that CSR activities would be aligned with the state priorities, the odisha government will steer the state towards a future where social development and industrial growth can happen together.

CSR in odisha by OMC goes beyond corporate philanthropy, it involves building a more vibrant and inclusive society for which the government, corporations, non-government institutions and local communities stake for sustained transformation. If the government continues to make it easy and maintain leadership for CSR, the CSR would turn out to be a strong instrument for social transformation to ensure that the citizen became a part of growth trajectory of odisha.

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