



Enhancing Business-Community Relations

SPIC Case Study

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SPIC Group: Social initiatives by MAC Foundation and ACM Trust

Research Project Background

This case study is one of ten that were chosen as part of the ‘Enhancing Business-Community Relations’ project in India implemented in collaboration with The Energy and Resources Institute (TERI). These cases document examples of engagement between businesses and communities and can be used as learning tools for the promotion of responsible business practice and sustainable development.

The Enhancing Business-Community Relations project is a joint international initiative between United Nations Volunteers (UNV) and the New Academy of Business. Implemented in seven developing countries, the purpose of the initiative was to collect and document information on business-community practices as perceived by all stakeholders, build partnerships with them and promote corporate social responsibility practices. It is also intended to enhance international understanding of business-community relations through information sharing and networking with other countries especially those participating in the project - Brazil, Ghana, India, Nigeria, Philippines, South Africa and Lebanon.

The findings and recommendations reflected in the case study are those of the author and do not necessarily reflect those of UNV, TERI or the New Academy of Business. It is important to note that these cases were written as examples of business-community initiatives. They do not constitute a comprehensive assessment of the company’s social responsibility.

1. Introduction

This case study concerns social investments undertaken by the MAC (Medical) Foundation and the A. C. Muthiah Trust under the auspices of the SPIC Group, India. Projects in healthcare and education were initially implemented in only one village – this has since developed to three villages with perhaps more in the future. Each project is discussed in turn with details of the structure and implementation procedures.

The SPIC Group has undertaken its social investment through charitable trusts and foundations, yet these organisations remain largely financed, and administered, through the company itself. For this reason there is discussion about the pros and cons business can bring to the public sector by investing in community projects such as these.

2. Company Profile

The Southern Petrochemical Industries Corporation (SPIC), is a front ranking industrial conglomerate of India. SPIC is first and foremost a fertiliser company, but it also produces biotechnology, pharmaceuticals, industrial, heavy and fine chemicals, adhesives, detergents and house care products. It offers services in electronics, engineering and IT through its strategic business units, groups companies and joint ventures in India and abroad.

SPIC's annual turnover is over Rs. 2,000 crores. When SPIC was incorporated in 1969, it was the first joint sector project ever in India. In 1975, as SPIC's Fertiliser Complex in Tuticorin went on stream, it was as the largest naptha based plant in Asia and largest urea plant anywhere in the world.

Today, SPIC has capacities to manufacture nitrogenous, phosphate and ammonia fertilisers, sulphuric and phosphoric acids. The fertiliser complex also generates by-products in the form of gypsum and aluminium fluoride (over 3,000 tonnes p.a.).

SPIC's partners in different sectors include the Technip Group of France (Technip India Ltd.); the Jordan Phosphate Mines Company Ltd., Jordan, and the Arab Investment Company (Indo – Jordan Chemicals Company Ltd.); Jurong Engineering Ltd.(SPIC –JEL Engineering Construction Ltd.) and the Emirates Trading Agency, Dubai (SPIC Fertilizers and Chemicals FZE).

SPIC's corporate leadership has created its own distinct attitude towards society in general and rural society in particular. SPIC and its affiliated Trusts and Foundations firmly believe that the nation can progress only on the strength of a strong, prosperous and healthy rural society.

The MAC (Medical) Foundation was established by Dr. M. A. Chidambaram, founder of the SPIC Group, in 1983. Dr. Chidambaram's son, Dr. A. C. Muthiah who is the present Chairman, later founded the ACM Trust to expand upon his father's work. It is these foundations that have undertaken SPIC's health and education initiatives.

‘It must be the responsibility of not only the Government but also of the society, including NGOs and Corporate houses such as ours, to find and create the ways and means for meaningful economic opportunities for the rural populace.

We need to provide the right inputs at the right time, guide them with the know how at the grassroots level and empower them with adequate knowledge, information and skills which will automatically lead to improved quality of life.’

Dr. A.C. Muthiah, Chairman, SPIC Group

3. Project History and Development

This case study is in two parts; the first of which provides insight into health initiatives undertaken by the MAC Foundation; the second of which considers the ACM Trust's work in the education sector.

3.1. Health Initiatives – MAC (Medical) Foundation

SPIC's "Primary Health Care" initiative is an attempt to increase the availability of (and accessibility to) health services in rural areas. It is a comprehensive package with an integrated approach of curative, preventive and promotional services involving health education, which encompasses education on better nutrition, proper sanitation, optimal maternal and child health care, communicable disease control, immunisation and other measures.

3.1.1. Identification of Villages

With the experience gained in running the Primary Health Care Centre at Thuraipakkam, a suburban village of Chennai City since the year 1976, it was decided to extend the same health care facilities to villagers in hamlets in districts further south. Many rural pockets do not have any medical facilities within a radius of 3-4 kms. A new Trust called the A. C. Muthiah Trust was established in March 1996 with the objective of providing such health care facilities in these remote pockets. A Development Officer, a postgraduate in Social Work, was appointed for this purpose and he was given the task of identifying villages in the disadvantaged districts in the south for the

purpose of establishing Primary Health Care Centres. He identified Sivagangai and Pudukkottai Districts and began his survey to identify the villages. After the survey, the following guidelines were fixed for selection of the villages in which Primary Health Care Centre would be set up.

- Each centre should cater to a population of at least 5,000 persons
- There should not be any existing or functional medical centre or hospital in the area
- The local people should welcome the idea of establishing Primary Health Care Centre and offer their voluntary co-operation
- It is necessary that the local communities also participate in the establishment of Primary Health Care Centre by helping to find suitable land, by identifying doctors and also candidates for selection for being trained as Multi Purpose Health Workers

The Development Officer held discussions with local officials and prominent persons like the Block Development Officer, the Village Panchayat Officers, the School Headmaster, the Village leader and other influential people in the village to confirm that the guidelines laid down were to be followed. Meetings with the selected group of villagers to identify their needs were also held as a part of the survey work. In almost all villages, the people were enthusiastic and wanted to have the health care facilities established for them. After discussions and inspections, Soorakkudi Village and Vadagudipatti Village in the district of Sivagangai were chosen.

3.1.2. Implementation Process

Candidates with a Secondary School education were interviewed in each village to be trained as Multi Purpose Health Workers. The candidates were tested for their aptitude and fitness to be appointed as Health Workers. Two candidates were selected for each village and given a crash training programme for 6 months at the MAC Institute of Community Health run by the MAC (Educational) Foundation. After completion of the course, they were posted in the respective villages. The trained workers were fully accepted by the local population and they remained in the village establishing a good rapport with the community. Lay first-aiders were also appointed. They work in the communities outside of where the health centres are based. In this way they serve as a link between the community and the health centre, getting information to the clinics about any health problem in their area and advising the villagers to go to the clinics for treatment when necessary.

An experienced Health Supervisor was appointed to oversee the Multi Purpose Health Workers and guide them in their day-to-day work. A doctor was chosen for each centre to work on a part-time basis. S/he attends clinic for half a day in the morning for curative care. In the afternoon, the Multi Purpose Health Workers undertake house visits to ensure preventive health care. The two centres were fully operational in 1996.

For the first 6 months, only curative and preventive care were undertaken which was very beneficial to the local rural population as there was no medical assistance available within a radius of 3-4 kms. The people were very cooperative, and they offered a place to house the Primary Health Care Centre at a nominal rent. After gaining the confidence of the local people during this period, Health Education programmes including environment and sanitation programmes were started.

A Nutrition programme was introduced after a year. The Centres became full-fledged Primary Health Care Centres after a period of one year and they continue to be of great service to the people, both in the curative and preventive health care.

The primary health care centres set up by the MAC (Medical) Foundation have three means of improving rural healthcare. These are the establishment of clinics for curative care, domestic visits

for preventive care and general education and awareness-raising activities. They also conduct research on clinical epidemiology.

Health care clinics

Each clinic serves between 5,000 and 6,000 people living in the local area. They maintain health records for each family in the service area. Families contribute to the financial costs of the services by paying a small amount annually, for which they are given subscription cards. This enables them to gain free services for the entire year.

Maternal care and child welfare rank highly as priorities. Ante-natal, natal and post-natal services are provided on a regular basis, and child immunisation services are available. Help is also given with planning nutritious diets for children.

Advice is given to couples on birth control as part of the family welfare programme. Blood and urine tests can be conducted to check for various illnesses, and qualified doctors working on a part-time basis treat minor ailments as well as tuberculosis, leprosy and other communicable diseases. This is in line with National Health Programmes.

Home visits

Preventive care and education are available to villagers through home visits, group discussions and school visits conducted by trained medical workers.

Health education

Community participation is arranged through local Action Committees, film shows, demonstrations and orientation courses. Health Education is imparted to the local people through family contacts, group discussions, school-visits and Balwadi visits in the following areas:

- Importance of prevention of water-borne diseases through the use of boiled water and chlorination of potable water
- Usage of oral rehydration salt solution for the prevention for morbidity and mortality due to diarrhoea among children
- Construction of low cost waste water drainage systems
- Construction of low cost latrines
- The importance of growth monitoring among children below 5 years
- Creating awareness about Malaria, Plague, Cholera and six major killer diseases – Tetanus, Diphtheria, Whooping Cough, Tuberculosis, Measles and Polio
- Raising awareness about protein calorie malnutrition
- General cleanliness and sanitation

A nutrition wing is attached to the health centres. In the model healthcare centre at Thuraippakkam, a kitchen-garden is also maintained.

- Regular nutrition demonstrations are conducted in the health centre for the benefit of housewives and ante-natal mothers on the preparation of cheap nutritious food. Vegetables from the garden are used for this purpose.
- Local people are taught how to prepare nutritious food items in their homes and also grow their own kitchen garden, for which seeds and advice are given free of charge.

- A Weaning Mix is prepared by the Centres under hygienic conditions and distributed among pregnant women, the elderly and children under 5 years, at 25% of the normal cost.
- A regular supplementary feeding programme for the pregnant women during the last trimester is undertaken. Each beneficiary receives 50 grams of cooked lentils and one egg daily.

3.1.3. Research

A research team headed by an epidemiologist carries out research in various clinical problems, on a continual basis to identify;

- Diseases prevalent in the areas covered by the health centres, and their causes
- Seasonal sickness
- Age-specific illnesses
- Socio-economic problems relating to family planning

The results of such programmes are used to monitor and modify all health care activities instituted by the foundation.

3.1.4. Expansion Programme and Future Plans

After the success of the health centres in Soorakkudi and Vadagudipatti, requests to establish more centres came from other villages in the area. As a result, another health centre was opened in Pudokkottai in 1999. There are also plans to open a health centre to be used as a clinic for a local hospital for the treatment of referral patients.

3.2. Education Projects – AC Muthiah Trust

Under the auspices of the ACM Medical Foundation, Primary Health Care Centres were established in the districts of Sivagangai, Namanasamudram and Pudukkottai. These Centres render curative and preventive health care to the people in the locality. A Development Officer closely supervises the centres.

Communication between the Development Officer and local people revealed that villagers requested an extension of services to education.

3.2.1. The Problem

In the Panchayat Primary Schools offering education from Standard I to V, there were only one or two teachers to teach all five forms and they were not able to give adequate attention to all the students. The parents were illiterate and they were unable to help their wards in their studies. The students did not study sufficient hours outside school hours, as they are mostly farmers’ children and had to earn their livelihood. For continuance of studies in VI Standard, the children had to go to towns for admission and the schools in the towns conducted entrance examination in which these village students usually failed. Hence, the affected group was that of the children studying in V Standard who were unable to get admission in VI Standard. They became “dropouts” and added to the number of illiterates. Even if students got admission in VI Standard, they found it difficult to cope with the level and volume of study, forcing them to discontinue their studies.

3.2.2. The Solution

It was therefore decided that coaching would be given to the students of V Standard in order to enable them to get admission in the VI Standard to reduce the number of dropouts. However, as the problems began as early as III Standard, coaching started at this level.

A.C. Muthiah Public Charitable Trust then employed graduate teachers to lead evening classes, which was found to be a more convenient time for the children after a day on the farm. The curriculum remained the same as the syllabus at school, and lessons were taught in the villages where the health centres had already been established.

Classes conducted for students in Standards III, IV and V were closely supervised and monitored by the Development Officer of the Foundation. The officer also sought to encourage the students’ parents to send their children to the classes regularly. Notebooks and stationery were given free of charge. The teachers were paid more than the average salary to motivate them to give their best.

3.2.3. Results

Nearly all of the students who had attended evening classes for V Standard in the first year of operation passed their VI Standard examinations the following March. As a result villagers have requested that the programme be extended up to VIII Standard.

4. Key Issues and Lessons Learned

The work conducted by both the MAC (Medical) Foundation and the A. C. Muthiah Trust represent an approach to corporate social responsibility (CSR) common among Indian companies. Investment in service provision by businesses, such as in education and healthcare, is perhaps more common in developing countries than in developed countries where welfare states are stronger. In this instance, the SPIC Group has worked to complement existing infrastructure, and further its development.

What can be learned from this case study? Above all, the case demonstrates that large changes are possible through commitment, financial resources and working in partnerships. The healthcare centres and evening classes in the villages of Soorakkudi, Vadagudipatti and Pudokkottai have certainly contributed to the overall wellbeing of the communities, by improving access to medical facilities and education for health and literacy purposes. SPIC’s targeting of local villages will have vastly improved the company’s relations with the community.

Engagement with the organisers of the projects, be that medical staff or the Development Officer, has probably also increased a sense of ownership in the programme amongst villagers. This is important if the project is to be a success in the long-term.

Endnotes

¹ The views expressed in this case study are those of the author and do not necessarily reflect those of the New Academy of Business, UNV or TERI.

² Kate Ives is an associate of the New Academy of Business who has assisted in the preparation of this case study.