

**Volume 2**

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**Block**

# 3

## **KEY THEMATIC AREAS IN CSR-1**

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### **UNIT 1**

<b>Poverty Alleviation</b>	<b>5</b>
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### **UNIT 2**

<b>Quality of Life Improvement</b>	<b>27</b>
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### **UNIT 3**

<b>Employment Generation and Livelihood</b>	<b>44</b>
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### **UNIT 4**

<b>Women Empowerment</b>	<b>60</b>
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## BLOCK 3 KEY THEMATIC AREAS IN CSR-I

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Block 3 **Key Thematic Areas in CSR - I** consists of four units.

Unit 1: **Poverty Alleviation** discusses about status of poverty in India, its causes, and effects. It also discusses about the role of CSR in poverty alleviation in India. It also discusses about the various remedial measures in poverty alleviation and the role of CSR towards it. Finally, it discusses the NGO approach in CSR.

Unit 2: **Quality of Life Improvement** discusses about the social progress imperatives in India. It also discusses the meaning and concept of quality of life. It also discusses about the role of CSR towards enhancing the various elements of quality of life like food, health, sanitation, education, income, housing, environment etc.

Unit 3: **Employment Generation and Livelihood** discusses the need for livelihood promotion. It also discusses the importance of livelihood intervention. The various ways by which livelihoods can be funded is also given in the unit. In the unit several case studies of CSR intervention for livelihoods have been discussed. Finally, it discusses about sustainable livelihood.

Unit 4: **Women Empowerment** discusses about the meaning and concept of women empowerment. It also discusses about the various aspects of economic and social empowerment of women. In the unit are given several case studies of CSR intervention towards achieving the goal of empowering women.

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# UNIT 1 POVERTY ALLEVIATION

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## Structure

- 1.1 Introduction
- 1.2 Poverty in India - Situational Analysis
- 1.3 CSR in Poverty Alleviation in India
- 1.4 Poverty Alleviation: Remedial Measures
- 1.5 NGO Approach in CSR
- 1.6 Let Us Sum Up
- 1.7 Keywords
- 1.8 Abbreviations
- 1.9 Bibliography and Selected Readings
- 1.10 Check Your Progress – Possible Answers

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## 1.1 INTRODUCTION

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The role of corporate social responsibility in alleviation of poverty in India has become very crucial more specifically in rural India. Since independence the constitution of India and Five-Year Plans specified social justice as the primary objective of the developmental strategies of the various governments. In all policy documents emphasis is being laid on poverty alleviation and that various strategies need to be adopted by the government for the same. The call for corporate participation in 11<sup>th</sup> and 12<sup>th</sup> Five-year Plan for sustainable development was a step ahead in this regard. The continued existence of poverty and human deprivation within affluent societies clearly shows that there is unequal distribution of resources. Hence, there is a greater need for redistribution of resources. Companies with positive approach through corporate social responsibility may play an effective role in reducing the increasing the gap between rich and poor. This unit discusses the poverty in India at a glance and its causes and effect. The case studies in Indian context are illustrated with brief description and quotes from well-known past and contemporary business leaders.

After studying this unit, you should be able to:

- Discuss poverty in India as situational analysis
- Explain causes and effects of poverty
- Describe poverty alleviation programmes initiated by the Government
- Elucidate company's participation in poverty alleviation in India

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## 1.2 POVERTY IN INDIA - SITUATIONAL ANALYSIS

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Poverty can be defined as the inability of the people to attain a minimum standard of living. In other words, poverty is a relationship between the essential needs of people to survive and their ability to satisfy them. Those people who are unable to satisfy some of the basic needs such as food, clothes, shelter, sanitation, etc. are called poor. Poor people live without fundamental freedom of choice and

face vulnerability to ill health, economic dislocation, and natural disaster. In words of Amartya Sen, a Nobel Laureate in economics, 'Poverty is a deprivation of basic capabilities rather than merely a lowness of income.'

### 1.2.1 Poverty in India

Tribal people, dalits and labour class including farm workers in villages and casual workers in cities are still very poor and make the poorest class in India. 60% of the poor still reside in the states of Bihar, Jharkhand, Odisha, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, and Uttarakhand. The reason for these states to be in the category of the poorest state is because 85% of tribal people live here. Also, most of these regions are either flood-prone or suffer from calamities. These conditions hamper agriculture to a great extent, on which the household income of these people depends. As per the 2020 Global Hunger Index (GHI), India was ranked 94<sup>th</sup> out of 107 qualifying countries. In 2012 it was on 97<sup>th</sup> Rank. Though there is no shortage of food production in India, our nation still has the highest percentage (37%) of underweight children under five and 39 per cent are stunted (low height-for-age), 21 per cent are wasted (low weight-for-height) and 8 per cent are severely acutely malnourished (ASSOCHAM-EY report). Thirty years ago, India was home to one-fifth of world's poor but now it is a home to one-third of poor people. Fifty five per cent Indians were classified as poor by the MPI methodology in 2005-06. India halved its poverty rate in the next 10 years. In absolute terms, the number of poor fell from 630 million to 360 million during this period (Srinivas, 2018).

From November 2017, the World Bank started reporting poverty rates for all countries using two new international poverty lines: a "lower middle-income" line set at \$3.20 per day and an "upper middle-income" line set at \$5.50 per day. However, these lines, which are typical of standards among lower- and upper-middle-income countries, respectively, are designed to complement, not replace, the \$1.90 international poverty line. India falls in the lower middle-income category. Using the \$3.20 per day poverty line, the percentage of the population living in poverty in India was 60% in 2011. This means that 763 million people in India were living below this poverty line in 2011. However, according to the United Nations Millennium Development Goals (MDG) programme, 270 million people out of 1.2 billion Indians, roughly equal to 21.9% of India's population, lived below the poverty line of \$1.25 in 2011–2012.

### 1.2.2 Causes of Poverty

The most important causes of poverty in India are poor agriculture, growing Population, gap between rich and poor, corruption and black money as discussed in subsequent paragraphs-

- 1) **Poor agriculture:** India is mainly an agricultural country. About 80% people of our country depend on agriculture. But agriculture is not profitable today. Farmers are poor and uneducated. Due to lack of irrigation facilities, most of the farming is rainfed. They do not get seeds and fertilizers in time. Thus, the yield is poor. So, poor agriculture is one of the causes of India's poverty.

- 2) **Growing population:** Our population is growing rapidly. But our resources are limited. The growth in population creates problems for us. We need more food, more houses, and more hospitals for the growing population. The ever-growing rate of population must be checked. If not, we may not be able to remove India's poverty.
- 3) **Illiteracy:** States with lower literacy rates have a greater number of poor people. Access to gainful employment becomes extremely difficult when people are not educated.
- 4) **Gap between the rich and the poor:** The widening gap between the rich and the poor is also responsible for India's poverty. The rich are growing richer. The poor are growing poorer. This economic gap between the two must be reduced. Our social system should be changed.
- 5) **Corruption and blackmoney:** There is corruption in every walk of life which is not in national interest. Black money causes the problem of rising prices. Black money adversely affects our economy. It causes poverty.

### 1.2.3 Effects of Poverty

Some of the effects of poverty are:

- 1) **Nutrition and diet:** Poverty is the leading cause of insufficient diet and inadequate nutrition. The resources of poor people are very limited, and its effect can be seen in their diet.
- 2) **Poor living condition and housing problems:** People living in poverty don't get proper living conditions. They must struggle to secure food, clothes and shelter. Many poor families live in houses with just one room.
- 3) **Unemployment:** Poor people move from villages to towns and from one town to another in search of employment/work. Since, they are mostly illiterate and unskilled, there are very few employment opportunities open for them. Due to unemployment, many poor people are forced to live an unfulfilling life.
- 4) **Hygiene and sanitation:** Poor people have little knowledge about hygiene and proper sanitation system. They are not aware of the harmful consequences of not maintaining proper hygiene. The government is taking initiatives to make available clean and safe water, and proper sanitation system to them.
- 5) **Feminization of poverty:** Women are the worst victims of poverty. Poverty affects greater number of women than men. The total of poor women outnumbers the total population of poor men. The causes include low income, gender inequality, etc. They are deprived of proper diet, medicine and health treatment.
- 6) **Child Labour:** In India, a large percentage of young boys and girls are engaged in child labour. Poverty stricken families are forced to send their children to work.
- 7) **Social tensions:** Poverty is often characterized with income disparity and unequal distribution of national wealth between the rich and the poor.

Concentration of wealth in the hands of few rich people along with exploitation of poor leads to social disturbances and revolts. Fair or even distribution of wealth leads an overall improvement in general standard of living of people.

#### 1.2.4 Poverty Alleviation Programmes in India

“Growth with Social Justice” has been the basic objective of the development planning in India since independence, which has led to significant changes. Some of these changes are distinctly visible especially in the economic sphere with the adoption of new technologies, diversified production, and sophisticated management. Changes have also taken place in the social sphere with affirmative action for disadvantaged communities, with the weakening of untouchability and caste discrimination, and with women enjoying by and large more freedom than ever before. On the political front, India has remained a vibrant democracy with increased participation by women and men in political decision-making.

There are various reasons for India’s commitment to poverty eradication. The most important among these is the nature of the national struggle, which led to independence. The mainstream political movement in India was profoundly influenced by the Gandhian approach, which emphasized the need to uplift the social and economic status of the poorest of the poor or ‘antyodaya.’ Emphasis on an egalitarian social order was reflected in the policy documents produced by the Indian National Congress. Most notable among these was the report of the National Planning (Kumarappa) Committee.

Drawing from the experience of a large number of experiments in rural development involving local communities, the Government of India soon after independence launched the Community Development Programme (CDP) to rejuvenate economic and social life in rural areas. The emphasis was on infrastructure building at the local level and investment in human resource development through the provision of education and health services. The frontal attack on poverty was pursued in three successive phases.

Table 1.1 describes the time periods, phase and the major emphasis given towards Poverty Alleviation Programme in India.

**Table 1.1: Three Phases of Poverty Alleviation Programme in India**

Phases	Time-Period	Major Emphasis
<b>First phase</b>	1950s till the end of the 1960s	Redistribution of land and improving the plight of poor tenants, abolition of functionless intermediaries, tenancy reforms culminating in the principle of ‘land to the tiller,’ imposing ceilings on large holdings, sequestering surplus land and redistributing it among the landless agricultural laborers and marginal farmers.
<b>Second phase</b>	By the late 1960s till the end of 1980s	Addressing directly and exclusively to the poor in the rural areas (target-group



		oriented approach) The distinguishing feature of the poverty alleviation programme during this phase was the emphasis on creating employment opportunities and distributing renewable assets among the poor (Integrated Rural Development Programme). Heavy emphasis was also placed on transfer of income to the poor in indirect ways, e.g., through food subsidies and 'dual pricing' of essential commodities.
<b>Third phase</b>	the latest – phase starting from the beginning of the 1990s	Emphasis shifted to measures aimed at accelerating economic growth and on creating an environment for ensuring a 'spread effect.' The dominant thought is to create more wealth to enable the poor to benefit from the secondary effects of growth which, it is presumed, will percolate down, and reach the poor. Various programmes under a) Self-employment b) Wage employment c) Food security d) Social security and e) Urban poverty alleviation were started.

Besides, other initiatives undertaken to alleviate poverty include price supports, food subsidy, land reforms, area development programmes, improving agricultural techniques, free electricity for farmers, water rates, PRIs, growth of rural banking system, grain banks, seed banks, etc. Such endeavours not only reduced poverty but also empowered the poor to find solution to their economic problems.

### Activity 1

Go through the annual budgets since 2017 and list out the various poverty alleviation programmes initiated since then.

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**Check Your Progress - 1**

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) Enumerate causes of poverty.

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- 2) Enlist the effects of poverty.

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### **1.3 CSR IN POVERTY ALLEVIATION IN INDIA**

The 1990s have been the decade of intense change in India's economic paradigm and have considerably affected companies in India. The structural adjustments provided an increasing role for the corporate sector and freedom from controls—an opportunity of gigantic proportions.

Poverty alleviation is not possible for any state alone, besides the primary duty of the state is to provide protection against standard threats, protection of environment and development of economic standards of its citizens. The state is inviting companies to fulfil their social responsibility and to safeguard the interest of society at large. The multiple causes of poverty and inequality persist because of lack of adequate food, shelter, health care and education to geography, climate, culture, and other factors. There is a great need for community development. "Community development" means "a wide range of actions of companies to maximize the impact of their donated money, time, products, services, influence, management knowledge, and other resources on communities in which they operate." Various surveys from time to time have shown that Community development is a major agenda in CSR of Indian companies.

#### **Case Study "Ambuja Cement"**

"Ambuja Cements Ltd. established a foundation, called the Ambuja Cement Foundation in 1993. With its cement plants being situated in the rural areas, the company realized the need to address the needs of the rural people. Poverty alleviation, achieving universal primary education, reducing child mortality,

improving maternal health, combating HIV/AIDS, and ensuring environmental sustainability are all integral to the work of the company and its Foundation. The Foundation in each location begins by working at the micro level/in a small way with the villages impacted by the company's operations and gradually over time as partnerships develop expands its area and scope of work. Provision of preventive and curative health services including reproductive and child health, promotion of education and generation of alternate sources of livelihood coupled with capacity building are some of the key areas of intervention of the Foundation" (KPMG, 2008).

### 1.3.1 Advantages for Companies by Investing in Poverty Alleviation

Fighting poverty helps establish secure and stable societies that benefit businesses in several ways as given below:

- 1) **Brand imaging and innovation** - Healthy economy is not possible in a fractured society of extreme wealth and extreme poverty. It is therefore in the interests of businesses to help eradicate poverty and eventually enable all to become active consumers. Now, companies are expected to produce, many employment opportunities as social responsibility by giving in return to the society where they are operating and earning profits. Businesses that work for betterment of society and discuss their economic policies with their stakeholders and adopt practices that benefits the society at large build public trust and strengthen their reputations and create brand image. The companies like Unilever and others have participated in Swachh Bharat, hand washing and school health. The status of health and hygiene is directly linked to poverty and facilitate in reducing the poverty.
- 2) **Healthy human resource and working environment** - It helps, for example, to produce healthy and competent workers, prosperous consumers and investors, and provides the predictable, rule based and non-discriminatory trading and financial systems, through which transaction costs can be reduced and corruption eliminated. Poverty exacerbates a number of conditions – including environmental degradation, HIV/AIDS and communicable diseases, ethnic conflict and inadequate health and education systems that add directly to the costs and risks of doing business, overcoming these problems helps to reduce costs, improve resource efficiency and boost productivity.
- 3) **Employment opportunities and labour welfare** -There is also a third set of benefits that flow directly to companies who combine social responsibility with business development. One of the main ways in which business can help reduce poverty is through job creation such as raising wages or providing greater stability of income. The labour issues on the CSR agenda could indeed contribute to poverty reduction. The requirement to pay the legal minimum wage or a 'living wage' could be seen as a way of ensuring that companies do not pay wages which are below the poverty line. Equal pay for women can also be seen in this light where many poor households have female heads.

## 1.4 POVERTY ALLEVIATION: REMEDIAL MEASURES

Along with raising income the solution of eradication of poverty also includes raising the provision of social consumption for the poor. An example of the same was the **Minimum Needs Programme**. This was to provide such items as elementary education, health, housing, water supply, electrification, infrastructure development like roads, means of communication etc. The increase in private consumption—goods purchased by poor plus the public consumption goods/services supplied by the companies will provide the real substance to the poverty eradication strategy.

The policies and programmes are developed based on the needs of the population of that specific area. The companies generally operate in or around of 8-10 kms of their presence. There are few who donate funds to other organizations who are working within their area of interest and anywhere in India e.g. Indian Oil Corporation, ONGC and Tata steels are contributing for organizations/NGOs/special schools who are working in the field of mental disabilities. Similarly, companies also support NGOs of national repute like 'CRY' working for school dropouts or non-formal schooling innovative projects e.g. for rag pickers in urban slums.

**Approach:** To remove the handicaps of poor, as also to integrate them in the growth-process, reduction in poverty and associated with it the reduction in unemployment have been treated as the crucial components of the strategy of growth. Each company develops its own Vision & Mission Statement along with the policies and programmes of CSR interventions. Some have incorporated Poverty alleviation in their agenda directly as one of the important area or others indirectly dealing with it while working for rural/urban community development programmes as discussed above. In concrete terms three types of measures have been adopted for the removal of poverty by the companies, described in detail with case studies in the later part of unit —

- 1) General Growth: Expansion of Agricultural and Non-farm Activities in Rural Areas;
  - 2) Supplementary Measures to General Growth Measures;
  - 3) Social Uplift.
- 1) General Growth: Expansion of Agricultural and Non-farm Activities in Rural Areas**

This involves such a restructuring of the production, and of the product-mix, that provide more income and more mass-goods, to the poor. Expansion in agriculture, also of the activities in the unorganized sectors in the urban areas; adoption of labour-intensive techniques; enlarged production of food grains and other items of necessities etc. All these along with the development of other sectors like industries etc. are supposed to benefit the poor.

### A) Expansion of Agriculture: Case Studies

#### i) *HDFC Bank: Assistance to the Farmers*

HDFC bank provided assistance across India to farmer in soil and water

conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability, in partnership with the Village Development Committees. Company rejuvenated existing structures like ponds, wells, and constructed check-dams. **Project implemented by:** Watershed Organization Trust, Krushi Vikas Va Gramin Prashikshan Sanstha, Community Advancement & Rural Development Society. **Amount spent:** INR 92.78 cr

**Estimated Impact:**

- Soil and water conservation work has been initiated in 550 acres of land.
- Other initiative benefitted over 140 farmer families. 65 acres land brought under irrigation for the first time and 45 acres brought under assured irrigation.
- Soil quality improved in 317 hectares of land and reduced soil and water erosion.

**ii) Mahindra & Mahindra Ltd. - Krishi Mitra**

Company helped small and marginal farmers by training them in effective farming practices including soil health, crop planning, creating model farms with bio-dynamic farming practices, thereby increasing crop productivity, through the Wardha Family Farming Project, Krishi Mitra and Integrated Watershed Development Project. The programme includes soil testing, advisory services, drip irrigation, community farming, seed culture farming, agro-extension services, infrastructure development and capacity building resulting in improvement in agricultural productivity. The **Project is implemented by:** Swades Foundation, BAIF Development Research Foundation, Dr. Panjabrao Deshmukh Krishi Vidyapeeth. Till now **Amount spent:** INR 5.47 cr

**Location:** Raigad - Maharashtra, Sagar, Tikamgarh - Madhya Pradesh, Ajmer, and Alwar – Rajasthan, Others: Mankepada

**Estimated Impact:** Krishi Mitra benefited 49,635 farmers.

**iii) The Rural Electrification Corporation Limited: Farmer Centric Watershed Management**

Company developed Farmer Centric Watershed Management with 2.07 crores. The Rural Electrification Corporation Limited, Hyderabad, Telangana, India has supported the ICRISAT-led consortium to develop “Model Sites of Learning” in Mahabubnagar district in Telangana state and Anantapur district in Andhra Pradesh with an aim to sustainably increase agricultural productivity and improve the livelihoods of the rural poor in vulnerable rain-fed areas. A participatory integrated watershed management approach is one of the tested, sustainable, and eco-friendly options available for upgrading rain-fed agriculture for sustainable intensification.

**Estimated Impact:** The project duration is 5 years, 3<sup>rd</sup> year operation is completed 4<sup>th</sup> year operation is under implementation.

**iv) Container Corporation of India Limited-Assistance to Farmers**

In association with The Energy & Resource Institute (TERI) in the state of Himachal Pradesh (Kullu, Kinnaur and Shimla), 360 apple growing farmers have

been provided rain water harvesting tanks including various equipment like anti hail nets, power sprayers, pruners, planting material of high apple yielding varieties, etc. as well as technical training that will help them in increasing their Apple yields. Amount spent is 1.4 cr.

**Estimated Impact:** Nearly 4,500 apple farmers have been benefited from such activities.

**v) *Bharat Heavy Electricals Ltd - Irrigation support***

Company initiated a project in partnership with IIM Ahmedabad for the installation of 100 solar water pumps of 5 HP capacities to encourage the use of solar energy by farmers in the villages. The lack of access to dependable pumping solutions hampers livelihood improvements throughout rural India, but solar water pumps are emerging as both a reliable and clean energy solution. The amount of solar power needed depends on the specific water table depth of a farm; the further the water is from the ground, the more power would be needed to pump that water up for irrigation. This, in turn, depends on the geography of a region. The **Amount spent:** INR 0.237 cr

**Estimated Impact:** Solar water pumps helped the farmers in energy optimization, better use of water resources and keep productivity high.

**B) Non-Farming Activities**

The non-agricultural activities in the field of dairy farming, shops, transport, pottery, and cottage industry are major occupation in Indian villages. The women in the rural areas, too are actively getting involved in different industries like matchbox and firework industries, bidi making, agate and slate industries, coffee and tea industries, brick industry, construction industry, electronics industry, spice industries, etc. Among these, the bidi, slate or brick making industries are the most well spread industries in Indian villages. The pottery industry in India provides mass employment along with betterment of the living standards; both the village and city people comprise the work force of the industry. These activities are also supported by companies like banks, Tatas, HUL, Vedanta, Hindalco, Jindals and many other business associations like CII, FICCI etc. The interventions were mostly carried out in the surrounding areas of the main operational regions, particularly in villages situated closer to the factory location. The direct interventions were carried out either by in-house CSR specialist teams, or by professional CSR teams. Partnerships had also been made with non-profit organizations and specialized agencies in some cases. Some of the companies like Tata steel, over the last 15 years had supported the formation of more than 500 rural enterprises in agriculture, poultry, livestock and community entrepreneurship.

**2) Supplementary Measures to General Growth Measures**

The second type of measures has been conceived as supplement to the general growth measures. One set of measures consists of anti-poverty programmes like IRDP, NREP etc. with two-fold purpose. In first place, it is providing employment with wage in cash or kind (like wheat etc.). Secondly these help the poor in earning by providing them with assets (land, animals etc.), inputs (raw materials), credits, marketing facilities, training for skill formation etc. Another set of measures includes subsidies through public distribution system (PDS). Both these are being taken care by government programmes (Centre & State) whereas;

companies are working on IEC, behaviour change communication and advocacy of these programmes. Skill based training is the agenda of many companies like Tata Steel, Hindalco and Vedanta etc.

### ***i) Case Study of Goa Institute of Management***

Business schools are out to promote social responsibility among the managerial workforce. One such example is the Goa Institute of Management (GIM), Sanquelim, north Goa, where students undertake various projects under a corporate social responsibility (CSR) initiative known as 'Give Goa.' Projects are taken up broadly in the fields of education, social welfare, agriculture extension and public health. They are finalized based on inputs from the CSR coordination team, the client organizations, and the students of GIM. Through this initiative, the GIM, in collaboration with NGOs and other firms, tries to address the social issues related to the welfare of society and improvement of the Human Development Index in various villages in Goa. One such group is working in collaboration with Krishi Vigyan Kendra (KVK) of the Indian Council of Agricultural Research (ICAR), Goa, in the village of Aldona in north Goa. ICAR has been working to improve agricultural practices in the State over several years. GIM is working with ICAR in Aldona to spread scientific methodologies and technologies among the farmers. The intention is to benefit the farmers of Aldona and eventually the State, in terms of revenue generation for the farmers and the State, and to contribute to the environment, say the joint promoters, GIM and KVK.

The students work with various client organizations such as banks, NGOs, government departments like the Zonal Agriculture Office, NABARD, Indian Council of Agricultural Research (ICAR), and the State-owned GHRSSIDC Ltd., a corporation promoting handicrafts and small-scale industry products in Goa.

#### **Activity 2**

Browse cases studies related to corporate involvement in promoting supplementary measures to general growth measures and write down one case study about such related project.

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### **3) Social Uplift**

Third type of measure of poverty alleviation aims at improving the social status of the poor which also upgrade their productive capabilities. Efforts at raising literacy, widening the access to education and health facilities for the weaker section belonging to the schedule caste and tribes and other backward classes enhance the status, skills, and health of the poor.

Preventive healthcare is an important dimension of health and is a national health priority and a notified area under Schedule VII of the CSR Section 135 of the

Companies Act. Preventive healthcare directly improves health, well-being and productivity of community/population, families and individuals, and promotes equity by benefiting most the disadvantaged and marginalized groups. It covers range of public health activities focused on prevention of diseases, promotion of good health and strengthening of health systems. Following case studies are based on preventive healthcare initiatives by companies under community development.

Companies that were traditionally undertaking CSR are currently streamlining their existing contributions in meeting social targets. Responding to the August 2014, Independence Day appeal by Prime Minister Narendra Modi, leading corporate houses have come up with projects to set up around 30,000 new toilets in schools, with funds to the tune of hundreds of crores of rupees. Larsen and Toubro constructed around 5,000 toilets, the Vedanta Group's Hindustan Zinc constructed 10,000 and the Jaipur-based Indian Institute of Health Management Research (IIHMR) University added 13,000 toilets in 6,500 schools.

In the budget February, 2018, the then finance minister Arun Jaitley had invited corporate and philanthropic entities to invest funds into 'Ayushman Bharat' for "health and wellness centres" which was to be setup as a part of the government's flagship National Health Policy (NHP) 2017. As of August, 2020, there are 44418 health and wellness centres across the country. Companies are invited through CSR in adopting these centres. These centres are aimed at bringing the healthcare system at the doorsteps of people, and would provide comprehensive healthcare for non-communicable diseases and maternal and child health services, among others. Free essential drugs and diagnostic services are also planned.

i) **HDFC Bank Ltd** has been looking to scale up its CSR strategy. Ranked four on the spend tally (2017-18), for the first time in three years of reporting the bank has a 100% actual spend (Rs. 305.42 crore) versus the prescribed spend. They operate in about 18 states. In the first year, it covered about 60-65 villages. Many of these villages had been allocated to them to open accounts under the Jan Dhan Yojana (GoI), and while addressing their basic financial inclusion and banking needs, also they did an overall needs assessment and dealt with their other developmental issues too. By March 2017, it covered 560 villages under this Holistic Rural Development Programme (HRDP) and many more villages under smaller projects. Today, it is working in over 750 villages under HRDP. The bank spent about 41.6% of its CSR under rural development category according to its annual report. They are in education, skilling, sanitation and financial inclusion, and their initiative and outlays in these areas have grown.

ii) **Mahindra & Mahindra**

*Key CSR Areas:* Focus on the girl child, youth, and farmers through programmes in the domains of education, public health, and environment. Mahindra Pride Schools provide livelihood training to youth from socially and economically disadvantaged communities and have trained over 13,000 youth in Pune, Chennai, Patna, Chandigarh and Srinagar. M&M sponsors the Lifeline Express trains that take medical treatment to far flung communities.



**iii) Tata Steel**

*Key CSR Areas:* Education, healthcare, facilitation of empowerment and sustainable livelihood opportunities, preservation of ethnicity and culture of indigenous communities and sports. Initiatives run across ten districts in Jharkhand, Odisha and Chhattisgarh, covering nearly 500 core villages. Total spending in 2014-15 on CSR was Rs. 171.46 crore, which is 2.04% of the average net profit of the last three fiscals.

*Flagship Programme:* Maternal and New-born Survival Initiative (MANSI), a public-private initiative, is being implemented in 167 villages of the Seraikela block of Jharkhand's Seraikela-Kharsawan district since 2009. The project goal is to reduce child and infant mortality. MANSI has achieved improvement in all process and outcome indicators, such as reduction in neonatal mortality by 32.7%, reduction in infant mortality (up to the age of one year) rate by 26.5%, increase in institutional delivery etc.

**iv) Tata Motors**

*Key CSR Areas:* Education and employability (skill development). Most programmes are in the vicinity of manufacturing locations but employability programmes focused on building skill of youth in automotive trades are implemented across India. It spent Rs 18.62 crore on CSR in 2014-15, despite reporting a net loss.

*Flagship Programme:* Learn, Earn and Progress (LEAP) for mechanic motor vehicle training, a year-long programme where theoretical learning is supplemented through 'on-the job' exposure at service centres. Tata Motors' Dealers, implementation partners (NGOs and Technical Training Institutes) are partners. Dealers provide the training and contribute two-thirds of monthly stipend of the trainee while Tata Motors contributes the rest. The implementation partner provides theory training.

**v) GAIL**

*Key CSR Areas:* Supporting communities in multiple thrust areas like health, sanitation, education, skill development, livelihood, and environment. Through GAIL Utkarsh, the company has helped over 500 students from economically backward communities to join India's premier engineering institutes. They are provided residential coaching programmes and given monthly scholarships once they get into IITs/NITs. The GAIL Institute of Skills (GIS) is also providing skill-based opportunities.

**vi) Infosys**

*Key CSR areas:* Works with Infosys Foundation, headed by Sudha Murty, towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating abandoned women and children and preserving Indian art and culture.

*Flagship Programme:* The Infosys Foundation mid-day meal program, an initiative in partnership with the Akshaya Patra Foundation, spans several states across India.

### Activity 3

Visit any NGO implementing a CSR project and write about the objective of the project and the impact it has had on the community.

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### Check Your Progress - 2

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) Enlist the possible benefits for companies by investing in poverty alleviation.

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- 2) Explain the three types of measures adopted for removal of poverty by the companies.

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## 1.5 NGO APPROACH IN CSR

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Reputable companies in India have their own tradition, culture, and management style. Each company has its laid down vision and mission statement and accordingly they introduce various activities. The CSR contribution in community is mainly functional through their own Trust or NGO. The reputed NGOs continue to be involved in CSR implementation. A KPMG survey of 100 top companies during FY 2015-16 indicates, NGO involvement in most CSR programmes is around 89 per cent, including through corporate foundations. The reason being, that these NGOs can (i) increase the participation of the local community in various sectors ii) create awareness e.g. awareness about preventive conditions for communicable and non-communicable diseases and iii) educate masses/ communities/ specific or identified group of people by using alternate or innovative means.

The Public Health Foundation of India (PHFI) is a not-for-profit, public private initiative working collaboratively with key stakeholders towards strengthening institutional & systems capacity and catalysing change in public health in India. They collaborate with companies for CSR contribution made for specific projects/programmes in identified public health priority themes that include: Women & Child Health, Nutrition, Social Determinants of Health (Water, Sanitation), Air Quality and Health, Environment and Health, Infectious Diseases, Non-Communicable Diseases, Health Informatics, Health Systems & Policy, Health Communication and Mental Health & Disability. The projects are planned and implemented with mutual discussion. The partners are central and state governments, private sector and philanthropists are HCL Corporation, AKM Systems Pvt. Ltd, Ranbaxy, Promoter Group, Reliance Industries, GMR Projects Pvt. Ltd, GVK Power and Infrastructure Ltd.

## CASE STUDIES

### *i) Save the Children: a recognized NGO for CSR initiative*

The NGO has been preventing child labour through lobbying for policy reform and stronger legislation while undertaking grassroots missions to free children from bonded labour. Instead, it empowers these children with education, job skills, giving India's marginalized children, a new lease of life. Apart from this, Save the Children works to provide healthcare, education and life-saving aid during emergencies to children. Today, Save the Children India is the favoured partner for some of India's biggest corporates. Not only does the NGO have decades of experience in working with children, but it is also known for transparency and accountability in managing corporate resources allocated for children's rights.

### *ii) Nokia*

- Disaster Risk Reduction: Working with Nokia, Save the Children established a new Information Technology-based Disaster Risk Reduction project. This initiative is working on building resilience of children and communities in emergencies.
- Delhi: A Making Schools Safer programme was initiated across 31 slum pockets, covering 50 schools and reaching over 2 lakh people. It is today preparing children and communities to identify daily risks faced by children, and respond to them using IT. Detailed Risk Assessment has been carried out, and the NGO is establishing Resource Centres across schools. Education is also known to be a great equalizer. Safer schools will help increase enrolment and reduce dropouts. Education thus helps in ending extreme poverty.
- Empowering Accredited Social Health Activists (ASHAs): Accredited Social Health Activists (ASHAs) or community health workers were armed with mobile phones that can store medical information, which is hosted on a cloud server using GPRS. They meet pregnant women and new mothers, to advise them on maternity health and infant health, via the phones which also feature text and audio messages on breastfeeding and importance of institutional delivery. The activists also used the phone to schedule appointments and access patient records. With the NGO's input, pregnancy and new-born care mobile health applications (called 'Comm Care') were developed.

**iii) IKEA**

Freeing children from cotton farming labour -The IKEA Foundation and Save the Children came together for a €7 million programme to protect 8 lakh children living in cotton communities in the states of Punjab, Haryana and Rajasthan, after a successful debut across 1,866 villages of Gujarat and Maharashtra where over 65,000 children were moved to classrooms from the child labour. Thousands of farmers also pledged to make their farms child-labour free.

The case studies documented in this Unit highlight specific interventions carried out by industries and companies in poverty alleviation under their CSR portfolio. It requires focused attention not only from the government, but also from the private sector, Civil Society Organizations (CSOs), communities and individuals.

**iv) Kotak Mahindra**

Kotak Mahindra Life Insurance Company rolled out three mobile medical vans under the corporate social responsibility initiative 'Life First', in association with Wockhardt Foundation. As part of the agreement, three medical vans which act as primary healthcare centres on wheels would be managed by the Wockhardt Foundation. Each medical mobile van equipped with GPS facility, would offer services like awareness, diagnosis, treatment to underprivileged people in and around the city free of charge. Each van is staffed with a doctor, pharmacist, programme coordinator and aims to reach out to 75 patients a day.

**Check Your Progress - 3**

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) Explain NGO approach in CSR for poverty alleviation.

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- 2) Give an example of role of NGO in implementing CSR programmes of corporates.

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## 1.6 LET US SUM UP

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CSR has a powerful potential to make positive contributions to addressing the needs of disadvantaged or marginalized communities in Indian setting whilst not compromising their political, social and economic integrity. Business and its broader coalitions between other stakeholders i.e. government, and civil society can considerably contribute to poverty alleviation. Business can contribute to poverty alleviation and social inclusion. It has an important role to play in encouraging entrepreneurship and developing new technologies that can solve problems of access to education, clothing and shelter, food, healthcare, clean water and sanitation improving social standards of life.

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## 1.7 KEYWORDS

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**Absolute Poverty** : (Destitution) it refers to the state of severe deprivation of basic human needs. It is often characterized by inadequacy of food, shelter and clothes. United Nations further defines absolute poverty as absence of any two of the following seven basic needs food, safe drinking water, sanitation facilities, health, shelter, education and access to services

**BPL** : An economic benchmark used by the government of India to indicate economic disadvantage and to identify individuals and households in need of government assistance and aid.

**MDGs** : The United Nations Millennium Development Goals (MDGs) are eight goals that all 191 UN member states had agreed to try to achieve by the year 2015. The United Nations Millennium Declaration, signed in September 2000 commits world leaders to combat poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. The MDGs are derived from this Declaration, and all have specific targets and indicators.

**Relative Poverty** : It is defined contextually as economic inequality in location or society in which people live. It refers to an unequal distribution of income and economic resources of a country among the people. People can fulfil their basic needs but not as much as other rich people.

**Flagship programme:** Flagship programmes derive their origin from the term flagship which is the main or most important ship of a country's navy and is symbolic of the main thrust of the nation's developmental policy.

**Stakeholders** : A collection of individuals who have regular contact and frequent interaction, mutual influence, common feeling of camaraderie, and who work together to achieve a common set of goals.

## 1.8 ABBREVIATIONS

ASHAs	:	Accredited Social Health Activists
BAIF Development Research Foundation	:	Bharatiya Agro Industries Foundation Development Research Foundation
BPCL NSE	:	Bharat Petroleum Corporation Ltd. National Stock Exchange
BPL	:	Below Poverty Line
CDP	:	Community Development Programme
CII	:	Confederation of Indian Industry
Cr	:	Crore
CSOs	:	Civil Society Organizations
CSR	:	Corporate Social Responsibility
Dr.	:	Doctor
FICCI	:	Federation of Indian Chambers of Commerce and Industry
GHI	:	Global Hunger Index
GHRSSIDC Ltd.	:	Goa Handicrafts Rural & Small Scale Industries Development Corporation Ltd.
GIM	:	Goa Institute of Management
GIS	:	GAIL Institute of Skills
GMR Projects Pvt. Ltd.	:	Grandhi Mallikarjuna Rao Projects Pvt. Ltd.
GoI	:	Government of India
GPRS	:	General Packet Radio Service
HCL	:	Hindustan Computers Limited
HIV/AIDS	:	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
hp	:	Horse Power
HRDP	:	Holistic Rural Development Programme
HUL	:	Hindustan Unilever Limited
ICAR	:	Indian Council of Agricultural Research
IEC	:	Information Education and Communication
IIHMR	:	Indian Institute of Health Management Research
IIM	:	Indian Institute of Management
IIT	:	Indian Institute of Technology
IKEA	:	Ingvar Kamprad Elmtaryd Agunnaryd

INR	:	Indian Rupee
IRD	:	Integrated Rural Development Programme
IT	:	Information Technology
JBF	:	Jubilant Bhartia Foundation
Kg	:	Kilogram
KPMG	:	Klynveld Peat Marwick Goerdeler
KVK	:	Krishi Vigyan Kendra
L&T	:	Larsen & Toubro
LEAP	:	Learn, Earn and Progress
MANSI	:	Maternal and New-born Survival Initiative
MARDEF	:	Mahabank Agricultural Research and Rural Development Foundation
MD & CEO	:	Managing Director & Chief Executive Officer
MDGs	:	Millennium Development Goals
NABARD	:	National Bank for Agriculture and Rural Development
NGO	:	Non-Government Organization
NHP	:	National Health Policy
NIITs	:	National Institute of Information Technology
NREP	:	National Rural Employment Programme
NRL	:	Numaligarh Refinery Ltd.
ONGC	:	Oil and Natural Gas Corporation
PAT	:	Profit After Tax
PDS	:	Public Distribution System
PHFI	:	Public Health Foundation of India
SHG	:	Self Help Group
SHG Bank	:	Self Help Group Bank
SLD	:	Sustainable Livelihood Development
SRI	:	System of Rice Intensification
SST	:	Srinivasan Services Trust
STL	:	Soil Testing Lab
TERI	:	The Energy & Resource Institute
USA	:	United States of America
WFFP	:	Wardha Farmer Family Project

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## 1.10 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress – 1

**Answer 1:** The causes of poverty include poor techniques used in agriculture, unequal distribution of wealth. As a result, the poor people are often exploited by the wealthy community. Growing population, gap between rich and poor, corruption and black money are other important causes of poverty.

**Answer 2:** The effects of poverty are: illiteracy, child labour, nutrition and diet, poor living condition and housing problems, unemployment, hygiene and sanitation, feminization of poverty and social tensions.

### Check Your Progress – 2

**Answer 1:** Possible benefits for companies by investing in poverty alleviation include winning new business; enhanced relationship with stakeholders; attracting, retaining and maintaining a happy workforce; media interest and good reputation; access to funding opportunities; enhancing influence; differentiating from competitor; saving money; and increase in customer retention.

**Answer 2:** The three types of measures adopted for removal of poverty by the companies include:

- 1) General Growth: Expansion of Agricultural and Non-farm Activities in Rural Areas;

- 2) Supplementary Measures to General Growth Measures;
- 3) Social Uplift.

### **Check Your Progress – 3**

**Answer 1:** The CSR contribution in community is mainly functional through their own 'Trust' or NGO. The reputable NGOs continue to be involved in CSR implementation. The reason being, that these NGOs can (i) increase the participation of the local community in various sectors ii) create awareness e.g. awareness about preventive conditions for communicable and non-communicable diseases and iii) Educate masses/communities/ specific or identified group of people by using alternate or innovative means.

**Answer 2:** An example of role of NGO in implementing CSR programmes of corporates

#### ***Save the Children: a recognized NGO for CSR initiative***

The NGO has been preventing child labour through lobbying for policy reform and stronger legislation while undertaking grassroots missions to free children from bonded labour. Instead, it empowers these children with education, job skills, giving India's marginalized children, a new lease of life. Apart from this Save the Children works to provide healthcare, education and life-saving aid during emergencies to children. Today, Save the Children India is a favoured partner for India's biggest corporates. Not only does the NGO have decades of experience in working with children, but it is also known for transparency and accountability in managing corporate resources allocated for children's rights.

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## UNIT 2    QUALITY OF LIFE IMPROVEMENT

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### Structure

- 2.1 Introduction
- 2.2 Social Progress Imperatives in India
- 2.3 Quality of Life: Concept and Elements
- 2.4 Let Us Sum Up
- 2.5 Keywords
- 2.6 Abbreviations
- 2.7 Bibliography and Selected Readings
- 2.8 Check Your Progress – Possible Answers

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### 2.1 INTRODUCTION

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**Quality of life (QOL)** is the general well-being of individuals and societies, negative and positive features of life. It observes life satisfaction, including everything from physical health, family, education, employment, wealth, safety, and security to freedom, religious beliefs, and the environment. Standard indicators of the quality of life include not only wealth and employment but also the built environment, physical and mental health, education, recreation and leisure time, and social belonging. According to the World Health Organization (WHO), quality of life is defined as “the individual’s perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals.” In the collective consciousness, Corporate Social Responsibility (CSR) is usually associated with only ecological and philanthropic activities, but there is more to CSR than that. CSR is about engaging with the social environment in which one lives. For better understanding it refers to ‘community,’ defined as a reciprocal agreement with the habitat surrounding the Company, with stakeholders like employees and their families, customers, investors, neighbours, suppliers, the environment, etc. A necessary, rather than voluntary commitment from corporations is needed to meet society’s demands for corporate involvement in general well-being. This unit deals with the corporate’s engagements with the community development initiatives improving the quality of life of population. This unit will be describing the initiatives of the Companies who addressed the ‘social progress imperatives’ through community development programmes, changing the quality of life in or around their operational areas.

After studying this unit, you should be able to:

- Explain the concept of quality of life
- Describe the social progress imperatives in India
- Discuss CSR interventions to improve quality of life

## 2.2 SOCIAL PROGRESS IMPERATIVES IN INDIA

In this section we will read about two indices. The first one is the Human Development Index, developed by UNDP and is a globally accepted indicator of human development. The second one is the Social Progress Index which is a private initiative.

### 2.2.1 Human Development Index

The search for an alternative measure had been on for a long time, beginning around the period after World War II. Various agencies, organizations and individuals (The UN, The Food and Agricultural Organization (FAO), The Organization for Economic Cooperation and Development (OECD), The UN Research Institute for Social Development (UNRISD), The World Bank and others) made efforts to evolve an alternative measure to replace the economic measure representing income, the GDP.

The focus of these attempts was oriented towards calculating an appropriate measure which took into account the social concerns of any country's development, such as individual security, social adjustment, political participation, freedom, justice, peace, and harmony, in addition to health, literacy, employment, income, consumption, and so on. To conceptualize aspects of living standards and to be able to measure them posed many philosophical, as well as statistical, problems. Most agencies arrived at the conclusion that no single indicator could serve a similar purpose as GDP, nor was it considered feasible. Efforts towards creating a composite index by combining a set of crucial variables were ongoing through this period. Many earlier efforts were abortive, although these endeavours resulted in enriching the conceptual issues surrounding human wellbeing.

The search for a new composite index of socio-economic progress began in the earnest in preparing the Human Development Report (HDR) under the sponsorship of UNDP in 1989. The human development index (HDI) measures the basic dimensions of human development to enlarge people's choices. The HDI measures the average achievements of a country in three basic dimensions:

- a long and healthy life, as measured by life expectancy at birth
- knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary, and tertiary gross enrolment ratio (with one-third weight)
- a decent standard of living, as measured by GDP per capita in purchasing power parity (PPP) terms in USD

### 2.2.2 Social Progress Index

The quality of life is critical to understand whether economic growth is fostering social development across the globe or not. It is essential to rank based on a government's effectiveness at meeting basic human needs, at providing a foundation for well-being with basic education and environmental protection, and at creating opportunity for all citizens to make personal choices and reach their full potential (Fig. 2.1). This kind of framework is being used by the Social Progress Imperative to create the Social Progress Index. India which is ranked at

93<sup>rd</sup> position, performs within the expected range on a relative basis. It outperforms in comparison to the countries having similar GDP per capita in providing water and electricity facilities. On an absolute level, India has moved up from the tier of “Low Social Progress” to “Lower Middle Social Progress.” The progress is mainly driven by the advancement in two components: 1) Shelter and 2) Access to Information and Communication. The living conditions have significantly advanced. For instance, affordable housing is now accessible to 67 percent of the population as opposed to 42 percent in 2014; there is a 14 percent fall in the deaths attributable to household air pollution. Internet users have increased sharply from 12 percent in 2014 to 26 percent in 2017. Other measures of communication, such as Press Freedom Index, phone subscribers also register an upward trend. However, there is still a lot of scope for improvement in providing communication facilities. For instance, the internet users are way low than the world average. The country also needs to address environmental challenges to step further up in social progress ranks. Although greater income can easily and positively influence a country’s social progress performance some countries are much better at turning their economic growth into social progress. For instance, India and Laos have similar levels of GDP but the social progress performance of India is better than the latter. Overall, it is important for the states to act on social challenges by designing innovative mechanisms that will help them move towards a more inclusive society. The one such way is by CSR contributions. The Companies are adopting SDGs in their Vision –Mission statements which act as basic block of their interventions. Most of the Vision document talks about well-being. Fundamental questions arise from this quest for greater well-being, from those responsible for carrying out these programs. Some corporations have specific programmes on quality of life in the Company to create a favourable working environment, that is encouraging, positive, tolerant and respectful, that does not discriminate, and that acts as a catalyst for the personal development of employees.

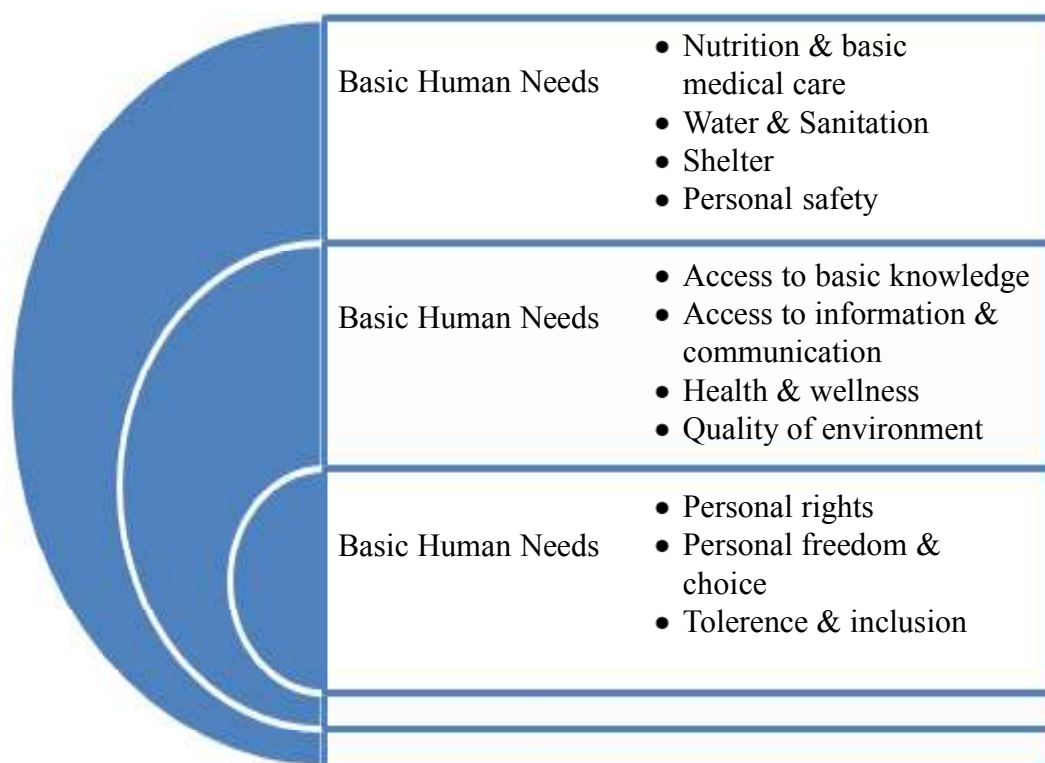


Fig 2.1: Quality of Life - Social Progress Index

The various units will discuss in detail the various programmes of different areas of development. In the present unit we will discuss the case studies where the companies in their vision document have laid down quality of life as major aim for doing CSR. We will also try and see the impact of the type of interventions they are initiating.

### Check Your Progress - 1

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) Define quality of life.

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2) What are basic human need components?

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3) What are foundations of well-being?

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## 2.3 QUALITY OF LIFE: CONCEPT AND ELEMENTS

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Understanding *Quality of life* seems logical for companies that have integrated social responsibility into their strategy, because they have made a commitment to their environment. This term is particularly broad, covering programmes for employees and general positive social impacts. However, there is also some subjectivity to it, depending on an individual's perception. Therefore, up to date in-depth case studies on the topic are a very valuable source of information for businesses, corporations, and the general public. This unit will be describing the case studies of the companies who have undertaken comprehensive community

development projects as various specific interventions we have seen or will come across in other units. From various CSR reporting it is evident that whether small or big, the CSR interventions are leaving their impression on the lives of local communities.

Quality of life means the degree of fulfilment if basic needs like food, clothes, housing, health, education, as well as having satisfaction with physical, psychological, emotional, and spiritual needs, are met. The social, cultural and other needs are education, health, employment, human rights, freedom, security and entertainment.

### **2.3.1 Need and Importance of Quality of Life from Socio-Cultural Aspect**

- It is important because it removes social perversions, evils, conservative and traditional thoughts, impartial social norms and values.
- It helps to take wise decision.
- Women are educated.
- It helps to get quality education to enhance capabilities and skills.
- It helps to change the society with new ideas, planning, technology, etc.

### **2.3.2 Need and Importance of Quality of Life from Economic Aspect**

- Economic development is the backbone of national development.
- It means to increase per-capita income.
- It means to achieve quality of life.
- It helps to provide nutrition, comfortable shelter, clothes, education, and skill-based activities.
- It fosters economic and skill-based activities.

### **2.3.3 Elements of Quality of Life**

#### **1) Nutritious Food**

An important element in quality of life is nutritious food which helps physical, mental and intellectual development in an individual. We need food for three purposes: (i) energy (ii) body-building and (iii) body-protection. A balanced diet is made up of at least one food from each group that makes our mind and body healthy. When we lack nutritious and balanced food, we lose physical and mental efficiency. So, every member of the family needs to have balanced diet regularly to maintain quality of life. Malnutrition refers to deficiencies, excess or imbalance in a person's intake of energy and/or nutrients. The term malnutrition covers two broad groups of conditions. One is 'under-nutrition'-which includes stunting (low height for age), wasting (low weight for height), underweight (low weight for age) and micronutrient deficiencies or insufficiencies (a lack of important vitamins and minerals). The other, is 'overweight', obesity and diet-related non-communicable diseases (such as heart disease, stroke, diabetes and cancer). As per the National Family Health Survey (NFHS)-4 following are the finding of the extent of malnutrition in India:

**Key Thematic Areas in CSR-I**

- Due to acute under-nutrition, 21% of children aged between 0 to 5 years in India suffer from wasting.
- In India, 38.7% of children are stunted and the percentage of children aged 0 to 5 years who are underweight is 36%.
- India is home to 3 out of 10 children suffering from stunted growth in the world.
- 53% of women in India suffer from anaemia (haemoglobin below 11.0 g/dl); the percentage of children is 58% for the same.
- The 2020 Global Hunger Index (GHI) Report ranked India 94<sup>th</sup> out of 107 countries with a serious hunger situation.

Malnutrition impacts the Indian population in many ways, following are some of the direct and indirect effects:

- The nation's productivity is impacted because the population is more prone to diseases leading to higher mortality rate and morbidity because of malnutrition.
- A country's economic and fiscal resources are burdened because of high disease incidence.
- Malnutrition impacts a child's basic learning and cognitive skills which has a very negative impact for a country like India who is aiming to be a knowledge-driven economy.
- Inequality of income and an increase in poverty levels is also an effect of malnutrition.

In the Hunger Project, many companies like Hewlett Packard, IBM, Johnson & Johnson, L&T, Info-tech, and Pricewaterhouse Coopers are giving CSR cooperation in the mission of ending hunger to empower women, men and children at the grassroots level to build their own income-generating capacity, infrastructure and leverage opportunities, hence, expanding the scope for quality of life among them. There are many other companies who initiated the intervention in the field of nutrition; like Avantha Group (Conglomerates) running Child Malnutrition Programme, Britannia Industries Ltd. School Feeding Programme, and Hindustan Zinc Ltd. providing Mid-day Meal Programme. Detail of these is provided in Unit-4.

## **2) Family Size**

The size of a family affects quality of life. In a big family, most of the income is spent in the fulfilment of basic requirements. The left over is not enough for other needs like employment, security, entertainment, human rights, freedom, transport and communication. Quality of life is thus adversely affected. This sort of barrier does not occur in a small family. So, a small family is better than a big family for quality of life. Parents in a small family can fulfil their responsibilities towards their children without much burden. Companies through clinics and community outreach programmes do incorporate Health & Family Welfare programme as one major programme. Most of the companies discussed in various



units do possess family planning and welfare programmes. These programmes are mainly in community outreach initiatives.

### 3) Health

Health is increasingly becoming a focal point of Corporate Social Responsibility (CSR), largely due to the recognition that a healthy workforce and community are fundamental to the longevity of a business and success of an economy. Health is undoubtedly precious. Only healthy and skilled men can work hard to bring about development. So, the family's well-being and the country's progress depend on healthy people. India carries 20% of the world's disease burden, according to data from the World Health Organization (WHO). About 75% of deaths globally are caused by communicable diseases, of which India accounts for 17%. India records the highest number of maternal deaths in the world (Oxfam report, 2017). Yet, India also is the third largest manufacturer of pharmaceuticals and according to Pricewaterhouse Coopers (PwC) India's monthly internal report, has the largest number of medical schools globally (381) and produces the most medical graduates each year (50,000). The reason for the dichotomy is simple: India lacks the financial resources required to reinforce its deficient healthcare infrastructure and improve its health indicators. Healthcare programmes are funded by government budgets, international aid, and charitable organizations, but the money isn't quite enough for a country of 1.25 billion people, two-thirds of whom live in the countryside, where the supply of medical care and the ability to pay for services is limited.

India spends only 5% of its Gross Domestic Product (GDP) on health, of which government's share is only 1.4%. It is among the lowest in the world and this low percentile automatically translates into inadequate infrastructure, limited medical technology as well as inadequate human resources in the healthcare continuum. With government finances under pressure, requiring a tight rein on spending, companies step in with corporate social responsibility (CSR) funds to fill the breach. However, CSR funds can and are being used to encourage innovation in healthcare processes and medical devices to deliver healthcare in a portable, convenient and cost-effective way: Many companies have undertaken healthcare-related CSR initiatives, from eye check-up camps organized by Coal India Ltd. to health centres and camps held by ITC Ltd.

Most such activities are restricted to their area of operations. Apollo Hospitals Enterprise Ltd. for instance, runs several charitable initiatives such as SACHI (Save a Child's Heart Initiative), which aims to provide paediatric cardiac care and financial support to children from underprivileged families suffering from heart disease in its hospitals in Delhi, Chennai and other locations. But the group's reach in rural areas is limited. Apollo has adopted Thavanampalle Mandal in Chittoor district of Andhra Pradesh to provide healthcare to 60,000 people. This CSR project, starting with a door-to-door survey, delivers mobile healthcare facilities to mitigate the effects of non-communicable diseases and other health disorders. Mumbai-based pharma company Abbott India Ltd. believes that timely detection and awareness can help reduce a majority of deaths and that is the focus of its health-related CSR initiative.

The company, in collaboration with the Indian Thyroid Society (ITS), is working on a "Making India Thyroid-Aware" campaign, which will explain thyroid disorders and related conditions, work on early detection and increase access to

diagnosis. The initiative was launched in 2014. On the same lines, Lupin announced a tuberculosis detection programme as part of its CSR programme and tied up with the Mumbai Rotary club; while these are well-intentioned initiatives, those working in the healthcare sector are doubtful if CSR funds can help make a dent in India's massive disease burden. They also doubt how serious Firms are in their commitment to spend money for the spread of healthcare. Public-Private partnerships may be the way to go. CSR funds can help bridge the gap between healthcare supply and demand if "it is planned well, companies take on accountability as a priority so that technical expertise could be provided to government, support public-private partnerships".

CSR funds can be mobilized to support the healthcare system in two ways:

- 1) Strategic partnerships can strengthen diagnosis, treatment and care for patients; and
- 2) Community programmes can help to keep people healthier, which prevents visits to the doctor and hospital.

#### **4) Sanitation**

Quality of life cannot be enhanced without sanitation. Individual cleanliness isn't enough though. Every important place like house, courtyard, garden, public well, pond, temple, street should be clean. Garbage should be dumped in a proper place far from the settlement. Sanitation keeps the environment pure and green. 620 million people or 50% of the population in India are estimated to defecate in the open. To address this issue, Prime Minister Modi launched the Swachh Bharat Mission (SBM) with an ambitious goal to end open defecation in India by 2019. Alongside government funding, the Swachh Bharat Mission has witnessed active participation from the Corporate Sector.

In this part of unit, we look at a few noteworthy initiatives by businesses in India around water safety & sanitation in the past couple of years. The goal is to bring light to possible CSR opportunities that other businesses could take up.

- i) In February 2016, Coal India Limited set aside INR 235 crores fund for providing hygienic sanitation in schools and in the households of underprivileged by constructing individual toilet facilities. This fund was earmarked for creating modern sanitation facilities in schools operating in the command areas of CIL's subsidiary companies and in the villages of economically backward districts, which lack toilet facilities identified by coal companies through a baseline survey. Up to a lakh households would benefit from this initiative.
- ii) In December 2016, Dabur reported the completion of its Nagla Uday Rampur sanitation project in UP. All 263 households today have individual toilets and the village is now free from open defecation. Notably, this is the second village under Dabur's Sanitation programme — christened '700 Se 7 Kadam' — to achieve the open defecation free status. With this, Dabur is now close to achieving its target of ensuring open defecation free status for at least 5 villages and constructing 1,200 household toilets in the 2016–17 financial year.
- iii) TCS pledged INR 100 Cr budget to support PM Modi's Clean India Initiative. This fund was dedicated towards better sanitation in schools,

especially for girls. The goal of the program was to help the girl child participate in school education for a longer period and attain significant skills to play a larger economic role in society.

- iv) Kerala-based social enterprise Eram Scientific Solutions, a part of Eram Group that has pioneered the concept of e-toilets in the country, installed 1,500 more such facilities by the end of 2017 in collaboration with a host of corporates. These e-toilets are also completely automated with features like automatic pre- and after flush, exhaust fans, and automatic platform cleaning and lights. They also have a mobile app that helps the user to locate the nearest e-toilet and helps authorities to monitor the units.
- v) Cairn India lists Safe Drinking Water and Sanitation among key programmes driving their CSR efforts. Cairn sets up water kiosks using RO technology to provide safe drinking water to rural population near the company's operational vicinity. The initiatives aim to ensure community ownership, usage of renewable energy to run the units, doorstep delivery of water and reject disposal through evaporation pits. The company also proposes to build sanitation facilities for rural households in partnership with the local panchayat in Rajasthan.
- vi) Interestingly, our last example comes from the start-up world. Not many among us are aware of Snapdeal.com Nagar, a small village in UP renamed after the E-commerce giant installed 15 hand-pumps back in 2011. The aid was initiated to overcome the hardships of villagers who had to walk over miles to meet their requirement of water. Well, every effort counts. As we transition from Millennium Development Goals to Sustainable Development Goals, water, sanitation, and hygiene (WASH) are taking policy centre stage in most emerging and developing countries. The Swachh Bharat Abhiyan is, for instance, a manifestation of this importance.

## 5) Education

Education is important because it raises awareness and increases knowledge. The knowledge and skill that one gets from education can be used to improve the quality of life of the family. A well-educated man can easily get job or he can start his own enterprise. He can meet all possible family needs. Education contributes to quality of life. Despite decades of reforms and government initiatives, multiple students drop out of school for lack of quality education facilities. This phenomenon clearly shows the need for a distinctive approach to achieve the goals of providing quality education to the children of this country. Procuring quality education is the foundation of improving the lives of many. Major progress has been made to achieve the goal of providing quality education at all levels, yet India is third of the world's illiterates based on a report published by UNESCO. The quality of education provided to children in India is a huge concern. According to the Annual Status of Education Report 2016 (ASER, 2016) which surveyed 589 rural districts of India, only 47.7% students of class 5 can read class 2 level texts. This has declined from the previous year's performance of 48.1%. The students also failed badly in arithmetic and English comprehensions. The proportion of all class 8 students in rural India who are willing to divide a three-digit number by a single-digit one has dipped to 43.2% in 2016 from 44.2% in 2014. And while 32% of children in class 3 could read simple English words, in class 5, only 1 out of every 4 students could read an English sentence.

India wants to achieve the most skilled workforce in the world. Therefore, government has started numerous education programmes to make education accessible to all. All the government schemes like the Sarva Shiksha Abhiyan, Mahila Samakhya, schemes for infrastructure development have worked so far only to enrol children into schools. Facilities of providing adequate training to teachers have been not at par. According to a report published by District Information System for Education (DISE) in 2012, more than 91% of primary schools have drinking water facilities and 86% of schools built in the last 10 years have a school building. However, this is not enough to overcome the huge challenge of providing quality education and not only the government but everyone needs to make efforts towards imparting quality education. We need think tanks, innovators, and leaders in the society to deliver the numbers.

Though there are various government initiatives, the Indian corporate sector plays a major role in improving the quality of education. Several private organizations are joining hands with the government to make quality education available for students. Some of the best examples of CSR activity in this field include Tata Group. Tata Steel was the highest spender. It aimed at launching 1,000 schools project in Odisha, for improving the quality of education in government primary schools.

Tata Motors, for example, has also started an award-winning education programme in Pune, where every year, they identify 600 boys and girls enrolled in secondary schools. Through this program, there has been an increment in the pass percentage of students to 98% and the dropout rate was reduced to 5%. The Tata Teleservices has done its best in providing education to students from the underprivileged community in government schools. The Teacher Training programs undertaken by them has enhanced the quality of education being imparted to students studying in government schools. More companies like Tata, Wipro and others should come forward to participate in imparting quality education to students. Only then we can achieve the goal of imparting quality education for all.

## **6) Income of Family**

A family with low income finds it difficult to meet the requirements of life. The good income helps us achieve better economic status. So, efforts should be made to increase the income of the family. Capable women should do something like sewing, knitting, basket making in their leisure so that they can earn additional money to strengthen the economy of the family. This enhances quality of life. Units 3 and 4 have details in this regard.

### **Activity 1**

Browse case studies related to CSR activities by companies in augmenting family income and write down one case study about such related project.

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## 7) Saving or Asset Formation

Saving is an important element of quality of life. Family saving is the sum of money or resources which remain spare after spending on different needs and necessities of the family. Saving is the outcome of the regular activity of economy. Our income or the resources are limited; so, we must practice economy (being economic) for saving.

## 8) Housing

Housing is an essential basic need of a person. We need housing to be safe from heat, storm, rain, wildlife, criminals, etc. Houses must be appropriate according to the family members. If rooms and space are insufficient, the family members must live in a congested environment. Communicable diseases easily spread in such circumstances. Similarly, the lack of ventilation, lighting, heating in the house also makes our living unhealthy. If such situation is prevalent in our homes, the quality of life will be affected. Companies are providing housing facilities to their employees and their families. Cooperative actions such as understanding, promoting and contributing to a better life, lead to a more positive view of the Company, both internally and outside the company. It is an investment of time, money, and effort with benefits in the short, medium and long term.

## 9) Environment

CSR programmes being undertaken by several large companies in India suggest that they have started thinking about their impact on the environment and are striving to become responsible corporations. Data analysed by the Ministry of Corporate Affairs for CSR expenditure of all Indian companies in 2014-15 showed that 14 percent (Rs 1,213 crore) of total CSR spending in India was made on activities focusing on conserving the environment. It was the third highest expenditure on a social impact issue after education (32 percent) and health (26 percent) and was greater than the amount spent on rural development (12 percent). These figures highlight that companies today have an increasingly broad understanding of the risks and opportunities that climate change poses to their strategies and operations and that larger issues of sustainability triggered by climate change are becoming an integral component of dialogues with the major stakeholders. At the same time, verifiable corporate and partners' accountability and reporting have proven to be key drivers to CSR getting embedded in the mainstream of strategy and business operations of companies. A study conducted by NextGen to analyse the CSR expenditure (INR) of the top 100 companies for FY 15-16 and FY 16-17 supports this trend. Among these companies, the top spenders in environment conservation were primarily from the following three sectors:

- FMCG - ITC (72 crore), HUL (22 crore)
- Energy Companies – NTPC (44 crore), IOCL (30 crore)
- IT and financial services Companies – Wipro (48 crore), Axis Bank (28 crore)

### Activity 2

Browse case studies related to CSR activities by companies towards environment protection and write down one case study about such related project.

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A deeper dive into the types of CSR projects carried out by these companies throws up some interesting insights about their perspective towards sustainable development as a key component of CSR.

#### *i) Sustainable Long-Term Impact*

A decade ago, the most common CSR activity with a focus on the environment was planting trees. Indian companies today are instead focusing on projects that have a sustainable long-term impact, such as installing solar powered lighting systems and water conservation projects. By far, the most attractive environment-related CSR initiative involved the use of renewable energy, ranging from solar street lamps and lanterns to biomass cook stoves and various rooftop solar projects. The other emerging focus area tackles water-related issues with several projects on watershed development and rainwater harvesting. One of the reasons why companies may prefer such projects to tree plantation drives is that access to clean water and energy has several cascading effects on the social and economic development – ranging from opportunities for better education, health, and income to increased safety for women and lower deaths due to reduced indoor pollution.

#### *ii) Philanthropy to Strategic CSR*

Companies have started moving away from traditional philanthropic projects and have begun institutionalizing CSR activities strategically, thereby bringing business responsibility to the forefront. Thus, for FMCG firms that source raw material from farmers, issues like securing and sustaining the livelihoods of farmers growing inputs for their products as well as local water regeneration have become extremely critical. Similarly, for energy companies, which are often considered to be the worst climate offenders, investing in environment-friendly projects serves to mitigate their risks from a reputation point of view.

#### *iii) Mainstreaming Sustainability*

For several of the largest spenders on environment-related projects, sustainability has become a way of doing business. ITC's CSR Committee is aptly called the "CSR and Sustainability Committee." Similarly, HUL's projects focus on water stewardship tie-in with Unilever's global focus on addressing water scarcity. Axis Bank spent nearly 28 crores on reducing Green House Gas (GHG) emissions through renewable energy and optimizing energy efficiency, choosing to concentrate on reducing the company's footprint on the environment.

At the same time, several large companies are starting to work on shared value projects which create value for both the community and for the business. For example, as per their Sustainable Living Plan 2015, HUL had a clear road map to source 100 percent of agricultural raw material sustainably by 2020. And their sustainable tea procurement project carried out as a part of the CSR activities serves a dual purpose- meeting the 2 percent criteria as well as the company's own responsible business targets.

#### iv) *Priority*

Despite the emergence of individual thought leaders, sustainability is still not at the forefront of CSR activities among a majority of Indian companies. This trend is apparent even among the top 100 companies. Only about a third of the top 100 companies spent a significant portion of their CSR budget on environment-related activities, with such projects accounting for a mere 10 percent of the total number of CSR projects carried out in FY 15-16, as per the study conducted by NextGen to analyse the CSR expenditure of companies.

### Check Your Progress - 2

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) What is the need and importance of quality of life from socio cultural aspect?

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- 2) Enlist the need and importance of quality of life from economic aspect.

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## 2.4 LET US SUM UP

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Business has come a long way from barter system to currency notes. With the changing times CSR has developed from traditional corporate philanthropy, where companies allocated a certain amount of their profit to “do well” for the society, to a core strategic value. The companies have very well understood that doing charities is no more enough. Shareholders, stakeholders and the employees want to be part of “doing good work” and want their money to be used for developing a healthy society. This active thinking to return to the society and being a good and active corporate citizen has forced all corporate to think more rigorously on

their social responsibility. Though making profit has always been a key issue and a motivating force for all businesses but in this century the corporate realized that they must think beyond profitability and start being responsible for all who make their survival possible in the society. And this is only possible if they think wisely and actively about CSR.

All business houses have an obligation towards environment and society, which provides them with the much-needed raw material and most importantly human resource. Tata group and Aditya Birla group, the two groups considered for this unit, have travelled a long way in their cause for CSR. They have very religiously and responsibly fulfilled their duty towards world, nation, society and environment. Both the groups have been actively participating in the development of a self-sustainable society. They have worked in the fields of education, health, social and women issues. Their active participation and rising above the traditional philanthropic style have added to both companies' good will. Both are good examples to be followed, by nurturing businessmen throughout the world, on how and why to take up the cause of CSR. Thus, to conclude, this social participation of business would grow and result in a harmonious and healthy bond between the society and business. CSR creates a better public image and goodwill for the company which ultimately results in better business and projects every corporate as a better corporate citizen. The trends visible in the CSR projects about the environment highlight a dichotomy in the way companies approach environment protection interventions in India.

## 2.5 KEYWORDS

**Quality of Life** : The standard of health, comfort, and happiness experienced by an individual or group.

**Malnutrition** : *Malnutrition* refers to deficiency, excess or imbalance in a person's intake of energy and/or nutrients.

**Gross Domestic Product** : Gross Domestic Product (GDP) is the monetary value of all finished goods and services made within a country during a specific period.

## 2.6 ABBREVIATIONS

ASER	:	Annual Status of Education Report
CIL	:	Coal India Limited
CSR	:	Corporate Social Responsibility
DISE	:	District Information System for Education
FMCG – ITC	:	Fast Moving Consumer Goods- Imperial Tobacco Company
FY	:	Financial Year
GDP	:	Gross Domestic Product
GHG	:	Green House Gas
GHI	:	Global Hunger Index



HUL	:	Hindustan Unilever Ltd.
INDC	:	Intended Nationally Determined Contribution
IT	:	Information Technology
ITS	:	Indian Thyroid Society
MDGs	:	Millennium Development Goals
NFHS	:	National Family Health Survey
NTPC	:	National Thermal Power Corporation
PM	:	Prime Minister
PwC	:	PricewaterhouseCoopers
QOL	:	Quality of life
RO Water	:	Reverse Osmosis Water
SACHI	:	Save a Child's Heart Initiative
SBM	:	Swachh Bharat Mission
TCS	:	Tata Consultancy Services
UNESCO	:	United Nations Educational, Scientific and Cultural Organization
UP	:	Uttar Pradesh
WASH	:	Water, Sanitation and Hygiene
WHO	:	World Health Organization

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## 2.8 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** According to the World Health Organization (WHO), quality of life is defined as “the individual’s perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals.”

**Answer 2:** The basic human need components include the following

- Nutrition & Basic Medical-Care;
- Water & Sanitation;
- Shelter; and
- Personal Safety.

**Answer 3:** The foundations of well-being include:

- Access to basic knowledge;
- Access to information & communication;
- Health & wellness; and
- Quality of environment

### Check Your Progress - 2

**Answer 1:** The need and importance of quality of life from socio-cultural aspect are as follows:

- It is important because it removes social perversions, evils, conservative and traditional thoughts, impartial social norms, and values;
- It helps to take wise decision.
- Women are educated.
- It helps to get quality education to enhance capabilities and skills.
- It helps to change the society with new ideas, planning, technology, etc.

**Answer 2:** The need and importance of quality of life from economic aspect are:

- Economic development is the backbone of national development.
- It means to increase per-capita income.
- It means to achieve quality of life.
- It helps to provide nutrition, comfortable shelter, clothes, education, and skill-based activities.
- It fosters economic and skill-based activities.

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## UNIT 3 EMPLOYMENT GENERATION AND LIVELIHOOD

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### Structure

- 3.1 Introduction
- 3.2 Understanding Livelihoods
- 3.3 Need for Livelihood Promotion
- 3.4 Livelihood Intervention
- 3.5 Funding of the Livelihood Activity
- 3.6 Sustainable Livelihood (SL)
- 3.7 Let Us Sum Up
- 3.8 Keywords
- 3.9 Abbreviations
- 3.10 Bibliography and Selected Readings
- 3.11 Check Your Progress – Possible Answers

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### 3.1 INTRODUCTION

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India has now over 1250 million people out of which 500 million are workers. Every year the workforce increases by about two percent that is about ten million net increment. Of the 500 million who are already working, about 93% are working either in the agriculture or the informal sector. The livelihood challenge in India, therefore, is a twin challenge – one of creating ten million new livelihoods every year and the second of upgrading the livelihoods of about 350 million people who are already employed. Given the magnitude of the issue, and the dearth of resources for livelihood promotion, the task of promoting livelihoods for the poor becomes even more urgent. It calls for companies to use their resources optimally to achieve maximum scale. On the other hand, most of the companies/development agencies are ‘theme oriented’ (e.g.: watershed management, health, agriculture, etc.). While they can leave a lasting and sustainable positive impact in livelihood promotion, they are oftentimes required to develop a thorough understanding of what livelihood promotion means to their respective specializations. This unit gives an overview of livelihoods and provides some basic concepts that are fundamental to livelihood promotion.

After studying this unit, you should be able to know:

- Describe the need for livelihood promotion
- Discuss the elements of design of livelihood intervention
- Discuss various efforts towards livelihood promotion
- Explain sustainable livelihood

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### 3.2 UNDERSTANDING LIVELIHOODS

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A livelihood is much more than employment. The hidden complexity behind the term ‘livelihood’ comes to light when Governments, Civil Society, and external organizations attempt to assist people whose means of making a living is

threatened, damaged, or destroyed. From extensive learning and practice, various definitions have emerged that attempt to represent the complex nature of a livelihood.

### **Box 3.1: Livelihood and Sustainability**

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress, shocks and maintain or enhance its capabilities, assets both now and in the future, while not undermining the natural resource base.

A person's livelihood refers to the means of securing the necessities of life – food, water, shelter, and clothing. Livelihood is defined as a set of activities, involving capacity to acquire above necessities, working either individually or as a group by using endowments (both human and material) for meeting the requirements of the self and his/her household, on a sustainable basis with dignity. Living is largely about generating income. But this is really a means to an end which also includes aspects of food security, providing a home, health, reduced vulnerability to climatic, economic or political shocks, sustainability (the ability to continue to make a satisfactory living) and power (the ability to control one's own destiny). Hence, livelihood is a set of economic activities, involving self-employment and or wage employment, by using one's endearments (human and material), to generate adequate resources (cash and non-cash), for meeting the requirements of self and the household, usually carried out repeatedly and as such become a way of life.

### **3.2.1 Conditions for the Livelihood Promotion**

A livelihood should keep a person:

- meaningfully occupied;
- in a sustainable manner; and
- with dignity.

Livelihoods therefore go far beyond generating income. A livelihood is much more than employment. Less than 10 percent of rural workers in India are employed on a regular basis. Poor rural households engage in more than one activity for their livelihood.

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## **3.3 NEED FOR LIVELIHOOD PROMOTION**

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There are basically three reasons to promote livelihood:

- 1) The primary reason to promote livelihood is the belief in the essential right of all human beings to equal opportunity. Poor people do not have life choices nor do they have opportunities. Ensuring that a poor household has a stable livelihood will substantially increase its income, and over time, asset ownership, self-esteem and social participation.
- 2) The second reason for livelihood promotion is to promote economic growth. The 'bottom of the pyramid' does not have the purchasing power to buy even the bare necessities of life – food, clothing and shelter. But as they get

steadier incomes through livelihood promotion, they become customers of many goods and services, which promote growth.

- 3) The third reason for promoting livelihoods is to ensure social and political stability. When people are hungry, they tend to take to violence and crime.

### Check Your Progress - 1

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) Define livelihood.

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- 2) Which are the basic three reasons to promote livelihood?

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## 3.4 LIVELIHOOD INTERVENTION

### 3.4.1 Background

Livelihood promotion evolved a great deal since the early days with contributions from people like Rabindranath Tagore, conceiver of the Sriniketan experiment, Spencer Hatch of YMCA, Marthandam experiment, Fr. Brayne of the Gurgaon experiment, Albert Mayer of Etawah project who initiated livelihood promotion in their own ways. Mahatma Gandhi one of the early livelihood thinkers of 20<sup>th</sup> century had a holistic vision of livelihood, with the deep concern for both the poor and sustainability. Gandhiji suggested developing local economies by promoting inter dependent activities as a member of mutually supportive community, eventually leading to 'gram swaraj.' During this period the emphasis was on building human capital and imparting knowledge as the people lacked the know-how to do better. Even in the years after independence, the government, policies and strategies were based on similar principles. The multipurpose approach to promote rural livelihoods was promoted during the First and Second Five Year Plans through the Community Development Programme and Panchayat Raj System. In the subsequent Five-Year Plans emphasis was laid on livelihood promotion adopting various strategies.

### 3.4.2 Elements of Design of Livelihood Intervention

Livelihood interventions are conscious efforts by an agency or organization to promote and support livelihood opportunities for many people. Three elements of the design of the livelihood intervention are given below (Fig.3.1)

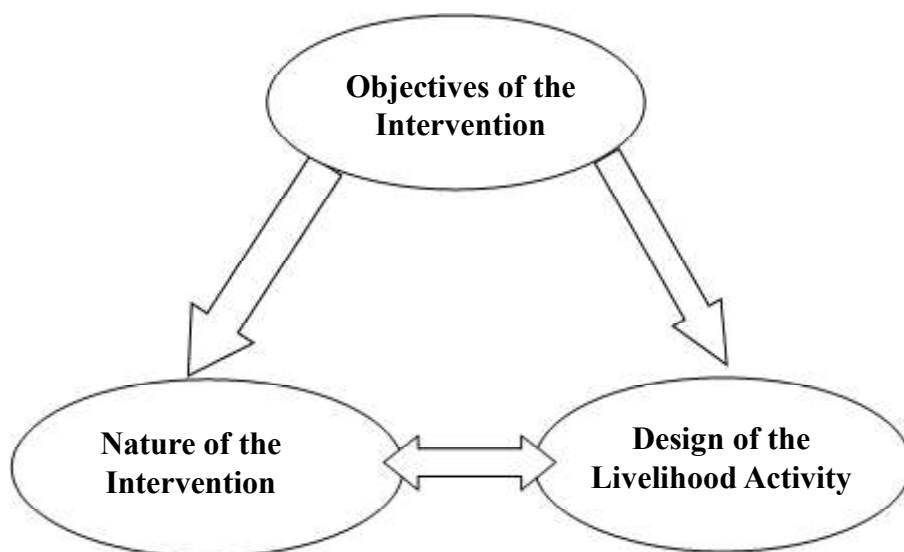


Fig 3.1: Three Elements of Design of Livelihood Intervention

### 3.4.3 Framing the Objectives of Livelihood Interventions

Livelihoods can be enhanced in many ways. Among others, it can be done by:

- Enhancing income
- Creating assets or wealth
- Increasing food security
- Reducing risk
- Reducing variances in income
- Reducing rural to urban migration
- Organizing producers to have greater control over their livelihoods
- Enhancing the money that circulates within the local economy

Although achieving one objective sometimes leads to fulfilling the other objectives, this is not always so. The primary objective of most livelihood interventions in India today is enhancing incomes and food security. Asset creation is usually seen as a means to enhance income. While organizing producers, again to achieve better returns, is also common, however, strategies to reduce risk are less common, and very few interventions explicitly focus on enhancing the money that circulates within the local economy. Reducing migration is often an outcome of other livelihood strategies, but is very rarely a stated objective. However, in the recent years, with the opening of the insurance sector, many new initiatives in this direction have been started. ICICI Lombard and ICICI Prudential, AVIVA, among others, have developed different products to reduce the risk of various livelihoods supporting activities.

### 3.4.4 Nature of the Interventions

The nature of livelihood intervention can vary along three dimensions:

- 1) **The sector to be intervened:** It should be decided whether the existing livelihood activity is to be improved or a new activity must be promoted. The sector to be intervened is often choice based demand. Upon the demand and factor conditions, however, there are choices:

- One could choose to improve upon an existing livelihood activity. For example, SIFFS (South Indian Federation of Fishermen Societies) introduced motorized boats among small fishermen in Kerala

OR

- One could work on a livelihood activity new to the area. For example, Mysore Resettlement and Development Agency (MYRADA) introduced assembling watchstraps in collaboration with Titan Watches in a predominantly agrarian area.

- 2) **The point of intervention:** Which part of the value-addition chain is to be focused? Whether missing inputs such as technology development or credit has to be provided or integrated with the delivery of inputs, or intervened at multiple points providing several services; needs to be decided. After choosing the sector in which to intervene, it is important to identify in what to intervene? For example, if dairy sub-sector is chosen it is necessary to identify whether to improve fodder production, or to process the milk, or to build linkages with the market, to get the best benefit to the producers.

Intervention can be to improve the production process itself as in the case of PRADAN, which developed a small-scale technology for rearing poultry and is helping tribal groups take up such production. Seri-2000 with the support from Silk Development and Cooperation (SDC) helped silk farmers to improve their rearing processes.

Producers can be helped to get a better market price for their produce. Example, SIFFS (South Indian Federation of Fishermen Societies) facilitates marketing of the fish caught by its members. NDDB (National Dairy Development Board) has setup processing plants and provides marketing channels for the milk produced by the members.

- 3) **The instrument of intervention:** What is the tool of intervention? Do people have to be trained to make the necessary changes? The issue of where to intervene in the value-addition chain and the choice of approaches on how to intervene are closely linked.

The inputs to be focused on during intervention strategies:

- a) Technology: Some interventions in livelihoods have evolved around technological intervention. SIFFS has introduced motorized boats using a simple technology to help the fishermen.
- b) Training: Training inputs have been an integral part of most interventions in livelihoods. The NGO MYRADA had given significant skill building to rural girls to take up the contract for watchstrap manufacturing of



Titan, while promoting project MEADOW which aims at ensuring better livelihood through engagement of rural women.

- c) **Marketing:** The Association of Crafts Producers (ACP) provides marketing assistance to a wide range of producers in Nepal. Other interventions like Janarth, NDDDB extended market support services to the producers.
- d) **Asserting Rights:** The National Alliance of Street Vendors lobbied for the rights of street vendors and worked with national, state and local governments. Similarly, SEWA focused on ensuring that the beedi roller got what law entitled them to.
- e) **Policy Advocacy:** Livelihood choices are often enabled or restricted by the policy environment. SEWA (Self-Employed Women's Association) made significant dent in the policy environment, which earlier never recognized unorganized workforce as labour.
- f) **Building Local Interdependent Economy:** Interventions designed to strengthen an interdependent local economy, where a large proportion of the inputs required for an activity are procured locally, and value addition of the products is also done at the local level, have been tried by some agencies, as in the case of DHRUVA-BAIF (Bharatiya Agro Industries Foundation)
- g) **Credit:** BASIX (Bhartiya Samruddhi Investments and Consulting Services), a rural livelihoods promotion institution working in many states in India, extends micro-credit services for a variety of rural activities including farming, animal husbandry, cottage industries, trade and services.
- h) **Infrastructure:** Some interventions also provide infrastructure, such as developing milk-chilling centres, various food processing units etc. Infrastructure such as creating milk chilling centres or building a road is often beyond the capacity of NGOs. However, there are several examples of NGO interventions in creating small or micro infrastructures like grading and sorting platform or creating a common work place for community. The case on DHRUVA may be referred, which has created community owned processing unit.
- i) **Institution building:** In some cases, the organization promoting or supporting livelihoods has focused only on building producer organizations. The Aga Khan Rural Support Programme (AKRSP) in Gujarat has been involved in organizing communities into various peoples' institutions such as Water Users' Association, Mahila Vikas Mandal while developing watershed in this area. These institutions have emerged as strong peoples' organizations, where the livelihood choices are made by these organizations and not by the intervention agency. It is not essential that only one instrument of intervention is chosen; it is also possible to use more than one. For example, providing livelihoods support services of many kinds, like quality input, timely credit and output marketing (as AKRSP does).

### Activity 1

Visit a CSR project on livelihood intervention in your vicinity. Write down the sector of intervention, point of intervention and instrument of intervention of the project.

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### Check Your Progress - 2

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) Define livelihood interventions.

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2) What are three elements of the design of the livelihood intervention?

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3) Write the ways in which livelihoods can be enhanced.

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## 3.5 FUNDING OF THE LIVELIHOOD ACTIVITY

The funding of livelihood activities can be done by using any of the following means:

### 1) Grant-based Funding

Grants are good to start with and to provide a range of services in addition to the primary activity itself, but may lead to uncompetitive businesses, which close when grant funds run out.

### 2) Loan-based Funding

Loans allow for proper investment in the business, but may be difficult to access and difficult to repay if the business fails.

### 3) Equity

Equity is more flexible and less risky than loans, and is in many ways the ideal finance for an activity, but is often very difficult for a micro or small enterprise to secure. The case of MYRADA-MEADOW provides an example where workers themselves contributed equity-type funds to allow the business to invest in infrastructure. In many livelihood interventions, poor households provide sweat-equity in the form of their labour.

### 4) Financial Orchestration

A combination of grants, loans and equity can also be chosen. This kind of financial orchestration gives flexibility to do initial work (which is often not commercially feasible) with grant support and then take loans when the livelihood activity is in a position to scale up.

Government of India has been one of the largest agencies involved in such promotion efforts. However, the corporate sectors and the NGO sector have also contributed to promoting livelihoods.

#### Activity 2

Visit a CSR project on livelihood intervention in your vicinity. Write about the sources of funding of the project.

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Here are a few examples:

#### Alternate Implementation Mechanism (AIM) - A Case Study on Public Private Civil Society Partnership in Jalna, (Maharashtra)

The Public Private Civil Society Partnership (PPCP) project was designed for implementing National Rural Employment Guarantee Scheme (NREGS) activities as well as State Rural Employment Guarantee Scheme (SREGS) activities on watershed approach. The project is an AIM initiative undertaken by the Zilla Parishad, District administration, Watershed Organization Trust (WOTR) and Indian Tobacco Company–Rural Development Trust (ITC–RDT) in two blocks of Jalna district, Maharashtra. The PPCP arrangement in the project was designed

based on the lessons from State REGS, experience of WOTR–SIED and ITC–RDT, and willingness from the multi-disciplinary Zilla Parishad (ZP) of Jalna.

### ***Impact and Challenges***

More than 70 per cent of works under the PPCP programme was undertaken for soil and water conservation in the district. The programme is driven by the demand for work by the community. The flow of funds to NGOs and technical partners depends on the amount of work generated through shelf of work. Therefore, the labour estimates vis-à-vis the work generated impacted the livelihoods of the community.

The Gram Sabha (GS) had played a pivotal role in implementation of REGS. It was responsible for recommending shelf of works to be taken up under REGS and conducting social audits of the implementation. In addition, GS had supported extensively to facilitate the implementation of the schemes. In the process of delivery, the GS was strengthened institutionally in terms of generating work and handling payments.

WOTR is executing watershed projects under NREGA in two blocks, namely Jafrabad and Bhokardan of Jalna district of Maharashtra. From the PPCP arrangement it became evident that the partnership between the agencies has the potential to deliver results while aiming at improvement in the productivity of land. Soil and water conservation measures were the vehicles to address larger issues in implementing NREGS in the district, while considering the potential of all the stakeholders.

### **Few of the other examples are—**

- Government programs such as the National Rural Employment Programme (NREP), refashioned as the Sampurna Gram Samridhi Yojana, guaranteed wage-employment to the poor in the lean season through public works such as road building. Part of the wages were paid in kind as food grains, which was a carryover from the erstwhile “food for work” programme.
- Government programmes such as the erstwhile Integrated Rural Development Programme (IRDP), refashioned as the Swarna Jayanti Grameen Swarozgar Yojana (SGSY), promoted self-employment among the poor through acquisition of an income generating asset with the help of a bank loan and a government subsidy. AXIS and PNB bank are few examples.
- Special government programmes, run in specific states, to promote both wage employment, such as the Employment Guarantee Scheme (EGS) of Maharashtra and to promote self-employment through highly subsidized asset acquisition, such as the World Bank sponsored District Poverty Initiatives Program (DPIP) in Andhra Pradesh, Madhya Pradesh and Rajasthan.
- Programmes run by sectoral institutions such as the National Dairy Development Board, the Central Silk Board, the Coir Board, the National Horticultural Board, and the Development Commissioners for Handloom and Handicrafts.

- Programmes run by non-governmental agencies, for promoting livelihoods in different regions and sectors, such as by World Vision India, SEWA, BAIF, MYRADA, AKRSP, PRADAN, RGVN and BASIX.
- The Self-Employed Women's Association (SEWA) works with over 750,000 self-employed women of low-income households.
- Bhartiya Agro-Industries Foundation's (BAIF) programme supporting one million livelihoods, comprising cattle cross-breeding, pasture development, horticulture, etc.
- Venkateswara Hatcheries intervention to develop the poultry sector, culminating in the National Egg Coordination Council, which serves over 200,000 poultry producers.
- Various micro-finance interventions by banks and NGOs have influenced the livelihoods of more than twelve million people.

### 3.6 SUSTAINABLE LIVELIHOOD (SL)

The concept of Sustainable Livelihood (SL) is an attempt to go beyond the conventional definitions and approaches to poverty eradication. These had been found to be too narrow because they focused only on certain aspects or manifestations of poverty, such as low income, or did not consider other vital aspects of poverty such as vulnerability and social exclusion. It is now recognized that more attention must be paid to the various factors and processes which either constrain or enhance poor people's ability to make a living in an economically, ecologically, and socially sustainable manner. The SL concept offers a more coherent and integrated approach to poverty. In perspective of making the concept more practical and operational a composite flow of chart is given below (Fig.3.4):

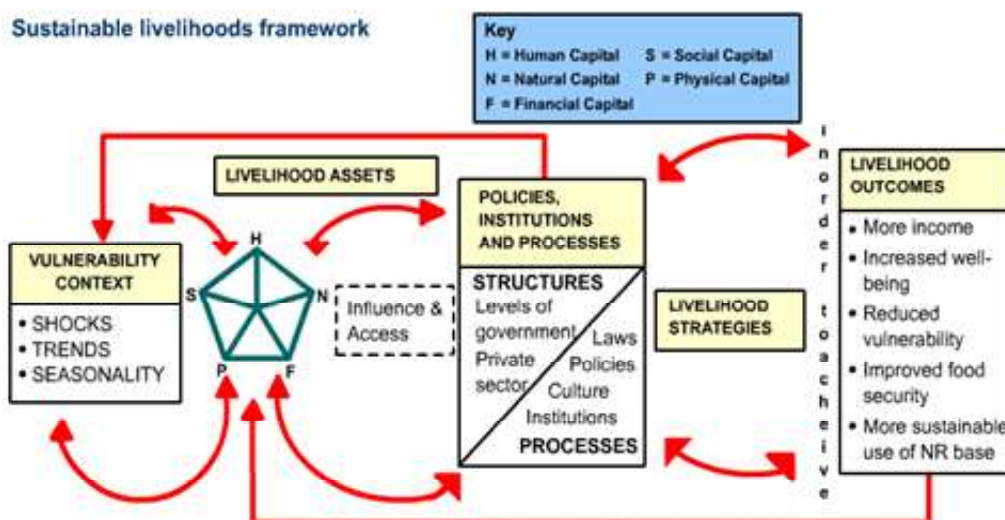


Fig 3.4: Sustainable Livelihood Framework  
(Source: DFID, Sustainable Livelihood guidance sheet)

**Project (Oil India Limited) OIL Rupantar: Sustainable Livelihood - Point (ii) of Schedule VII of Companies Act, 2013**

- Growing unemployment, a major cause of social unrest, threatens OIL's long-term business goals. In its areas of operation, OIL is seen as the only

source of direct/indirect employment. Committed to socio-economic development, OIL collaborated with State Institute of Rural Development (SIRD), Assam, to launch Project Rupantar (meaning transformation) in the year 2003 to overcome unemployment especially amongst rural youth and women by motivating them to engage in entrepreneurship development programmes exploring self-employment opportunities in the primary, secondary and tertiary sectors.

- The project has since encouraged many self-help groups (SHGs)/joint liability groups (JLGs) to pursue agro-based industries, animal husbandry, sericulture, fishery, organic farming, and diversification of handloom products. Aastha, a marketing outlet in OIL Field Headquarters at Duliajan, Assam, adds value to the project by providing support to the marketing needs of the SHGs.
- With infrastructural and other support from OIL, SIRD has formed 8,500 SHGs and JLGs since 2003. OIL exclusively has formed 2,450 SHGs/JLGs from 2008-09 to 2016-17, providing farmers, women, and youth - mostly in tea garden areas with 50% subsidy, other financial and material inputs. In the last three fiscals since 2014-15, OIL has formed 1,300 SHGs/JLGs for poultry, piggery, handloom (weaving) and farm mechanization (power tiller), assisting 9,725 farm families.
- World Petroleum Congress held in Doha in December 2011 recognized Project Rupantar as one of 12 best CSR initiatives by the global oil and gas industry and highlighted it in the Social Responsibility Global Village, as part of the Congress.

#### ***Agriculture Project***

- Started in the year 1991, the project implemented under the Oil India Rural Development Society (OIRDS). OIRDS is one of the foremost social welfare projects of OIL conceived with the principal objective of promoting sustainable growth of rural economy.
- The primary objective of the Agriculture Project is to encourage the unemployed youth to adopt agriculture as a means of earning livelihood and thereby attain economic empowerment. The farmers are introduced to modern methods of cultivation for maximizing farm yield through in-field training by experts from Agriculture Department, Government of Assam and Assam Agriculture University (AAU) and providing them with high yield variety seeds, organic manure, farming tools and implements.
- Since 1991-92 till 2016-17, OIRDS has adopted 118 villages under various farmers' collectives, covering around 17,221 farm families.
- OIL has also signed MoU with AAU recently, to promote integrated farming in villages of OIL's operational areas in Upper Assam.

#### ***Project OIL Jeevika***

- Launched in FY 2016-17, the project is a community-cluster based sustainable rural livelihood promotion initiative, which aims at imparting skill development and up-gradation training to the targeted beneficiaries on beekeeping and honey processing, mustard, buckwheat and local pulse

processing as well as providing handholding support to them for generation of alternate source of income and formation of self-sustaining livelihood clusters.

### Check Your Progress - 3

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) What are the ways of funding of the livelihood Activity?

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2) What is sustainable livelihood?

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## 3.7 LET US SUM UP

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Traditionally the solution to the problems of poverty was conceived as an increase in income levels through the generation of employment. However, this vision has changed in the last two decades. A livelihood is a set of economic activities that involve self-employment and/or wage-employment.

In the current decade, according to estimates of the Planning Commission for the Tenth Five Year Plan, more than 10 million people in India will be seeking work every year. Thus, to ensure full employment within a decade, more than 10 million new livelihoods will have to be generated every year. Given the magnitude of the problem, and the dearth of resources for livelihood promotion, the task of promoting livelihoods for the poor becomes more urgent. It calls for organizations to use their resources optimally to achieve maximum scale. CSR has played an important role in livelihood intervention by either improving on the existing livelihoods or creating new livelihoods. In this unit you have read about the nature and instruments of livelihood interventions and the source of funding. Finally, we have discussed sustainable livelihood.

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## 3.8 KEYWORDS

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**Livelihood** : Livelihood refers to their “means of securing the basic necessities of life”. Livelihood is defined as a set of

activities essential to everyday life that are conducted over one's life span.

**Food Security** : Reliable access to a sufficient quantity of affordable, nutritious food.

**Sustainable Livelihood:** A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining natural resource bases.

### 3.9 ABBREVIATIONS

AAU	:	Assam Agriculture University
ACP	:	Association of Crafts Producers
AKRSP	:	Aga Khan Rural Support Programme
AP	:	Andhra Pradesh
BAIF	:	Bharatiya Agro Industries Foundation
BASIX	:	Bhartiya Samruddhi Investments and Consulting Services
DHRUVA	:	Vanguard of Awakening in Dharampur
DPIP	:	District Poverty Initiatives Programme
EGS	:	Employment Guarantee Scheme
GS	:	Gram Sabha
ICICI	:	Industrial Credit and Investment Corporation of India
IRDP	:	Integrated Rural Development Programme
ITC-RDT	:	Indian Tobacco Company–Rural Development Trust
JLGs	:	Joint Liability Groups
MoU	:	Memorandum of Understanding
MP	:	Madhya Pradesh
MYRADA	:	Mysore Resettlement and Development Agency
NDDB	:	National Dairy Development Board
NGO	:	Non-Government Organization
NREGA	:	National Rural Employment Guarantee Act
NREGS	:	National Rural Employment Guarantee Scheme
NREP	:	National Rural Employment Programme
OIRDS	:	Oil India Rural Development Society
PNB	:	Punjab National Bank
PPCP	:	Public Private Civil Society Partnership
PRADAN	:	Professional Assistance for Development Action
REGS	:	Rural Employment Guarantee Scheme



SEWA	:	Self-Employed Women's Association
SGSY	:	Swarna Jayanti Grameen Swarozgar Yojana
SHGs	:	Self-Help Groups
SIFFS	:	South Indian Federation of Fishermen Societies
SIRD	:	State Institute of Rural Development
SL	:	Sustainable Livelihood
SREGS	:	State Rural Employment Guarantee Scheme
WOTR	:	Watershed Organization Trust
YMCA	:	Young Men's Christian Association
ZP	:	Zilla Parishad

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## 3.11 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** Livelihood is a set of economic activities, involving self-employment and/or wage employment. By using one's endearments (human and material), to generate adequate resources (cash and non-cash). For meeting the requirements of self and the household, usually carried out repeatedly and as such become a way of life.

**Answer 2:** The primary reasons to promote livelihood is the belief in the essential right of all human beings to equal opportunity. The second reason for livelihood promotion is to promote economic growth. And the third reason for promoting livelihoods is to ensure social and political stability.

### Check Your Progress - 2

**Answer 1:** Livelihood interventions are conscious efforts by an agency or organization to promote and support livelihood opportunities for numerous people.

**Answer 2:** The three elements of the design of the livelihood intervention are (1) Objectives of the intervention; (2) Design of the Livelihood activity; and (3) Nature of the Intervention.

**Answer 3:** Livelihoods can be enhanced in many ways. Among others, it can be done by:

- Enhancing income
- Creating assets or wealth
- Increasing food security
- Reducing risk

- Reducing variances in income
- Reducing rural to urban migration
- Organizing producers to have greater control over their livelihoods
- Enhancing the money that circulates within the local economy

### Check Your Progress - 3

**Answer 1:** The ways of funding of the livelihood activity are: Grant-based Funding; loan-based Funding; Equity; and Financial Orchestration.

**Answer 2:** The concept of sustainable livelihood is an attempt to go beyond the conventional definitions and approaches to poverty eradication. These had been found to be too narrow because they focused only on certain aspects or manifestations of poverty, such as low income, or did not consider other vital aspects of poverty such as vulnerability and social exclusion. It is now recognized that more attention must be paid to the various factors and processes which either constrain or enhance poor people's ability to make a living in an economically, ecologically, and socially sustainable manner. The SL concept offers a more coherent and integrated approach to poverty.

IGNOU

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## UNIT 4 WOMEN EMPOWERMENT

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### Structure

- 4.1 Introduction
- 4.2 Understanding Empowerment
- 4.3 Economic Empowerment of Women
- 4.4 Social Empowerment of Women
- 4.5 Let Us Sum Up
- 4.6 Keywords
- 4.7 Abbreviations
- 4.8 Bibliography and Selected Readings
- 4.9 Check Your Progress – Possible Answers

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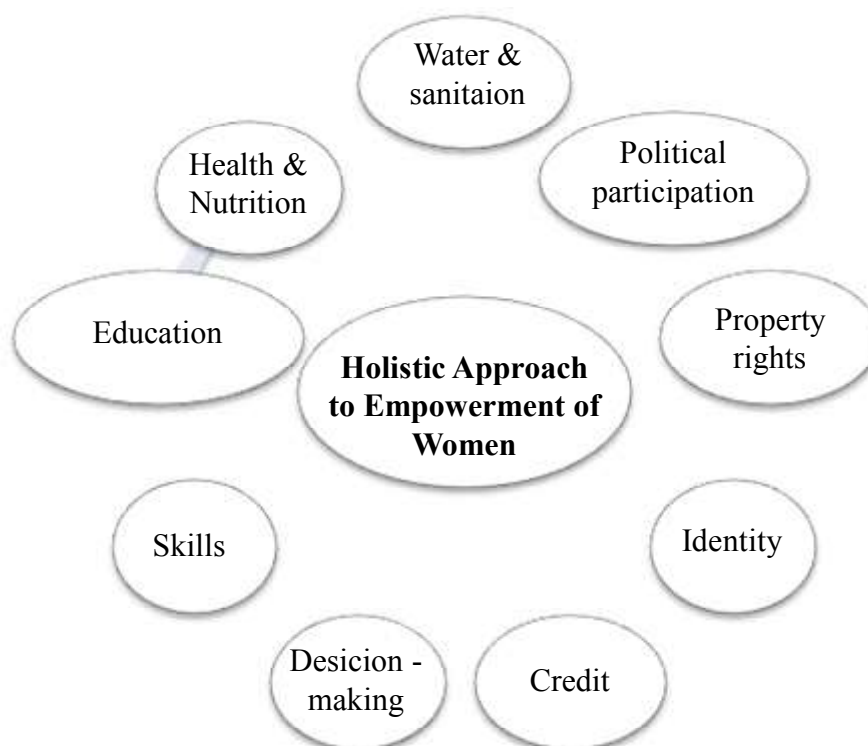
### 4.1 INTRODUCTION

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***“You can tell the condition of a nation by looking at the status of its women”***

– Pt. Jawaharlal Nehru

Women are central to the entire development process, be it in an individual family, village, province, state and to the whole nation. Women have maintained the traditional Indian culture since ages. History has revealed the deteriorating state of women. Corporate social responsibility (CSR) is one of the most prominent concepts in the literature through which organizations have scope for ensuring a development in the status of women in India through women empowerment. This unit discusses the empowerment of women in India and challenges that are to be responded adequately and appropriately. The Fig 4.1 shows the determinants associated with the empowerment of women and these are the challenges for the development agencies and the policy makers to work upon.



**Fig 4.1: Holistic Approach to Empowerment of Women**

To understand it in better way, the unit will also explain the initiatives undertaken by various companies to overcome those challenges and getting the women in the mainstream of development.

After studying this unit, you should be able to:

- Explain empowerment among women
- Describe the association between development and women's empowerment
- Discuss the role of companies in achieving empowerment among women

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## 4.2 UNDERSTANDING EMPOWERMENT

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Empowerment is a process which relates to the power of an individual to redefine her possibilities or options and to have the ability to act upon them (Eyben et al., 2008). Kabeer (2001) defines empowerment as “the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them.” The empowerment of women is essential for sustainable development and economic growth. Thus, empowerment is fundamentally about the enhancement of individuals' capabilities to make a difference in their surroundings, which affects their life. Empowerment also relates to the influence of an individual on the social and cultural norms, informal and formal institutions in society. Women can be empowered in many ways; socially, economically, politically, and legally. In the discussion on women's empowerment, gender equality and gender equity are terminologies which are interrelated. Equality implies the condition or quality of being equal and equity is the equality of rights (Webster's Dictionary, 2010). In contrast to other terms, women's empowerment relates to a process; a progression from one state to another. In addition, empowerment includes agency, in which women themselves are actors in the empowerment process. They must not only be able to make a decision, but be aware of their rights to make it.

Women's empowerment encompasses a complexity in comparison to other disadvantaged groups. Women make up half of the world's population, and form a cross-cutting group that overlaps all other groups in the society. Compared to other disadvantaged or socially excluded groups, the household and family relations play a central part in women's disempowerment (Boender et al, 2002).

Decision-making power in the household shows the amount of ‘say’ the woman has in household decisions, and was estimated as an average of several sub-variables. It is based on if she has a say in the household income, if she has the possibility to buy goods without needing permission and if she decides over her own work, her children's schooling etc. Therefore, policies directed towards women's empowerment must be directed to the family and household level.

Economic empowerment means ‘Enhancing the role of women as drivers of poverty reduction, promoting female investors and entrepreneurs, and recognizing the link between gender equality and safeguarding the environment all promote inclusive and sustainable industrialization, and directly contribute to SDG 9 on industry, innovation and infrastructure, and to SDG 5 on gender equality’.



Fig 4.2: India's Gender Slide

Targeting gender equality and women's economic empowerment is not only important from the perspective of realizing women's rights but is also smart economics. Women are key agents of change and when women and men are equal, economies grow faster; less people remain in poverty, and the overall well-being of people increases. Harnessing women's potential as economic actors, leaders and consumers results in higher levels of industrialization and more sustained growth rates. Global gross domestic product could increase by more than 25 per cent by 2025 if women played the same role in labour markets as men.

Knowing that the empowerment of women generates many positive effects for society overall, makes the task of determining the underlying factors of women's empowerment essential. Women's empowerment has five components:

- 1) Women's sense of self-worth;
- 2) Their right to have and to determine choices;
- 3) Their right to have access to opportunities and resources;
- 4) Their right to have the power to control their own lives, both within and outside the home; and
- 5) Their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally.

Several companies, self-help groups and NGOs are working in this direction so that women themselves can break the societal barriers and achieve great heights in all dimensions: political, social and economic. But some portion of the society has still not accepted women as being equal to men and crimes or abuses against women are still on the rise. For that to change, the society's age-old deep-rooted mind set needs to be changed through social conditioning and sensitization programmes. Various companies have undertaken advocacy to fight against this situation. In next section we will be discussing about it in detail.

***“Educating and investing in women and girls has a multiplier effect on productivity, efficiency and economic growth. But economically strengthening women is not only a means by which to spur and sustain inclusive industrial development, it is also a matter of advancing women’s human rights”***

***- UNIDO Director General LI Yong***

## **4.3 ECONOMIC EMPOWERMENT OF WOMEN**

### **4.3.1 Poverty Eradication**

Since women comprise the majority of the population below the poverty line and are very often in situations of extreme poverty, given the harsh realities of intra-household and social discrimination, macroeconomic policies and poverty eradication programmes specifically address the needs and problems of such women (Explained in Unit-1). There is already improved implementation of programmes, on women, oriented with special targets for women. Steps are taken under CSR initiatives by the Indian Companies for mobilization of poor women and convergence of services, by offering them a range of economic and social options, along with necessary support measures to enhance their capabilities. Empowering women and encouraging their entrepreneurial spirit was a vital aspect of CSR for business houses like the Tata, HUL, Vedanta, Hindalco, Jindal and many others. The interventions were mostly carried out in the surrounding areas of the main operational regions, particularly in villages situated closer to the factory location. In the case of Jindal Steel, the CSR activities were concentrated around Hisar (Haryana) and Tata Steel anywhere in India.

#### **Case Studies**

***HUL’s (Hindustan Unilever) SHAKTI:*** SHAKTI means ‘Strength’. Project SHAKTI is HUL’s initiative to upliftment of standard of living in rural India by creating income-generating capabilities for under-privileged rural women through small-scale enterprise opportunity; and, to improve rural lives with the support of health and hygiene awareness. Project SHAKTI is taken up in rural areas whereby women are the distributors for HUL products and are called “Shakti Ammas.” This identity is ushering prosperity in their lives and most importantly self-respect.

***Reliance Industries Limited:*** The major thrust areas of Reliance Industries Limited were in areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), and environment (effluent treatment, tree plantation, treatment of hazardous waste). In 2010, the company also set up the Reliance Foundation with the main aim of addressing developmental challenges. The focus was on five core pillars: education, health, rural development, urban renewal, promotion and protection of India’s art and culture. In the same year, it launched Mission BIJ or Bharat India Jodo, its flagship programme focusing on supporting small farmers. BIJ works towards bridging the gap between rural and urban areas and empower small farmers. Towards achieving this goal, it will provide support to small farmers along the supply chain through input support, technical assistance, post-harvest and marketing support.

### 4.3.2 Micro Credit

To enhance women's access to credit for consumption and production, the establishment of new, and strengthening of existing micro-credit mechanisms and micro-finance institution are undertaken, so that the outreach of credit is enhanced. Other supportive measures include SHG formation, small soft loans by private Banks like AXIS and ICICI etc. to ensure adequate flow of credit through extant financial institutions and Banks, so that all women below poverty line have easy access to credit. Another ideal example is of Tata Steel and others, in a concised form, these are described below:

#### Case Studies

**Tata Steel:** The direct interventions were carried out either by in-house CSR specialist teams, or by professional CSR teams. Partnerships had also been made with non-profit organizations and specialized agencies in some cases. Some of the companies like Tata Steel, over the last 15 years had supported the formation of more than 500 rural enterprises in agriculture, poultry, livestock, and community entrepreneurship. It continued to work untiringly towards furthering empowerment by facilitating the formation of around 200 women SHGs every year, who were encouraged to venture into income generating activities. Tata Steel also held regular competitions for identifying women leaders who could be role models through its programme 'Tejaswini.'

Name of Corporate	Model of Empowerment	Approx. number of women involved	Impact
Hindustan Unilever	Rural women became distributors of HUL. Popularly known as 'Shakti Ammas'	About 43,000 women all over India	Has economically empowered rural women with entrepreneurial spirit. Plan to use the network for creation of more SHGs
ITC	Poor rural women assisted to form microcredit SHGs to build small savings and finance self-employment and micro-enterprises	About 40,000 women	Sustainable economic opportunities through micro-credits
Jindal Steel	Formation and capacity building of women SHGs	About, 3000 women	Trained women have begun activities like leaf plate making which has augmented income
Tata Steel	Tata Steel Rural Development Society	About, 45000 women	Annually create at least 200 SHGs who are encouraged to



			enter enterprise activity
Vedanta	Provide for skill development, credit linkage, training, market development	About 30000 women	About 2100 SHG developed by group companies Vedanta Zinc, BALCO, Sterilite, Vedanta Aluminium and VAL Lanjigarh
Hindalco	Training for skill Development through two institutes, located in UP and Maharashtra	More than 11000 women	Works towards improving the capacity building of women and men who are encouraged to take up enterprise activities
ICICI Bank	Rural Self Employment training institutes at Udaipur & Jodhpur	Has extended credit to a large no. of SHGs through partnership model (with NGOs like BISWA in Odisha) as well as directly	Both men and women have been imparted training
RIL	Provide training to rural women through SHGs and youth to become self-sustaining by taking up income generating activities (IGA)	A number of rural women as well as youth have been trained in stitching, beauty and health care, plumbing, computer hardware and mobile repairing	Many men and women have begun micro enterprise activities in areas around manufacturing divisions like Hazira, Vadodara, Nagothane, Gadimoga etc.

### 4.3.3 Women and Economy

Women's perspectives are included in designing and implementing macro-economic and social policies by institutionalizing their participation in such processes by various companies having the vision to work towards women's empowerment. Their contribution to socio-economic development as producers and workers is now getting recognized in the formal and informal sectors (including home-based workers) and companies are developing appropriate policies relating to employment and their working conditions. Such measures basically include: equal job opportunities, working hours, working environment, sexual harassment reporting and redress mechanism, social security, equal salary, training & skill development, leave rules etc. Most of the companies now have already laid down the rules and regulations in this regard e.g. Dr. Reddy's Laboratories, Excel Industries and Infosys.

### Activity 1

Visit a CSR project in your vicinity. Write down the measures taken for the female employees of the project which is directed towards women's empowerment.

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### 4.3.4 Women and Agriculture

In view of the critical role of women in the agriculture and allied sectors, as producers, concentrated efforts are made to ensure that benefits of training, extension and various programmes should reach them in proportion to their numbers. The programmes for training women in soil conservation, social forestry, dairy development and other occupations allied to agriculture like horticulture, livestock including small animal husbandry, poultry, fisheries etc. are expanded to benefit women workers in the agriculture sector.

#### Case Studies

**Cairn India, with IFC** (International Finance Corporation) decided to support an intensive community-based dairy development programme with the objective of improving the economic condition of the rural poor in Rajasthan. By design, the programme targeted women, who otherwise had no opportunity for economic emancipation. This project not only enabled them to participate in income generating activities but has also empowered them as organized self-help groups (SHGs) exploring other livelihood options. They have also been benefitted from the introduction of technology for transparency, accountability, and fair price realization

The **Kamalnayan Jamnalal Bajaj Foundation (KJBF)** founded by the Bajaj family states its mission is to “**empower the rural community for efficient and judicious use of human and natural resources.**” It is actively involved in sustainable agricultural development in about 200 villages of Wardha district where the farming community has been motivated to adopt integrated farming practices. There are many more initiatives like above changing the lives of thousands of families while empowering women economically.

### 4.3.5 Women and Industry

The important role played by women in electronics, information technology, food processing, agro industry, and textiles has been crucial to the development of these sectors. The companies are formulating comprehensive support in terms

of labour legislation, social security and other support services to participate in various industrial sectors. For women working in night shift in factories / BPOs suitable measures are taken to enable women to work in the night shift. This is accompanied with support services for security, transportation etc. The companies like Infosys, Titan, Bajaj Auto and Balmer & Lawrie etc. have laid down policies in this regard.

### 4.3.6 Support Services

The provision of support services for working women, like child care facilities, including crèches at work places and educational institutions, homes for the aged and the disabled has been expanded and improved to create an enabling environment and to ensure their full cooperation in social, political, and economic life. Women-friendly personnel policies are also drawn to encourage women to participate effectively in the developmental process. 'Mobile-Crèches' is an organization (non-profit) providing child care services to different type of groups of working women starting from construction workers to various factories or institutions with the help of CSR funding in and around Delhi and Mumbai few of these companies namely are PNB housing finance Ltd., Microsoft, NCML, Godrej properties, HCL and Oracle etc. To date, Mobile Crèches has reached out to 650,000 children, trained 6000 childcare workers, and run 600 day care centres. MMC (Microsoft Management Console) also works to advocate for marginalized communities by providing vocational training for women and youth and promoting migrant families' rights, access to healthcare, and government services. MMC has reached over 150,000 children and run over 240 day care centres. The CSR fund helps them to work in nutrition and healthcare. Because children suffering from malnourishment and exposed to poor hygiene are in a vulnerable condition. Among other major issues, everyday ailments, diseases such as diarrhoea, respiratory diseases, boils, and worms, both MMC (Mumbai) and Mobile Crèches (Delhi) have implemented a healthcare programme consisting of prevention, cure, and rehabilitation to improve the health of the children at its centres.

### Check Your Progress - 1

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1) Define empowerment of women.

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- 2) Enumerate the support services provided by companies.

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## 4.4 SOCIAL EMPOWERMENT OF WOMEN

### 4.4.1 Education

The companies with the vision to work in education of women know that equal access to education for women and girls need to be ensured. Special measures are taken to eliminate discrimination, universalize education, eradicate illiteracy, create a gender-sensitive educational system, increase enrolment and retention rates of girls, and improve the quality of education to facilitate life-long learning as well as development of occupation/vocation/technical skills by women. Reducing the gender gap in secondary and higher education is a focus area for the companies like P & G, Bank of America, and Hindustan Lever etc. Special focus on girls and women, particularly those belonging to weaker sections including the scheduled castes/ scheduled tribes/ other backward classes/ minorities is being taken care of. Advocacy in gender discrimination is also being funded by CSR funds like CII (Confederation of Indian Industry) and SIEL (Shriram Industrial Enterprise Ltd). Since independence, the education sector in India has grown in leaps and bounds and there have been significant improvements across different indicators. To understand the current CSR trends in education and the main challenges in the sector, Samhita Social Ventures has mapped the education interventions of 100 Companies with the highest CSR budgets in India. The findings indicate that education remains one of the most popular causes for companies. School infrastructure and scholarships receive maximum support whereas issues such as pedagogy, early education, community awareness etc. remain unexplored. However, there is a silver lining – Companies are beginning to think more strategically about interventions in education.

**SCCL:** (Singareni Collieries Company Ltd) Singareni Seva Samithi has taken up massive literacy campaign for women and illiterate employees through which more than 50000 persons were made literate. The literacy campaign was concentrated on reading, writing, signing etc.

**ITC:** Indian Tobacco Company believes that economic empowerment of women transforms them into powerful agents of social change. ITC has forged an empowering partnership with rural women – the most effective development workers. ITC's intervention leverages micro-credit and skills training to generate alternate employment opportunities. Increased income in the hands of rural women means better nutrition, health care and education for their children. Working with NGOs, ITC has organized village women into micro-credit groups.

**SAIL:** SAIL has initiated Mahila Samaj, performance of community welfare programmes which include manufacture of products and services for SAIL

employees. The Mahila Samiti in SAIL plants has 4000 members and 15 affiliated to national level organizations for community development.

‘Siksha: Padhega India Tabhi to Badhega India’ **P&G**’s flagship Corporate Social Responsibility Program Shiksha is an integral part of our global philanthropy programme - Live, Learn and Thrive. Now in its 8<sup>th</sup> year, Shiksha has till date helped 280,000 underprivileged children access their right to education. The programme has built and supported over 140 schools across India, in partnership with NGOs like Round Table India (RTI), Save the Children (STC), Army Wives Welfare Association (AWWA) and Navy Wives Welfare Association (NWWA), amongst others. P&G Shiksha is focused on empowering the girl child with quality education.

The case studies show that areas of interventions in the field of education by the majority of the companies are namely infrastructure development and donation of learning material; remedial education; learning methods (pedagogy); school administration and management; building capacity of providers; systematic change; early childhood education; skill development; parent/community awareness; school-based nutrition and health and in cash /kind assistance for students.

#### 4.4.2 Health

A wholistic approach to women’s health which includes both nutrition and health services is being adopted by many companies and special attention is given to the needs of women and the girls at all stages of the life cycle like Emami Ltd. focuses on fostering preventive health care and water and sanitation. The reduction of infant mortality and maternal mortality, which are sensitive indicators of human development, is a priority concern.

**For Example:** JSPL (Jindal Steel and Power Limited) has set up many charitable clinics and hospitals in the Raigarh district. World-class health facilities are provided to the people of Raigarh at the 100-bed multi-specialty O.P. Jindal Hospital and Research Centre.

JSPL’s CSR strategy includes:

- Development of model villages (Adarsh Gram)
- Government, corporate and public participation
- Address situational needs and demands of the villagers
- On an average 5,000 households across 18 peripheral villages benefitted

The companies possess the vision for women to have access to comprehensive, affordable and quality health care. Measures are adopted that take into account the reproductive rights of women to enable them to exercise informed choices, their vulnerability to sexual and health problems together with endemic, infectious, and communicable diseases such as malaria, TB, and water borne diseases as well as hypertension and cardio-pulmonary diseases. NTPC, Dabur India Ltd., P&G, Glaxosmithkline and Bajaj Auto Ltd. are among the lot in this direction. The social, developmental and health consequences of HIV/AIDS and other sexually transmitted diseases are also tackled from a gender perspective. The companies now have the HIV/AIDS policy guidelines followed by NACO guidelines. Some of the companies which have adopted the said policies are,

Ballarpur Industries, Tata Steel, Coal India, ONGC, ITC Papers Ltd., Essar Group of companies etc.

**Avon:** Avon Cosmetics' commitment to women runs deeper than the boundaries of business. Women are the heart of Avon's success and Avon continues to support and understand their needs through Avon's Breast Cancer Crusade. The goal of the Avon Foundation Breast Cancer Crusade is to improve access to quality breast health care for under-served, uninsured and low-income populations, and to support biomedical research focused on prevention and improved methods of diagnosis and treatment to cure and prevent breast cancer.

**Hindustan Latex Family Planning Promotion Trust (HLFPPT)** has been contributing towards the National Family Planning Programme across the spectrum. On the demand side, they are consistently working towards increasing contraception awareness and access among communities, counselling on Family Planning (FP) methods, offering increased basket of choice; while on the supply side they are committed towards building capacities of health providers on FP services, creating network of dedicated FP clinics, etc. Currently, it is implementing the programme in 13 states: West Bengal, Punjab, Haryana, Himachal Pradesh, Bihar, Chhattisgarh, Odisha, Jharkhand, Delhi, Rajasthan, Andhra Pradesh, Madhya Pradesh and Uttar Pradesh. The partners are Pan India, Bill & Melinda Gates Foundation (Funding Partner) and PSI (Implementing Partner) DLF Foundation, National Health Mission-MP, UP, DFID, USAID and SIFPSA.

#### 4.4.3 Nutrition

In view of the high risk of malnutrition and disease that women face at all the three critical stages viz., infancy and childhood, adolescent and reproductive phase (Fig. 4.5), focused attention would be paid to meeting the nutritional needs of women at all stages of the life cycle.

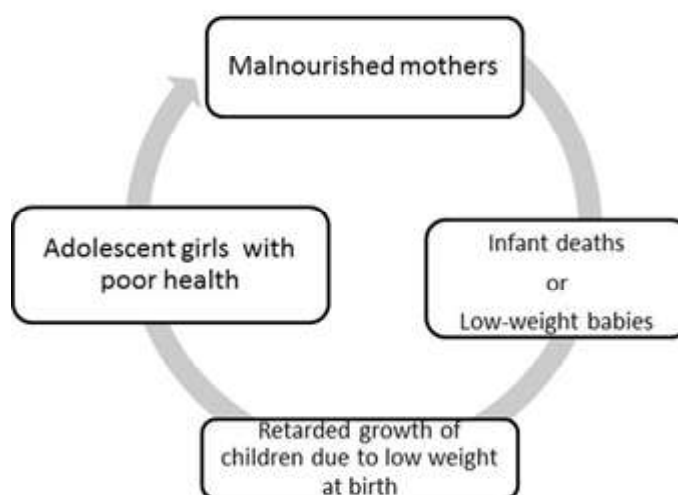


Fig 4.5: Life Cycle of Malnutrition among Women

This is also important in view of the critical link between the health of adolescent girls, pregnant and lactating women, and the health of infant and young children. Special efforts are made to tackle the problem of macro and micro nutrient deficiencies especially amongst pregnant and lactating women as it leads to various diseases and disabilities.

Intra-household discrimination in nutritional matters vis-à-vis girls and women is worked upon through appropriate strategies. Widespread use of nutrition education to address the issues of intra-household imbalances in nutrition and the special needs of pregnant and lactating women is initiated. Women's participation is also ensured in the planning, superintendence and delivery of the system. There are various examples of companies initiating their CSR activities in this direction like adoption of Anganwadi centres, providing mid-day meal and school health, provision of food for pregnant mothers etc. The case study of Akshaya Patra is one of them.

### Case Study

**TAPF** commonly known as **The Akshaya Patra Foundation** is a non-profit organisation in India that runs school lunch programme across India. The organisation was established in the year 2000. Akshaya Patra partnered with the Government to serve cooked meals at all Government schools. To be able to work towards tackling classroom hunger in association with the Government on the format of Public Private Partnership was a welcome progression for Akshaya Patra. Akshaya Patra implements the Mid-Day Meal programme in 38 locations of 12 states of India. Each day the Foundation feeds 1.7 million children covering more than 14,314 Government schools. The Foundation follows both centralized and decentralized kitchen formats to implement the programme. The programme caters to Anganwadi, expecting and lactating mothers, special schools, subsidised lunch for the economically backward, food for runaway children, old-age homes, homeless, and disaster relief. They also run after class tuitions, life skills programme, community health camps, and health check-up camps.

**Impact- Akshaya Patra** feeds 17, 61,734 children every day across India. It is operational across 38 locations in 12 states of India and it follows the centralized kitchen format in 36 locations and de-centralized kitchen format in 2 locations. CSR contribution- Corps Information Systems Control Officer (CISCO), ASEA Brown Boveri (ABB) Limited, Genpact India, Airports Authority of India, Jindal Aluminium, Dishoom Ltd, Maple Exports Pvt. Ltd., Jamsetji Tata Trust, HDFC Bank Ltd, Steel Authority of India Ltd. (SAIL), Oil and Natural Gas Corporation Ltd. (ONGC), Bharat Heavy Electricals Ltd. (BHEL), Hans Foundation, Give India Kennametal Foundation, Michael and Susan Dell Foundation.

#### 4.4.4 Drinking Water and Sanitation

Special attention is given to the needs of women in the provision of safe drinking water, sewage disposal, toilet facilities and sanitation within accessible reach of households, especially in rural areas and urban slums. Women's participation is ensured in the planning, delivery, and maintenance of such services. The Government expects to garner close to 2 lakh crores worth funds over the next three years from India Inc. by making 30 percent of their expenditure on corporate social responsibility (CSR) mandatory in projects such as 'Swachh Bharat'.

#### 4.4.5 Environment

Women are involved and their perspectives reflected in the policies and programmes for environment conservation and restoration. Considering the impact of environmental factors on their livelihoods, women's participation is ensured in the conservation of the environment and control of environmental

degradation. The vast majority of rural women still depend on locally available, non-commercial sources of energy such as animal dung, crop waste and fuel wood. To ensure the efficient use of these energy resources in an environment friendly manner, the companies are aiming at promoting the programmes of non-conventional energy resources. Women are involved in spreading the use of solar energy, biogas, smokeless chullahs and other rural application to have a visible impact of these measures in influencing eco system and in changing the life styles of rural women. Companies like Reliance, JSPL, Aditya Birla, Tata are into community development activities around their operational areas where their workers and their families are residing or have adopted a village, initiated the use of solar energy and wind mills. Aga Khan Foundation has worked on safe chullah.

#### 4.4.6 Violence against Women

All forms of violence against women, physical and mental, whether at domestic or societal levels, including those arising from customs, traditions, or accepted practices are to be dealt with effectively with a view to eliminating its incidence. Institutions and mechanisms/schemes for assistance are created and strengthened for prevention of such violence, including sexual harassment at work place and customs like dowry; for the rehabilitation of the victims of violence and for taking effective action against the perpetrators of such violence. A special emphasis is laid on programmes and measures to deal with trafficking in women and girls. The companies with community development programmes as discussed above are involved in advocacy towards violence against women.

##### Activity 2

Visit a CSR project involved in advocacy towards violence against women in your vicinity. Write a small case study of the project.

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#### 4.4.7 Rights of the Girl Child

All forms of discrimination against the girl child and violation of her rights to be eliminated by undertaking strong measures both preventive and punitive within and outside the family. These relate specifically to strict enforcement of laws against prenatal sex selection and the practices of female foeticide, female infanticide, child marriage, child abuse and child prostitution etc. Removal of discrimination in the treatment of the girl child within the family and outside and projection of a positive image of the girl child need to be actively fostered. There is special emphasis on the needs of the girl child and earmarking of substantial investments in the areas relating to food and nutrition, health and education, and in vocational education. In implementing programmes for eliminating child labour, there is a special focus on girl children. The SKF (Smith-klyn foundation) India



## Check Your Progress - 2

**Notes:** a) Write your answers in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) Write measures undertaken by companies to ensure educational empowerment among women.

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- 2) What are the health concerns about women which are being addressed by companies under their CSR programmes?

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## 4.5 LET US SUM UP

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There is a need of such valuable Corporate Social Responsibility campaigns from prominent companies which can surely change fate and face of women in Indian society in the significant areas of education, health, sports, cultural, political, employment and neglected as well as untouched areas of women empowerment which will boost them to live independent and dignified life which they deserve as they are vital and inseparable part of society. Development of corporate and society is unattainable without an active support of women, government, media, and NGOs. The role of corporate, government, NGOs and media is to bring about the advancement, development, and empowerment of women. They should play a crucial role to encourage active participation of women from all walks of life to achieve individual, organizational and societal goals.

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## 4.6 KEYWORDS

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**Women Empowerment :** Women's empowerment is all about equipping and allowing women to make life-determining decisions through the different problems in society.

**Micro Credit :** Micro credit is the extension of very small loans to impoverished borrowers who typically lack

collateral, steady employment, or a verifiable credit history. It is designed to support entrepreneurship and alleviate poverty.

**Female Foeticide** : Female foeticide is the abortion of a female foetus outside of legal methods.

**Female Infanticide** : Female infanticide is the deliberate killing of new born female children.

## 4.7 ABBREVIATIONS

AAI	:	Australia, ASEAN and the India
ASEAN	:	Association of Southeast Asian Nations
AWWA	:	Army Wives Welfare Association
BALCO	:	Bharat Aluminium Company Ltd.
BHEL	:	Bharat Heavy Electricals Ltd.
BIJ	:	Bharat India Jodo
BPO	:	Business Process Outsourcing
BSY	:	Balika Samridhi Yojana
CII	:	Confederation of Indian Industry
CSR	:	Corporate Social Responsibility
DFID	:	Department for International Development
DLF	:	Delhi Land & Finance
FP	:	Family Planning
HCL	:	Hindustan Computers Limited
HIV/ AIDS	:	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
HLFPPT	:	Hindustan Latex Family Planning Promotion Trust
HUL	:	Hindustan Unilever Ltd
ICICI	:	Industrial Credit and Investment Corporation of India
IFC	:	International Finance Corporation
IGA	:	Income Generating Activities
ITC	:	India Tobacco Company
JSPL	:	Jindal Steel and Power Limited
KJBF	:	Kamalnayan Jamnalal Bajaj Foundation
MMC	:	Microsoft Management Console
NACO	:	National Aids Control Organization
NCML	:	National Collateral Management Services Ltd
NCRB	:	National Crime Records Bureau
NGOs	:	Non-Government Organizations

NTPC Ltd	:	National Thermal Power Corporation Limited
NWWA	:	Navy Wives Welfare Association
ONGC	:	Oil and Natural Gas Corporation
P&G	:	Procter & Gamble
PSI	:	Population Services International
RIL	:	Reliance Industries Limited
RTI	:	Round Table India
SAIL	:	Steel Authority of India Limited
SCCL	:	Singareni Collieries Company Ltd.
SDG	:	Sustainable Development Goals
SHG	:	Self-Help Group
SIEL	:	Shriram Industrial Enterprise Ltd.
SIFPSA	:	State Innovations in Family Planning Services Project Agency
SLDP	:	School Leadership Development Programme
STC	:	Save the Children
TAPF	:	The Akshaya Patra Foundation
TB	:	Tuberculosis
UN DESA	:	United Nations Department of Economic and Social Affairs
UNIDO	:	United Nations Industrial Development Organization
USAID	:	United States Agency for International Development
VAL	:	Vedanta Aluminum Ltd.

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## 4.9 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** Kabeer (2001) defines empowerment as “the expansion in people’s ability to make strategic life choices in a context where this ability was previously

denied to them.” The empowerment of women is essential for sustainable development and economic growth. Thus, empowerment is fundamentally about the enhancement of individuals’ capabilities to make a difference in their surroundings, which affects their life.

**Answer 2:** The provision of support services, for working women, like child care facilities, including crèches at work places, and educational institutions, homes for the aged and the disabled, expanded and improved to create an enabling environment, and to ensure their full cooperation in social, political, and economic life. Women-friendly personnel policies are also drawn to encourage women to participate effectively in the developmental process.

### Check Your Progress- 2

**Answer 1:** CSR ensures equal access to education for women and girls. Special measures are taken to eliminate discrimination, universalize education, eradicate illiteracy, create a gender-sensitive educational system, increase enrolment and retention rates of girls and improve the quality of education to facilitate life-long learning as well as development of occupation/vocation/technical skills by women. Reducing the gender gap in secondary and higher education.

**Answer 2:** A holistic approach to women’s health which includes both nutrition and health services is being adopted by many companies and special attention is given to the needs of women and the girls at all stages of the life cycle like Emami Ltd. with budget of .06 crores fostering preventive health care and water & sanitation. The reduction of infant mortality and maternal mortality, which are sensitive indicators of human development, is a priority concern.

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Block

# 4

## **KEY THEMATIC AREAS IN CSR - II**

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### **UNIT 1**

<b>Microfinance</b>	<b>81</b>
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### **UNIT 2**

<b>Environment Protection and Biodiversity Conservation</b>	<b>100</b>
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### **UNIT 3**

<b>Education and Skill Development</b>	<b>112</b>
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### **UNIT 4**

<b>Awareness Creation</b>	<b>126</b>
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## BLOCK 4 KEY THEMATIC AREAS IN CSR-II

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Block 4 **Key Thematic Areas in CSR - II** consists of four units.

Unit 1: **Microfinance** discusses the status of microfinance in the world in general and in India, in particular. It also discusses the role of microfinance in impacting the lives of the poor and the excluded. It also discusses how the non-profit and for-profit organizations have taken a lead in this field. The role of CSR and government action in partnership has also been discussed.

Unit 2: **Environment Protection and Biodiversity Conservation** discusses the role of CSR in environment protection. It also discusses the steps taken by private companies and government organizations in this field. The unit covers issues faced in implementing CSR in the domain of environment.

Unit 3: **Education and Skill Development** discusses the status of literacy and skills in India. It also discusses the impact of lack of literacy or skills on human lives. It also discusses various government programmes in promoting education and skill development. The role of CSR in education and skill development has also been discussed.

Unit 4: **Awareness Creation** discusses the meaning of awareness creation. It also discusses the challenges in awareness creation in India. Approaches and steps towards awareness creation have also been discussed. Finally, it gives case studies on some of the successful awareness creation programmes implemented as a part of CSR.

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# UNIT 1 MICROFINANCE

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## Structure

- 1.1 Introduction
- 1.2 The Microfinance Landscape
- 1.3 Microfinance: Impacting the Lives of the Poor
- 1.4 Reaching the Unreached: Including the Excluded
- 1.5 The Institutional Initiatives: NGO and For-Profit
- 1.6 CSR and Microfinance
- 1.7 Governments in Action and Partnerships
- 1.8 Let Us Sum Up
- 1.9 Keywords
- 1.10 Abbreviations
- 1.11 Bibliography and Selected Readings
- 1.12 Check Your Progress – Possible Answers

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## 1.1 INTRODUCTION

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**“Microfinance recognizes that poor people are remarkable reservoirs of energy and knowledge.”**

*– Kofi Annan, Ex-Secretary General, United Nations*

Microfinance is a category of financial services targeting individuals and small businesses that lack access to conventional banking and related services. Microfinance includes microcredit - the provision of small loans to poor clients, savings and checking accounts, microinsurance and payment systems. Microfinance services are designed to reach excluded customers, usually poorer population segments, possibly socially marginalized, or geographically more isolated, and to help them become self sufficient.

Microfinance initially had a limited definition - the provision of microloans to poor entrepreneurs and small businesses lacking access to credit. The two main mechanisms for the delivery of financial services to such clients were (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. Over time, microfinance has emerged as a larger movement whose objective is “a world in which everyone, especially the poor and socially marginalized people and households have access to a wide range of affordable, high quality financial products and services, including not just credit but also savings, insurance, payment services and fund transfers.”

Proponents of microfinance often claim that such access will help poor people out of poverty. For many, microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses; for others it is a way for the poor to manage their finances more effectively and take advantage of economic opportunities while managing the risks. Critics often point to some of the ills of micro-credit that can create indebtedness. Due to diverse contexts in which microfinance operates, and the

broad range of microfinance services, it is neither possible nor wise to have a generalized view of impacts microfinance may create.

To understand it in a better way, the unit will also explain the initiatives undertaken by various companies/other agencies that have facilitated the transformational impact of access to credit and thus helped the journey out of poverty of the impoverished populace and households.

After studying this unit, you should be able to:

- Explain the important role of microfinance in the critical agenda of financial inclusion.
- Explain why access to credit is critical to empowerment among the poor and excluded communities especially women.
- Enumerate the role companies/institutions can play in the transformational role of microfinance among the poor.
- Understand how access to credit is important to livelihoods of the poor.

## 1.2 THE MICROFINANCE LANDSCAPE

The World Bank estimates that more than 500 million people have directly or indirectly benefited from microfinance-related operations. The International Finance Corporation (IFC), part of the larger World Bank Group, estimates that, as of 2014, more than 130 million people have directly benefited from microfinance-related operations. However, these operations are only available to approximately 20% of the three billion people who qualify as among the world's poor. In addition to providing microfinancing options, the IFC has helped establish or improve credit reporting bureaus in 30 developing nations. It has also advocated for adding relevant laws in 33 countries that govern financial activities.

**Table 1: Top 10 countries by number of borrowers**

Rank	Country	Borrower FY 2017 & growth since 2016 (in Millions)	Loan portfolio FY 2017 (dollar) & growth since 2016 (in Billions)
1	India	50.9 (+5.8%)	17.1 (+26.3%)
2	Bangladesh	25.6 (+3.5%)	7.8 (+17.0%)
3	Vietnam	7.4 (+2.8%)	7.9 (+18.9%)
4	Mexico	6.8 (-3.8%)	4.4 (+5.5%)
5	Philippines	5.8 (+16.3%)	1.3 (+17.5%)
6	Pakistan	5.7 (+25.9%)	1.8 (+39.6%)
7	Peru	5.1 (+9.5%)	12.6 (+17.0%)
8	Brazil	3.5 (+1.1%)	2.6 (+2.7%)
9	Colombia	2.8 (-0.7%)	6.3 (+5.6%)
10	Cambodia	2.4 (-4.7%)	8.1 (+21.6%)

The quest towards greater financial inclusion gives the Indian financial sector an opening to not only help the society around in a meaningful way, but to also expand their businesses responsibly. The microfinance industry in India has a total loan portfolio of Rs. 178,547 crores as on March 31, 2019 which represents a growth of 40% over March 31, 2018. NBFC-MFIs hold the largest share of portfolio in micro-credit with a total loan outstanding of Rs. 68,156 crores which accounts for 38% of total industry portfolio. Banks are the second largest provider of micro-credit, with a loan amount outstanding of Rs. 59,999 crores, which includes both direct and indirect lending through BC partnerships, accounting for 34% of total micro-credit universe. SFBs have a total loan amount outstanding of Rs. 29,990 crore, with total share of 17%. NBFCs account for 10% and Not-for-Profit MFIs account for 1% of the industry portfolio.

Top 10 Indian states account for 83% of the microfinance industry's gross loan portfolio. West Bengal and Tamil Nadu contribute 34.7% of the top 10 states. Amongst the top states, West Bengal, Tamil Nadu, Bihar and Karnataka has portfolio of more than Rs. 15,000 crore each. The microfinance industry has a presence in 619 districts in India.

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### 1.3 MICROFINANCE: IMPACTING THE LIVES OF THE POOR

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In the last few decades, we have seen an evolution in the microfinance landscape. What once started off as microcredit, a simple service offering microloans to the world's unbanked populations, has evolved into complex microfinance markets operated by thousands of Microfinance Institutions (MFIs) and Microfinance Investment Vehicles (MIVs). Their products and service offerings aim to provide low income people with tools to meet credit and saving needs as well as manage risk and efficiently execute transactions. This evolution is often called the financial inclusion agenda, or simply financial inclusion. Microfinance can be divided into three broad categories: microcredit, microsavings and microinsurance.

The promise of microcredit is to provide small loans to micro entrepreneurs to invest in their businesses, reinvest the returns and allow them to grow out of poverty. Several recent studies indicate that while microcredit can be a useful financial tool for some entrepreneurs, it has not typically generated dramatic increases in income. Some of the key challenges for microcredit, therefore, include the questions of how access to microcredit can better contribute to poverty reduction and what credit product design choices and screening mechanisms could increase their effectiveness, as well as their financial viability.

Microsavings products aim to provide accessible and safe avenues to save, either for future investments or as a precaution against economic shocks. Microsavings products can include simple no frills bank accounts, as well as commitment based products that encourage deposits or limit withdrawal in order to help savers reach their savings goals. Recent research shows promising effects of access to savings products both on the ability to smoothen consumption by self-protecting against economic shocks and to invest more in their microenterprises. A big challenge is to make such products cost effective for MFIs.

Microinsurance products are designed to mitigate different types of risks, such as agricultural or health risks. In emerging markets, the provision of such insurance

is faced with two challenges of asymmetric information. First, as in established markets, the challenge for any insurance provider is to monitor that claims are justified, and to avoid selection of particularly risky customers into their customer base. Second, in new markets, there is an additional challenge to establish trust among potential customers that their insurance will indeed pay out in the event of a future negative shock. Current research and innovative microinsurance models explore how to overcome these challenges.

Over the last few years, with rapid changes in technology, microfinance has been evolving, and MFIs and MIVs are expanding their services in innovative ways. A case in point is the delivery of microfinance products using mobile phones. MFIs are leveraging this dramatic penetration of mobile technology and mobile payments to improve delivery of microfinance services and products to their clients.

Leading MFIs, as well as some promising start-ups, are driving evolution in the microfinance business model. The microfinance product and services design has been benefitting from greater business awareness and the application of rigorous impact measurement methodologies. For instance, the offering of individual microcredit products is increasingly replacing the traditional group-lending model. Bundle product packages and commitment devices are tools contributing to tackling the transaction costs and behavioural obstacles that otherwise make microsaving unsustainable. MFIs are designing tailored microinsurance products (e.g., index insurance) and establishing partnerships with retailers, utilities and mobile operators. This reduces the cost of providing microinsurance and increases customer loyalty.

The new microfinance business models are more and more technology enabled. The now generally accepted principle that credit alone cannot eradicate financial exclusion has led MFIs to rely on integrated product and service propositions. The wide mobile phone reach in developing countries has allowed MFIs and their partners (mobile operators, retail stores, credit card companies, etc.) to develop integrated mobile banking platforms for the delivery of a broad range of products and services. However, regulators, as well as the industry players that operate in such a new environment, should address a few open issues. Examples are: e-money issuance by non-banking players (e.g., mobile operators), risk-based approaches to know-your-customer controls, feasible requirements for nonbank retail agents and adequate customer protection.

The benefits of microfinance extend beyond the direct effects of giving people a source for capital. Entrepreneurs who create successful businesses, in turn, create jobs, trade, and overall economic improvement within a community. Empowering women in particular, as many microfinance organizations do, may lead to more stability and prosperity for families.

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## **1.4 REACHING THE UNREACHED: INCLUDING THE EXCLUDED**

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The increased focus of central banks on financial inclusion has prompted banks to explore innovative means of reaching out to the financially excluded section. In that process, various banks propose to adopt several models to reach the unreachable. One of the most successful models is the partnership approach by

collaborating with credible and efficient financial intermediaries (interchangeably referred to as BC/Partner) to deliver the much needed micro-credit services to the said segment. Timely delivery of financial services which include savings, credit, insurance, remittances, etc., at an affordable cost to the vast sections of disadvantaged and low income groups is the goal of Financial Inclusion agenda.

#### **Basic financial services includes**

- Savings
- Credit
- Insurance
- Remittance facilities, etc.

#### **Who are excluded?**

- Marginal farmers
- Landless farmers
- Oral lessees
- Self employed
- Urban slum dwellers
- Migrants
- Minorities
- Socially excluded groups
- Senior citizens
- Women
- Physically challenged /Specially abled persons

Over 430 million people, or 37% (as per the Tendulkar Report) of the population in India, live below the poverty line (BPL). The vast majority of Indian households with an annual income less than INR 150,000 (USD 3,260), a total of 700 million people, though not necessarily of BPL status, still lack access to essential financial services like credit, insurance, and savings facilities, and therefore constitute the potential target client base for microfinance services. Despite many efforts, banks have not been able to serve this segment because of peculiar characteristics of this segment calling for newer business models.

Based on the recommendations of Mr. H. R. Khan Committee (Deputy Governor of the Reserve Bank of India) and also drawing from the advancement in technology (resulting in significant reduction in transaction costs) with proven delivery models, the RBI has come up with circular (January 2006) on appointing Business Correspondents/Business Facilitators (BC/BF) on carrying out the basic banking services on behalf of the bank. The RBI also made lending to such excluded sections mandatory under Priority Sector Lending (PSL) obligations of the banks. The approach of collaborating with the NBFC (partner) / BC for delivering the microcredit services is termed as partnership model.

While the partnership model is one way to reach out to the unreached, it is important for the NBFCs / MFIs / NGOs to continue to innovate and find better solutions /products /methods to reach out to the last excluded person from the

banking services to meet his/her basic necessities and utilise their potentialities to the best.

### **1.4.1 Microfinance and Women's Empowerment**

Microfinance institutions generally agree that women should be the primary focus of service delivery. Evidence shows that they are less likely to default on their loans than men. Because operating margins become tighter the smaller the loans delivered, many MFIs consider the risk of lending to men to be too high.

Worldwide, microfinance loans serve almost 20 million people living in poverty. 74% of these clients are women. At the Grameen Bank, the world's largest microfinance institution, more than 90% of loan clients are women. It is true that women tend to make their payments more reliably than men. But more importantly, a loan in the hands of a woman has a better chance to change not just her life, but to improve her children's opportunities and her society's prosperity.

For one thing, women are ambitious, for themselves and for their families. As they lift themselves out of poverty, they carry their families to a better life. Once they get a leg up, women are more likely to spend their earnings on medical care and education for their children. Women who provide for themselves and their families are empowered. They have more choices and influence in bargaining. They have a greater sense of self-worth and increased confidence in their abilities. Women who succeed economically also believe in their right to make decisions about their own lives.

Furthermore, the improved condition of a few women benefits the larger society. Studies show that low status for women obstructs a country's economic development. Microfinance offers women the chance to enter the public sphere as businesswomen, expanding their roles beyond housewife to breadwinner. As women participate in the economy, they also become more involved socially and politically. Within their communities they may advocate for changes that will better their own lives and those of other girls and women. Even the power of example is important. More families will pay for their girls to attend school if they see women putting their education to use.

Of course, the social status of women in various cultures can hinder their efforts to start a business. Many societies and families expect any business undertakings to take a backseat to domestic duties. Some cultural traditions or religious practices frown on women working outside the home and earning an income. In some cases, women have resorted to participating in microfinance secretly. In others, though, there has been an effort to educate women about their rights and in involving men so that the microfinance process seems less alien.

Perhaps the biggest obstacle women face is a lack of education. Illiteracy and deficient math and accounting skills are common among women living in poverty. Many microfinance institutions provide business training, information access, technology development, as well as policy and advocacy.

What is truly exciting about women and microfinance is the positive loop. As women prosper, they invest in their sons' and daughters' education and health, and elevate the status of women in their communities. When it comes to microfinance, women seem to have a magic touch.

On the contrary, microfinance's emphasis on female oriented lending is also the subject of controversy in some cases, as it is claimed that microfinance improves the status of women through an alleviation of poverty. It is argued that by providing women with initial capital, they will be able to support themselves independent of men, in a manner which would encourage sustainable growth of enterprise and eventual self sufficiency. This claim has yet to be proven in any substantial form. Moreover, the attraction of women as a potential investment base is precisely because they are constrained by socio-cultural norms regarding such concepts of obedience, familial duty, household maintenance and passivity. The result of these norms is that while microlending may enable women to improve their daily subsistence to a steadier pace, they will not be able to engage in market oriented business practice beyond a limited scope of low skilled, low earning, informal work. Part of this is a lack of permissivity in the society; part a reflection of the added burdens of household maintenance that women shoulder alone as a result of microfinancial empowerment; and in part, a lack of training and education surrounding gendered concepts of economics. In particular, the shift in norms such that women continue to be responsible for all the domestic private sphere labour as well as undertaking public economic support for their families, independent of male aid increases rather than decreases burdens on already limited persons.

This is also due to a general trend for interpersonal microfinance relations to be conducted on grounds of similarity and internal/external recognition - lenders want to see something familiar, something supportable in potential borrowers, so an emphasis on family, goals of education and health, and a commitment to community all achieve positive results from prospective financiers. Unfortunately, these labels disproportionately align with women rather than men, particularly in the developing world. The result is that microfinance continues to rely on restrictive gender norms rather than seek to subvert them through economic redress in terms of foundational changes - training, business management and financial education are all elements which might be included in parameters of female-aimed loans and until they are the fundamental reality of women as a disadvantaged section of societies in developing states will go untested.

The benefits of microfinance extend beyond the direct effects of giving people a source of capital. Entrepreneurs who create successful businesses, in turn, create jobs, improve trade, and contribute to overall economic improvement within a community. Empowering women in particular, as many microfinance organizations do, may lead to more stability and prosperity for families.

### Activity 1

Visit any nearest microfinance institution and write about the various financial services rendered by the institution and also list out the various excluded categories to which their services cater to.

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## Check Your Progress - 1

**Notes:** a) Write your answers in about 50-100 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) What are the different categories of microfinance?

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- 2) Why is the combination of microfinance and women so potent?

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## 1.5 THE INSTITUTIONAL INITIATIVES: NGO AND FOR-PROFIT

Microfinance is the provision of financial services to low income clients, including consumers and the self employed who traditionally lack access to banking and related services (Christen et al., 2004). Microfinance institutions also known as MFIs, offer financial services to underserved, impoverished communities and these services include savings accounts, insurance, health care and personal development (Brennan, 2008). In fact, the scope of work of the MFIs goes well beyond providing financial services to the lowest strata of society. MFIs try to build a unique tripod of financial inclusion, livelihood sustainability through micro enterprises and social development to empower the marginalized sections of communities across the globe. Broadly speaking, MFIs are involved in capacity building, financial literacy, livelihood promotion, preventive healthcare, education and training, water and sanitation, etc., besides their core financial functions such as microcredits to the poor.

It is heartening to note that MFIs are active in 124 districts out of 154 districts classified by the Government of India as backward (Srinivasan, 2014). Emphasising the outreach in backward areas and districts, Srinivasan (2014) observes: 'Some poor and underserved states such as Bihar, Jharkhand and Chhatisgarh have MFIs operating in all the backward districts. In Madhya Pradesh, MFIs operate in 20 out of 23 backward districts. The focus of MFIs has now clearly shifted to states such as Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh. The southern states of Tamil Nadu, Karnataka and Kerala show high penetration of MFIs in backward districts as well, commensurate with their overall high penetration across these states'. However, it is misnomer that MFIs work



only in backward states and districts. Currently MFIs operate in 28 states, 5 Union Territories and 568 districts in India (Sa-Dhan, 2015).

Indian MFIs have not only expanded their geographical outreach but also consolidated their footprints in social development arena in a big way. MFIs have made significant contributions in adding value to the lives of the poor by time-tested interventions to enhance overall quality of their life and empower them meaningfully. Some of the thrust areas vis-à-vis social developments in which the MFIs in India are active include capacity building, financial literacy, livelihood promotion, preventive healthcare, education and training, water and sanitation, etc.

**Financial literacy** is one of the most important intervention programmes carried out by MFIs in India. It is essential for realising the larger goal of financial inclusion. Most of the poor have little knowledge about formal financial transactions as they depend primarily on traditional money lenders for all their financial needs and gradually slip into the vicious cycle of loan trap due to exorbitant rate of interest and corrupt practices. Knowledge of sources of finance, financial transactions, liabilities and risks involved in taking loans, rationale of repayment, savings and thrift, etc., empowers the poor borrowers and helps them free themselves from the clutches of traditional money lenders who have exploited them for ages.

A good number of MFIs in India are involved in **education**. These institutions provide basic education, vocational education, adult and continuing education. Besides, MFIs also organize awareness campaigns on various socio-economic issues from time to time. The Bharat Microfinance Report 2015 provides an indicative list of educational services provided by the MFIs for the benefit of communities they serve. For example, Belghoria Jankalyan Samity provides pre-schooling programs while Barasat Unnayan Prostuti runs schools for children of migrant workers in brick kilns. Mass Care International provides basic education to out-of-school girls. Jeevankiran distributes free study materials, umbrellas, uniforms, etc. Centre for Promoting Sustainable Livelihood provides educational loans from nursery to engineering.

Besides, several MFIs are involved in educating their beneficiary communities through various **awareness campaigns**. The various state microfinance associations like UPMA has been doing commendable working in awareness campaigns. The national microfinance industry bodies Sadhan and MFIN have also been involved in raising awareness among clients and administration on various issues related to financial literacy and client protection. Grameen Koota Financial Services Pvt. Ltd. provides information on health, government schemes and nutrition/food during its weekly meetings, while Suryoday Microfinance Pvt. Ltd. use its weekly meetings to sensitize the members on social well being. Many institutions like Prayas Microcredit are involved in adult literacy. The Bharat Microfinance Report 2015 has captured just tip of an important aspect of social development initiative by the MFIs. There are numerous other MFIs which are running educational programs for their beneficiary communities and concerted efforts are imperative so as to prepare a comprehensive report on all such interventions.

Several MFIs are involved in **training** their clients. For example, Grameen Development & Finance Pvt. Ltd. provides training on rice intensification and

piggery while Kotalipara Development Society provides training in goat and duck rearing (Sa-Dhan, 2015). Aparajita Mahila Sakh Sahkari Sanstha Maryadit runs training programmes on computers, accounting, banking, etc. (Sa-Dhan, 2015). MFIs can take up training more seriously as part of their commitments to promote livelihood. It is possible that the MFIs can collaborate with schools, industrial training institutes, polytechnic institutes, colleges and universities in their neighbourhood to offer some vocational training best suited to their clients. Migrant workers joining the hapless crowd of casual workers lose out on wages simply due to lack of skills and concomitant certifications.

MFIs can play an active role in promoting **skill training, assessment and certification** in sync with the vocational education framework being patronized by National Skill Development Corporations (NSDC). Further, the MFIs can leverage a number of schemes launched by the government of India such as *Pradhan Mantri Kaushal Vikas Yojana*. The training initiatives of the MFIs can become self sustaining if these are integrated with relevant schemes of the government. Some of the large MFIs can actually start their subsidiary units / affiliates to focus on training just as a number of corporate houses are already doing – Education Lanes of Tech Mahindra for example. Gradually training can become a steady source of revenue for the MFIs while fulfilling social purpose.

MFIs are providing **preventive healthcare** to their clients in a big way. According to the Bharat Microfinance Report 2015, Annapurna Mahila Cooperative Credit Society Ltd. has pioneered preventive healthcare by providing 24×7 Doctors on Call. Centre for Promotion of Sustainable Livelihood offers 24×7 loan up to Rs. 5000 for treatment. Jeevankiran meets medical expenses of the poor. Balajee Sewa Sansthan provides health insurance. Unnati Trade and Fincon Pvt. Ltd. and Saral Women Welfare Society promote the use of generic medicine among its clients offers free health check-ups. Health camps are organized by a good number of MFIs such as Annapurna Micro Finance Pvt. Ltd., Equitas Microfinance Pvt. Ltd., Institute of Rural Credit & Entrepreneurship Development, ODISHA, People Forum, Prayas Micro Credit, Samasta Microfinance Ltd., etc.

Some MFIs provide preventive healthcare training. MFIs spearheading such interventions include *Bal Mahila Vikas Samiti* –VAMA, Belghoria Jankalyan Samity, Blaze Trust, Hand in Hand India and Suryoday Microfinance Pvt. Ltd. However, much more is desirable on this front. MFIs have untapped opportunities of collaborating with primary health centres, neighbourhood clinics, private and state run hospitals to create awareness about healthy living, yoga, etc., among their clients. Besides, they can develop a pool of community health workers by providing comprehensive training and practical exposure during health camps. Such a move will not only create a second line of social defence in case of health emergencies among the poorer communities but will also create livelihood opportunities for so many people in the bargain.

MFIs are uniquely poised to bring in qualitative difference in the lives of their clients (Jha, 2013). However, these institutions are hard pressed for resources which are inadequate even to help them run their core functions. Hence, MFIs are not able to realize their full potential as agents of change and remain content with whatever little they can do for their clients. The MFIs are serving over 37 million poor across the country (Sa-Dhan, 2015). If the government can channelize some of the welfare schemes through MFIs, it can surely make a huge difference. An integration of microfinance, social welfare schemes, food security and

employment guarantee can augment the benefits accruing to the poor in piecemeal manner with unnecessary leakages in the transit. While the efforts of various agencies in strengthening the MFIs are laudable, hardly any are actually trying to help MFIs scale up their community development intervention strategies driven by higher social purpose.

MFIs involved in social development initiatives are often appreciated by the stakeholders, get encouraging press coverage for good practices and receive regular invites for sharing their experiences in various summits and conferences; however such interventions hardly get any financial incentives from their lenders (Srinivasan, 2014). It is imperative that the government agencies as well as banks should come forward and provide liberal financial incentives so as to enable the MFIs expand their social development interventions in terms of reach, quality and overall impact on the people who are living on the margins. Besides financial incentives, widely acceptable objective measures and standards to assess social development interventions are essential for taking forward the social agenda of the MFIs and consolidate their position as key player in social sector.

However, the social sector cannot be strengthened merely by way of holistic interventions of the MFIs. The government needs to play its role in social development as well. What the poor need the most is the livelihood security. This can be achieved by converting the 'Make in India' programme into a workable intervention strategy on the grounds so that phenomenal job opportunities are created as tangible results (Jha, 2015). Moreover, farm distress is taking a toll on rural population. Hence, the government needs to come up with a new agriculture policy to address the long standing issues of farm sector (Jha et al., 2019). Further, overall economic slowdown is affecting the poor both in rural as well as urban areas in many ways. In order to boost the economy, the government can rally around improving the banking ecosystem so as to augment consumption (Mohapatra and Jha, 2018). MFIs can achieve the proverbial goal of holistic social development with the help of government interventions.

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## 1.6 CSR AND MICROFINANCE

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Corporate Social Responsibility (CSR) is how companies manage their business processes to produce an overall positive impact on society. It covers sustainability, social impact and ethics, and done correctly should be about core business – how companies make their money – not just add-on extras such as philanthropy.

The triple bottom line approach to CSR emphasizes a company's commitment to operating in an economically, socially and environmentally sustainable manner. The emerging concept of CSR advocates moving away from a 'shareholder alone' focus to a 'multi-stakeholder' focus. This would include investors, employees, business partners, customers, regulators, supply chain, local communities, the environment and society at large.

A major stakeholder in the business is the community in which the company operates. The involvement of a company with the community would depend upon its direct interaction with the community and assessment of issues/risks faced by those living in the company's surrounding areas. This helps in delivering a community focused CSR strategy – making positive changes to the lives of the people and improving the brand image of the company. Involvement with the

community could be both direct and indirect – through funding and other support for community projects implemented by local agencies.

Some examples of CSR initiatives by large companies in India are given below:

**ITC:** Indian Tobacco Company believes that economic empowerment of women transforms them into powerful agents of social change. ITC has forged an empowering partnership with rural women – the most effective development workers. ITC's intervention leverages micro-credit and skills training to generate alternate employment opportunities. Increased income in the hands of rural women means better nutrition, health care and education for their children. Working with NGOs, ITC has organized village women into micro-credit groups.

**SAIL:** SAIL has initiated Mahila Samaj, performance of community welfare programmes which include manufacture of products and services for SAIL employees. The Mahila Samiti in SAIL plants has 4000 members and 15 affiliated to national level organizations for community development.

**Tata Steel:** Tata steel, over the last 15 years had supported the formation of more than 500 rural enterprises in agriculture, poultry, livestock and community entrepreneurship. It continued to work untiringly towards furthering empowerment by facilitating the formation of around 200 women SHGs every year, who were encouraged to venture in to income generating activities. Tata Steel also held regular competitions for identifying women leaders who could be role models through its programme 'Tejaswini'.

### **1.6.1 Activities for CSR Expenditure in which microfinance can play an important role:**

**Schedule VII** mandates expenditure on besides other activities, also on the following activity-

- 1) Promoting employment enhancing vocation skills especially among women, elderly, and the differently abled and livelihood enhancement projects,
- 2) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward,

As per the new CSR regulations, the banking and financial services sector will contribute approximately 2000 crores into the development sector. The companies can now channelize CSR capital towards making India more financially inclusive. The sector also presents a chance for companies to offer a wide portfolio of innovative products to cater the underserved, and thereby explore opportunities to Create Shared Value.

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## **1.7 GOVERNMENTS IN ACTION AND PARTNERSHIPS**

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Historically, governments have used credit schemes as a way to transfer resources to specific target populations. The negative impact of most of these schemes has led many donors and experts to advocate for national governments to disengage from microfinance. This approach has not always produced the desired effect since some government programmes still undermine microfinance markets.

However, there is increasing clarity that governments do have a constructive role in building financial systems that work for the poor. Experienced donors can support governments to focus on developing sound policy frameworks and encouraging vibrant and competitive microfinance, rather than directly providing financial services.

### 1.7.1 How can governments support an inclusive financial sector?

Governments (at both national and local levels) can create a legal and regulatory environment that encourages market entry and competition in microfinance. To do this, finance ministries, central banks, and other government bodies should recognize microfinance as a legitimate financial activity within the financial system, rather than a marginal sector or a resource transfer mechanism.

- The most important contribution governments can make to microfinance is to maintain macroeconomic stability through appropriate monetary and fiscal policies. In the 1990s, volatile inflation in Lao PDR often reached three digits. The resulting need for frequent price changes disrupted microfinance institutions (MFIs) and confused their clients.
- Governments can involve the private sector in formulating poverty reduction strategies, and explicitly recognize its leading role in financial sector development, including microfinance. The active participation of the private sector should help to embed microfinance firmly within financial systems, with private and non governmental actors taking the lead (as opposed to government bodies, such as ministries of agriculture and health, and local authorities).
- If and when needed, governments should adjust regulatory frameworks to permit all types of financial institutions to offer services to poor people. Premature or restrictive regulations can stifle innovation. For example, the “Loi PARMEC” in francophone West Africa favours the cooperative model, to the detriment of others. This limits poor people’s choices and access to services. The introduction of prudential regulation is generally only warranted when a critical mass exists of institutions that are strong enough to obtain licenses to mobilize deposits from the public.
- Governments should invest in a supervisory capacity. In many developing countries, bank supervision capacity is limited. There is no point in licensing institutions that cannot be effectively supervised.

### 1.7.2 What kinds of government interventions harm the development of microfinance?

- **Interest rate ceilings.** Interest rate ceilings undermine the ability of MFIs to cover their costs. They generally hurt the poor by making it hard for new MFIs to emerge and for existing ones to stay in business. Faced with interest rate ceilings, MFIs often withdraw from markets, grow more slowly, become less transparent about total loan costs, and/or reduce their work in rural and other costly markets.

- ***Provision of credit at the retail level.*** Governments (including local authorities, development funds, line ministries, and other public institutions) should not be directly involved in credit delivery or the management of microfinance initiatives. Government ministries and project management units usually lack the technical skills and political independence needed to manage microcredit programmes.
- ***Subsidized lending programmes.*** Subsidized lending is usually associated with high default levels. It absorbs scarce public resources that need constant replenishment. It distorts markets, hampering the development of sustainable lenders, and can encourage rent-seeking behavior. In the 1980s, the Indian government introduced several subsidized targeted lending programmes including the Integrated Rural Development Program (IRDP). Studies show that IRDP has a loan recovery rate of 10–55 per cent and has tended to benefit better off segments of the rural population, rather than poorer groups.
- ***Political interference.*** Government interference in governance or management of private institutions can threaten their sustainable development. Such interference can force managers to lend to unfit clients or lower interest rates, ultimately decreasing the number of poor who access services.

### 1.7.3 How can donors support governments to play a constructive role?

Donors can help governments at both national and local levels facilitate the emergence of a strong pro-poor financial system and avoid actions that restrict private sector-led initiatives.

- ***Collaborate according to respective strengths.*** Effective policy work requires donor agencies that have a mix of experience and skills. Deep technical skills in finance, hands-on experience supporting retail level institutions, and the ability to truly influence governments are all key. Only donors who have these characteristics should work at the policy level. Few donors do. Donors should leverage each other's strengths when designing programmes in this area.
- ***Provide technical inputs to poverty reduction strategy papers (PRSPs)*** that advance pro poor financial sector development, for example, supporting better policies and encouraging governments to withdraw from direct financial services delivery.
- ***Foster strong networks*** and empower other local stakeholders capable of engaging with governments in policy dialogue. In Mali, GTZ, USAID, and the World Bank promoted the emergence of an association of MFIs, APIM, that serves as a conduit for MFIs to contribute to the formulation of national policies.
- ***Support interest rate liberalization.*** Donors can provide information on the rationale for microcredit interest rates that cover costs and document the adverse effects of interest rate ceilings on poor people.
- ***Where circumstances call for it, provide technical support to help governments adjust the regulatory and supervisory framework.*** For instance, donors can build capacity of key government staff in ministries of

finance and central banks. Donors can also showcase examples of successful regulatory and supervisory frameworks, both related to the content and process of reform.

- ***Invest in public retail lenders and apexes only*** when they are independent from government and demonstrate a clear capacity and commitment to perform sustainably. Donors should exercise caution about funding apex institutions. They should analyze whether a critical mass of viable MFIs exists, and avoid creating disbursement pressure that compromises quality standards.

### Activity 2

Visit any nearest microfinance institution and write one case study on how microcredit has contributed to the lives of the poor.

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### Check Your Progress - 2

**Notes:** a) Write your answers in about 50-100 words.

b) Check your answer with possible answers given at the end of the unit.

- 1) How have microfinance institutions helped in training their clients?

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- 2) How can donors support governments to play a constructive role?

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## 1.8 LET US SUM UP

In this unit you have read about the microfinance landscape across countries. You have also read how microfinance impacts the lives of the poor. Microfinance

has helped in including the excluded section of the society in the development process. We have also discussed role of microfinance insitutions in various thrust areas like capacity building, livelihood promotion, preventive healthcare, education, water and sanitation etc. Role of government support in inclusive financial sector as well as the role of CSR in microfinance has also been discussed.

## 1.9 KEYWORDS

- Microfinance** : Microfinance is the provision of financial services to low-income clients, including consumers and the self employed, who traditionally lack access to banking and related services.
- Financial Inclusion** : It is defined as the availability and equality of opportunities to access financial services. It refers to a process by which individuals and businesses can access appropriate, affordable, and timely financial products and services.
- Microcredit** : It provides small loans to micro entrepreneurs to invest in their businesses, reinvest the returns and allow them to grow out of poverty.
- Microsaving** : It aims to provide accessible and safe avenues to save, either for future investments or as a precaution against economic shocks.
- Microinsurance** : Microinsurance products are designed to mitigate different types of risks, such as agricultural or health risks.

## 1.10 ABBREVIATIONS

ATM	:	Automatic Teller Machine
BALCO	:	Bharath Aluminium Company
BC	:	Business Correspondent / Banking Correspondent
BF	:	Business Facilitators
BPL	:	Below Poverty Line
BSE	:	Bombay Stock Exchange
CSR	:	Corporate Social Responsibility
HUL	:	Hindustan Unilever Limited
ICICI	:	Industrial Credit and Investment Corporation of India
IDFC	:	Infrastructure Development Finance Company
IFC	:	International Finance Corporation
IGA	:	Income Generating Activities
ITC	:	Indian Tobacco Company
MFI	:	Micro Finance Institutions
MFIN	:	Micro Finance Institutions Network



MIV	:	Microfinance Investment Vehicle
MIX	:	Microfinance Information Exchange
NABARD	:	National Bank for Agriculture and Rural Development
NASSCOM	:	National Association of Software and Services Companies
NBFC	:	Non-Banking Finance Company
NGOs	:	Non-Government Organizations
NISM		National Institute of Securities Markets
NSDC	:	National Skill Development Corporation
NSE	:	National Stock Exchange
PSL	:	Priority Sector Lending
RBI	:	Reserve Bank of India
RIL	:	Reliance Industries Limited
SAIL	:	Steel Authority of India Limited
SEBI	:	Securities and Exchange Board of India
SFB	:	Small Finance Bank
SHG	:	Self-Help Group
SIDBI	:	Small Industries Development Bank of India
SWOT	:	Strength Weakness Opportunities Threats
U-DeC	:	Uttaranchal Infrastructure Development Company
UNIDO	:	United Nations Industrial Development Organization
UPMA	:	Uttar Pradesh Microfinance Association
VAL	:	Vedanta Aluminium Limited
CII	:	Confederation of Indian Industry
SDG	:	Sustainable Development Goals

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## 1.12 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** Microfinance can be divided into three broad categories: microcredit, microsavings and microinsurance. Microsavings products aim to provide accessible and safe avenues to save, either for future investments or as a precaution against economic shocks. Microsavings products can include simple no frills bank accounts, as well as commitment-based products that encourage deposits or limit withdrawal in order to help savers reach their savings goals.

**Answer 2:** For one thing, women are ambitious, for themselves and for their families. As they lift themselves out of poverty, they carry their families to a better life. Once they get a leg up, women are more likely to spend their earnings on medical care and education for their children. Women who provide for themselves and their families are empowered. They have more choices and influence in bargaining. They have a greater sense of self-worth and increased confidence in their abilities. Women who succeed economically also believe in their right to make decisions about their own lives.

**Answer 1:** Several MFIs are involved in **training** of their clients. For example, Grameen Development & Finance Pvt. Ltd. provides training on rice intensification and piggery while Kotalipara Development Society provides training in goat and duck rearing. Aparajita Mahila Sakh Sahkari Sanstha Maryadit runs training programs on computers, accounting, banking, etc.

**Answer 2:** Donors can help governments at both national and local levels in the following ways:-

- Collaborate according to respective strengths
- Provide technical inputs to poverty reduction strategy papers (PRSPs)
- Foster strong networks
- Support interest rate liberalization
- Where circumstances call for it, provide technical support to help governments adjust the regulatory and supervisory framework
- Invest in public retail lenders and apexes only

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## **UNIT 2 ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION**

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### **Structure**

- 2.1 Introduction
- 2.2 CSR and Environment Protection
- 2.3 Initiatives by Private Companies
- 2.4 Initiatives by Government Organizations
- 2.5 Issues Faced in Implementing CSR in the Domain of Environment Protection
- 2.6 Let Us Sum Up
- 2.7 Keywords
- 2.8 Bibliography and Selected Readings
- 2.9 Check Your Progress – Possible Answers

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### **2.1 INTRODUCTION**

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Growing awareness about the need for environmental sustainability has motivated organizations to take measures for community service through environment protection. From the eco-social perspective, corporate social responsibility is both significant and a strategy to achieve business sustainability. The new generation of corporates value optimization of profit more than profit maximization. Hence, there is a perceptible shift from accountability to shareholders to accountability to all stakeholders in order to ensure long term success and business sustainability. One of the criteria to check sustainability of business is environmental stewardship in which the efforts are made to connect people with nature either through direct participation or through indirect involvement.

After the introduction of the Companies Act 2013, the spending on corporate social responsibility (CSR) is made compulsory. The companies in India and the world have started incorporating CSR practices in their operations. The actions directed towards environment protection are mostly taken up by various organizations as a part of their CSR agenda. The actions got a boost with coming up of World Conservation Strategy in 1980 which aimed at creating more stable economy to promote growth, removing inequalities and addressing poverty. Likewise, in 1992, at the UN Earth Summit, the ‘triple bottom line’ business model was put forward with an objective of bringing sustainable development for companies and businesses.

There are serious consequences of overexploitation of natural resources by mankind. The deforestation, unplanned development and pollution have deteriorated the environmental conditions and created inequalities in society. Further, it is believed that corporations are mainly responsible for unsustainable development and environmental degradation. In view of this, it is demanded that corporations must address their improper actions and undertake corporate social responsibility initiatives according to the environmental needs.

In the current unit, you will learn more about CSR practices in the field of environment conservation. You will also be introduced to the various initiatives which have been taken up by both government and private sector in this area.

After reading this unit, you will be able to:

- List the CSR activities done by government and private organizations in the area of environment protection.
- Explain the issues related to CSR implementation in the area of environment protection.

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## **2.2 CSR AND ENVIRONMENT PROTECTION**

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There are ten major areas of CSR activities which have been listed by Ministry of Corporate Affairs. Out of these, item sixth (vi) refers to activities related to environmental sustainability which includes ‘ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water’. These interrelated and complementary areas are critical in maintaining the balance of nature.

Let us know what is meant by environmental sustainability. In simple words, environmental sustainability means maintaining the integrity of environment and its components so that the goods and services provided by nature remain intact. Everything which is done to protect the environment comes under environmental sustainability but still there are no set guidelines or measures to implement them.

You must know that the dimensions of environmental sustainability differ from place to place and time to time. Hence, when CSR is undertaken in the area of environment protection, it is important to check whether the problem is relevant to that place and is consistent in terms of its scope. Therefore, identification of CSR issues is of utmost importance. As of now, issues such as climate change, clean energy, regeneration of water bodies, afforestation, etc., are most common in which the CSR activities are undertaken. These activities are not just meant to protect the environment but are also instrumental in making people aware about these issues and helping them devise their own solutions. Environmental sustainability helps to maintain the harmony among different segments such as nature, people, communities and society.

### **2.2.1 Specific CSR activities in environment protection**

A decade ago, the most common CSR activity with a focus on the environment was planting trees. Indian companies today are instead focusing on initiatives which have a long term impact, such as installing solar powered lighting systems, setting up sewage treatment plants, setting up rain water harvesting projects, etc.

Below, the broad areas covered under CSR initiatives in environmental sustainability are discussed for your better understanding.

#### **1) Ecological Balance**

Ecological balance refers to maintaining a state of balance between various components of environment and organisms. Afforestation programmes,

participating in van mahotsava, distributing saplings on important occasions, promoting eco-tourism, etc are some of the common activities done by companies and organizations.

## **2) Protection of Flora and Fauna**

Flora refers to plants present in a given region whereas fauna is different forms of animal life. The variety and variability among the flora and fauna is known as biodiversity. Due to several natural and man made causes, the existence of diverse plants and animals is in danger. Specific activities pertaining to the protection of these organisms and their habitat constitutes an important area of CSR. Some of these include providing tree guards and habitat conservation.

## **3) Animal Welfare**

Animal welfare refers to maintaining the physical and mental health of animals by preventing diseases, providing proper veterinary treatment, proper food and shelter, etc. Thus, the activities such as constructing shelter houses, providing ambulance services for diseases and distraught animals, birth control and immunization of stray animals, relief to animals during natural calamities etc. can be undertaken under this broad activity.

## **4) Agroforestry**

Agroforestry is a land use system which integrates trees and shrubs on farmlands and rural site to improve productivity, promote diversity and ecosystem sustainability. Agroforestry provides opportunity for employment and income generation and offers food and fodder, timber, fuel wood and various other natural resources to local population. CSR activities help the people to improve their capacity in rejuvenating their lands and improve the production.

## **5) Conservation of Natural Resources**

Natural resources are those resources which are obtained from nature and are of utility to human beings. The resources can be conserved by strengthening institutions and policies for natural resource conservation, raising awareness on the importance of natural resources and its conservation, developing technologies for natural resource conservation and promoting sustainable practices at various levels. As a part of CSR, companies promote renewable sources of energy like solar energy, wind energy and also conduct programmes on energy conservation.

## **6) Maintaining Quality of Air, Water and Soil**

Maintenance of environmental quality is pre requisite for improving the quality of life for the people. In view of this, the quality of air that we breathe, the quality of water, all are of prime importance. Organizing green marathons, river cleaning activities, etc. are some of the common activities organized by companies as a part of their CSR agenda.

### Activity 1

Visit any CSR programme on environment protection or biodiversity conservation being implemented in area of your vicinity. Discuss its focus and possible impacts.

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### Check Your Progress -1

**Note:** a) Use spaces given below to note your answers.

b) Check your answer with those given at the end of this unit.

- 1) Define environmental sustainability.

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- 2) List the main CSR activities which can be undertaken in the area of environment protection.

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## 2.3 INITIATIVES BY PRIVATE COMPANIES

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CSR initiatives intended towards the protection of the environment by the private sector include green initiatives such as tree plantation drives to promote afforestation, efforts to conserve water, management and disposal of waste responsibly, and so on and so forth. CSR initiatives are implemented by companies, usually in partnership with non-governmental organizations (NGOs) who are well versed with working with local communities and have knowledge about local conditions and are able to tackle specific social issues of the region. By such activities, the companies have brought about significant changes in the area and many of the problems have been addressed. By means of their expertise, strategy and other resources, companies take up the CSR for the issue that they are passionate about. However, this practice has also been questioned on several

occasions. Rather, the companies should go for need assessment approach and a systematic approach must be adopted to identify the thrust areas.

Also, there are significant issues in green corporate social responsibility which need to be considered before moving ahead. For example, how to assess whether a company or organization is green, understanding the expectations of the people, changes needed to make the society green, and understanding the role of communications on portraying the overall image of an organization.

Despite the mandatory nature, CSR still remains a voluntary and philanthropic activity. Expending money and resources without proper planning and implementation is not what CSR is all about. A company has to pass through several stages of planning and after listing out all the details, the actual implementation can begin. The basic idea is that through CSR companies are giving back to the society, some giving back to the employees and some are doing both.

CSR activities related to environment protection of some of the companies are described below:

### **1) Reliance Industries Ltd.**

Reliance has invested in infrastructure related to water conservation and has constructed community halls, schools, and health centres at various places. Some of Reliance's initiatives to promote environment protection include investing in renewable energy sources, promoting green plantations and spreading environmental awareness.

### **2) Ambuja Cements Limited**

Ambuja Cement Foundation was established by Ambuja Cements Ltd. in 1993. As its cement plants are situated in the rural areas, the rural people are one of the stakeholders of the company and are key to the company's sustainability. Hence, the company realized the need to address the needs of the rural people. One of the community initiatives the company is actively involved in is natural resource management (NRM) which includes activities centered on conservation and management of water, land, energy and livestock.

In the state of Gujarat the rural communities are situated along the coastal belt in Junagadh and Amreli Districts. Due to over utilization and over exploitation of ground water over the years, these areas faced a serious salinity ingress problem. The rivers in this area were seasonal and the ponds that were fed by these rivers also dried up by the time winter arrived making the water problem even worse. To tackle these problems, ACF adopted innovative techniques like interlinking of water bodies, tidal regulators and rivers through link water channels. This technique proved to be effective in collecting the run-offs of the rivers and consequently increased the quantity of water being saved and stored. Ground water was recharged and the salinity levels of the underground water declined to improve the quality of water (KPMG, 2008).

### **3) Nestle**

Nestle Ltd. is known for undertaking CSR in the area of environmental sustainability through initiatives such as providing climate change leadership, reducing food wastage and preserving natural capital like forests, rivers, etc.



#### **4) Shoppers Stop**

Shoppers Stop has been practicing eco-friendly initiatives in the area of energy conservation by formulating an energy management policy. The store also strongly advocates the 3 R's (Reduce-Reuse-Recycle). It has also introduced 'Back to Earth' merchandise range in home products made of eco-friendly material, like cotton, bamboo, jute, etc.

#### **5) Colgate-Palmolive**

Colgate-Palmolive's long term sustainability strategy is focused on three areas: people, performance and planet. Colgate has programmes in place to promote oral health in communities, to reduce energy use and to increase energy efficiency.

#### **6) Gardens Galleria Mall**

If you have visited Gardens Galleria Mall in Noida, you will find mini gardens all over where you can rejuvenate and connect with nature at the same time. The concept in itself is an innovative approach and a world-class initiative. In support of the global initiative, Rally for Rivers launched by Isha Foundation, Gardens Galleria came forward by creating awareness among people about the issue. From broadcasting the informative videos on main screens of the mall to engaging people and educating them about the same are some of the noteworthy initiatives.

#### **7) Coca Cola**

The company has 320 rain water harvesting programmes implemented across 17 states in India, and it has also been successful in restoring water conservation programme. Moreover, it is also running the 'Elixir of Life' project that provides drinking water to children of primary and panchayat schools in and around Chennai.

#### **8) The Tata Group**

Tata group has more than 80 companies under their umbrella. The business of Tata varies from automobiles to steel and telecommunications to consumer goods. Tata group is spending on the National Horticulture Mission programme which is a joint project of the Tata group with the government of Jharkhand. This programme focuses on the non-conventional energy and the renewable energy. This particular project impacts more than 5000 lives (Singh et. al., 2016).

#### **9) Dainik Bhaskar Group**

Under the theme of "Animal welfare" Dainik Bhaskar Corp. Ltd. launched their 'Save Bird' campaign for the conservation of birds in the year 2000. Under this initiative, every year, the group aims at creating awareness in the society to save birds during summer season. Citizens are encouraged to keep bird baths (sakoras) or vessel at their homes and workplaces, filled with food grains and water. The group has also partnered with WWF India and Nature Forever Society for this campaign to improve sustainability of Save Bird Campaign.

Along with the examples cited above, companies like BMW, Infosys, Mahindra & Mahindra, etc., are also diverting their commitment towards environmental sustainability.

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## 2.4 INITIATIVES BY GOVERNMENT ORGANIZATIONS

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The Government of India initiated Corporate Responsibility for Environmental Protection (CREP) to set guidelines of non mandatory norms for 17 polluting industries. However, there is no real pressure for its implementation. The international CSR standards and guidelines include the ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, OECD Guidelines for Multinational Enterprises, UN Global Compact and The Universal Declaration of Human Rights.

As per the Companies Act, the Government has made it a point that it will not monitor the implementation but will leave it to the organizations to implement what is essential by the law. In case a company fails to meet the prescribed spend, it will have to report and provide explanation.

In the line of private companies, the government organizations, departments and institutions are also contributing their share in environment protection through CSR activities. The public sector delivers many services in the community and environment and has various regulatory roles which form a part of their policy interventions and do not come under the ambit of CSR. The public organizations are meant to provide service to the community depending upon the involved stakeholders. The very nature of public service reflects diverse aspects of social responsibility and through their activities they have to remain accountable and transparent towards the stakeholders. For example, Indian Railway Catering and Tourism Corporation Limited (IRCTC), has offered projects related to environment sustainability, sanitation and cleanliness, rain water harvesting, water recycling plants and solar panels among others under the corporate social responsibility (CSR). Construction of toilets, provision for solid waste management and supply of filtered drinking water are some of the activities which are also planned as CSR initiatives. Similarly, with respect to concern for biodiversity, BHEL has been carrying out afforestation activities such as mass tree plantation and development of green belts.

In order to influence its CSR initiatives through sustainable strategies, an organization must think out of the box and apart from its core clientele must also consider the impact on other sections of the society and surroundings. Such a kind of thought process will eventually result in sustained competitive advantage.

In a bid to invite corporate funds for its flagship schemes like the Swachh Bharat Mission and Clean Ganga initiatives the present government has announced that corporate spending in these schemes will be now counted as CSR spend. It has gone ahead to include 'Swachh Bharat Kosh' and 'Clean Ganga Fund' in the schedule VII of the Companies Act. Similarly, the Government is soon going to improve upon the procedures relating to CSR spending outlined in the Companies Act of 2013. Cleanliness, health and education are among the areas where CSR spending would make a lot of difference. Companies also complement the efforts of the government by spending on CSR related activities.

### **India Business and Biodiversity Initiative (IBBI)**

Confederation of Indian industries (CII) launched India Business and Biodiversity Initiative (IBBI) in 2012 to direct the business organizations for the sustainable management of biodiversity. It is because of the belief that businesses are the major stakeholders in conservation and sustainable use of biodiversity. A key aspect of the initiative focuses on capacity development of the member companies to come forward and incorporate biodiversity management into their operations. Since its launch, some 21 companies have so far joined the IBBI initiative. The Ministry of Environment, Forests and Climate Change has endorsed IBBI in its function as the national initiative for business and biodiversity. The Initiative has joined the Global Partnership for Business and Biodiversity established by the Convention on Biological Diversity Secretariat.

### **Case Study: ITC – Ravandoor Cascade Development**

Ravandoor tank cascade area is located in the southern district of Mysore (Karnataka) and comprises of 13 tanks and is a habitat for local and migratory aquatic birds. The farmers are dependent on various ecosystem services like water from the river and tanks for irrigation and fodder and timber wood from forest areas. However, continuous pressure on natural resources has caused disruptions in some of the available ecosystem services. Due to continuous siltation over the years, the water holding capacity of these tanks is considerably diminished, resulting in less storage of water. Through ITC's desiltation project, all tanks in the cascade were restored and the silt was applied on farmlands. ITC's interventions resulted in higher inflows into the tanks, and enhancement of water holding capacity of all tanks in the cascade, leading to year round availability of water.

Source: CII, 2016

### **CSR and Sustainable Development Goals**

Since the 17 SDGs provide defined targets of measurement and universal compatibility amongst nations, the overlapping nature of CSR activities and SDGs provide the perfect measure of activity outcome. India is one of the 193 countries that have signed the Declaration on 2030 Agenda for Sustainable Development on September 25, 2015. However, evaluation of CSR in terms of SDGs gives us an idea of an unequated expenditure on environment management which is one of the key elements of sustainable growth. Environmental sustainability gets the fourth position and amounts to about seven percent of the total CSR spending. Though environmental sustainability coincides with seven SDGs, yet it is not one of the top priorities of the industry when it comes to CSR spending. It is noticeable that companies wish to spend in education and health which can give quantifiable returns unlike environment which does not provide immediate gains.

(<http://www.csrmandate.org/the-holy-grail-of-csr-planet-people-and-profits/>)

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## 2.5 ISSUES FACED IN IMPLEMENTING CSR IN THE DOMAIN OF ENVIRONMENT PROTECTION

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Over the period, the domains of CSR practices have expanded and researchers and practitioners have largely agreed on economic, legal, ethical, philanthropic, and environmental domain. Environment is the domain which cuts across various theoretical models of CSR. Present day environmental issues need concerted efforts from all stakeholders and CSR can play a constructive role through series of interventions.

The non mandatory cap on CSR in India raises several debatable issues. We must think about the several loopholes which are there with the mandatory CSR. One of the biggest issues is the rise in 'green washing' and that it covers very small section of private sector. Another concern is to have a monitoring agency to look at the implementation of mandatory CSR. There are convincing arguments, therefore, that the mandatory CSR leads to a decline in private industries enterprises. The small and medium scale sectors are severely affected in such a scenario.

Further, CSR in the area of environment brings with it its own limitations. On one hand CSR activities related to less waste generation, energy conservation, etc. may provide quantifiable data which is easy to quote and understand but on the other hand, environment is actually 'beyond business' CSR because it does not provide immediate and measurable gains. However, long term gains of environment protection are well known. Externalities are always linked to CSR but environmental services are not always convertible into economic terms. The aesthetic, spiritual, and religious value is difficult to convert in economic terms.

The companies are arguing that it is their social responsibility to protect and care for the environment and human resources. Corporate Social Responsibility promotes companies to do right things, beyond legal requirement. The concept is based on the idea that not only public policy but companies, too, should take up social and environment issues. In more particular, CSR is seen as a concept in which companies voluntarily integrate social and environment concerns into their business while dealing with their stakeholders. The idea of being a socially responsible company means doing more than just complying with the law for the environment and for human well-being.

There is a lack of transparency in CSR activities in small organizations and the real changes brought about are difficult to monitor. The conflicting interests among the various stakeholders in case of environment protection are known and there is lack of consensus among the practitioners of CSR. The overlapping of activities and areas also creates confusion and therefore arriving at common agenda is a difficult task. The financial benefits must outweigh the costs in the long run in case of CSR. Hence, the mutual understanding on monitoring, certification and reporting for the credibility and reliability of CSR activities is very essential.

### Activity 2

Visit any CSR programme on environment protection or biodiversity conservation being implemented in area of your vicinity and discuss with the people working in the implementation of the programme about the issues and challenges faced by them in implementation of the programme. Write down the key points.

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### Check Your Progress -2

**Note:** a) Use spaces given below to note your answers.

b) Check your answer with those given at the end of this unit.

1) How are private organizations practicing CSR in environment protection?

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2) What are the challenges in undertaking CSR in environmental sustainability?

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## 2.6 LET US SUM UP

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In this unit, we have studied about the CSR activities undertaken in the area of environment protection. The degradation of environment is caused by several factors and therefore a diverse group of stakeholders are required to come together and work for a common goal. In this context, the role of business organizations becomes very important. However, practicing CSR must be need based and a voluntary initiative. In most of the cases, it is seen that the companies do not want to spend in areas which do not provide immediate gains. In this unit, examples of CSR initiatives taken up by several companies have also been described.

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## 2.7 KEYWORDS

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- Environmental sustainability** : This refers to the state of the environment where demands placed on nature do not exceed its ability to renew the resources.
- Green washing** : This is the practice of making a false or deceptive claim about the environmental benefits of any product or service which makes the company appear to be eco-friendly even when it is not so.
- Agroforestry** : Agroforestry is a land use management system in which trees or shrubs are grown around or among crops or pastureland.
- Natural Resources** : These are the resources that are found in the environment and are developed without the intervention of humans.

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## 2.8 BIBLIOGRAPHY AND SELECTED READINGS

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## 2.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress – 1

**Answer 1:** Environmental sustainability means maintaining the integrity of environment and its components so that the goods and services provided by nature remain intact. Everything which is done to protect the environment comes under environmental sustainability but still there are no set guidelines or measures to implement them.

**Answer 2:** The broad areas covered under CSR initiatives in environmental sustainability are:

- 1) Ecological balance
- 2) Protection of flora and fauna
- 3) Animal welfare

- 4) Agroforestry
- 5) Conservation of natural resources
- 6) Maintaining quality of air, water and soil

### Check Your Progress – 2

**Answer 1:** CSR initiatives intended to protect the environment by the private sector include green initiatives such as tree plantation drives to promote afforestation, efforts to conserve water, management and disposal of waste responsibly and so on and so forth. CSR initiatives are implemented by companies, usually in partnership with non government organizations (NGOs) who are well versed with working with local communities and have knowledge about local conditions and are able to tackle specific social issues of the region.

**Answer 2:** One of the biggest issues is the rise in ‘green washing’ and that it covers very small section of private sector. Another concern is to have a monitoring agency to look at the implementation of mandatory CSR. There are convincing arguments, therefore, that the mandatory CSR leads to a decline in private industries enterprises. Also, there is a lack of transparency in CSR activities in small organizations and the real changes brought about are difficult to monitor. The conflicting interests among the various stakeholders in the case of environmental protection are known and there is lack of consensus among the practitioners of CSR. The overlapping of activities and areas also creates confusion and therefore arriving at common agenda is a difficult task.

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## UNIT 3 EDUCATION AND SKILL DEVELOPMENT

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### Structure

- 3.1 Introduction
- 3.2 Literacy and Skill Status in India
- 3.3 Effects of Illiteracy and Lack of Skills
- 3.4 Government Programmes for Education and Skill Development
- 3.5 Role of CSR in Promoting Education and Skill Development
- 3.6 Case Studies of CSR Initiatives in Education and Skill Development
- 3.7 Let Us Sum Up
- 3.8 Keywords
- 3.9 Bibliography and Selected Readings
- 3.10 Check Your Progress – Possible Answers

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### 3.1 INTRODUCTION

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Globalization and advancement of information technology has brought about several structural changes in the Indian economy. To keep pace with such changes, education and skill development are important. India has more than 50 percent of its population below the age of 25 and more than 65 percent of its population below the age of 35. Young population is considered to be one of the most important assets for economic growth. As the working population of India grows at a fast pace, it is important that this increasing workforce is equipped with knowledge and skill so that the country can harness its human capital potential. India has entered a phase of demographic dividend since 2018 where its working age population of 15 to 64 years is more than the dependent population of children below 14 years and adult above 65 years. However, just this shift in population structure alone cannot help India to reap the benefits of demographic dividend. According to UNFPA, countries can only harness the economic potential of the youth bulge if they are able to provide good health, quality education and decent employment to its entire population.

In this unit you will read about the role of CSR in imparting education and skill development in India. After reading this unit you will be able to:

- Explain the current literacy and skill status in India
- Discuss the impacts of illiteracy and lack of skills on human lives
- Discuss various government programmes for education and skill development
- Explain the role of CSR in promoting education and skill development



## 3.2 LITERACY AND SKILL STATUS IN INDIA

### 3.2.1 Literacy Status in India

The literacy level is one of the basic indicators of the level of development of a society. In this section we will look into the status of literacy in India as a whole and in different states of the country. With literacy are associated the signs of modernization like industrialization, communication, urbanization, trade, etc. Literacy also enhances the capabilities of individuals and communities in terms of health, education and access to opportunities for a better life. In India, literacy as defined by census is the ability to read and write any one language. Going by this definition, the literacy rate in India has increased from 34.5% in 1971 to 74% in 2011. The corresponding figures for males and females during the year 2011 are 82.14% and 65.46%, respectively. However, India is still far from achieving the goal of universal literacy. Besides, there is a lot of interstate variation ranging from a low of 63.8% in Bihar to as high as 93.9% in Kerala. Female literacy in India is also very low (60%). A very positive development has been the decline in the male-female gap in literacy from 21.59% in 2001 to 16.68% in 2011.

**Table 1: Literacy rates in India (1961 to 2011)**

Census Year	Persons	Male	Female	Male-Female Gap in Literacy Rates
1951	18.33	27.16	8.86	18.30
1961	28.3	40.4	15.35	25.05
1971	34.45	45.96	21.97	23.98
1981	43.57	56.38	29.76	26.62
1991	52.21	64.13	39.29	24.84
2001	64.83	75.26	53.67	21.59
2011	74.04	82.14	65.46	16.68

In terms of the total literacy rates, Kerala ranks first with a literacy rate of 93.91% followed by Lakshadweep (92.28%) and Mizoram (91.58%). Among the states at the bottom of the ladder, Bihar ranks last with a literacy rate of 63.82%, preceded by Arunachal Pradesh (66.95%) and Rajasthan (67.06%). Kerala tops the ranks in female literacy with 91.98%. Rajasthan with 52.66% is last which is preceded by Bihar (53.33%). Lakshadweep (96.11%) tops the list in terms of male literacy and Kerala (96.02) ranks second. Bihar (73.39%) ranks last in male literacy preceded by Arunachal Pradesh (73.69%).

### 3.2.2 Skill Status in India

As already discussed, India is one of the youngest nations in the world with 54% of the population below 25 years of age and hence is in a state of leveraging the benefits of demographic dividend provided India's growing young workforce acquire the market-relevant skills needed in today's highly competitive job market. Livelihood opportunities are affected by supply and demand side issues. On the supply side, India is not able to create enough job opportunities for the

people, and on demand side, we fail to equip the workforce with needed skill set. Skill is defined as the ability to carry out tasks and duties of a given job for which the person earns remuneration. Nationally, only 1.8% of the population reported receiving formal vocational/technical training in 2017; 18.5.6% reported receiving informal vocational training (such as hereditary, self-learning, and on-the-job training). This means 93% of the population did not receive any vocational/technical training from either formal or informal sources (Anand and Thampi, 2019). Another challenge that the country faces is of poorly trained workers in the informal sector which incidentally is the largest employment generator in the country. Most of the skill is learnt informally by observation, self-taught or taught by some master craftsman. The proportion of formally skilled workers in India is extremely low, at 4.69% of total workforce, compared to 24% in China, 52% in the US, 68% in the UK, 75% in Germany, 80% in Japan and 96% in South Korea (Shukla et. al., 2019). This mismatch between the supply and demand of trained workers is leading to a situation in which employers are not able to get trained people and the job seekers are not able to get the kind of job they desire. According to the latest India Skill Report (2019), only 45.6% of the youth graduating from educational institutions are employable.

According to the study conducted by (Shukla et. al., 2019), the skill levels can be classified into four types as summarized in the table below.

**Table 2: Types of Skill Levels**

Skill Level	Definition	Examples
1	Skills involving simple and routine physical or manual tasks	Hawker, street vendor, gardner, cook, household servant, construction worker, mason etc.
2	Skills involving operation of machinery and electronic equipment.	Plumber, electrician, artisan, barber, mechanic, tailor etc.
3	Skills involving written records of work, simple calculations, good personal communication skills in specialized fields	Clerical, supervisory level etc.
4	Skills involving decision making and creativity based on theoretical and factual knowledge	Doctor, lawyer, chartered accountant, engineer, architect, scientist, actor, author etc.

According to the study, around 56% of the labour force is dominated by those classified under level 2 skills and 30% by those classified under level 1. Nearly 11% can be classified under skill level 3 and a very few, i.e., only around 3% are classified as those possessing level 1 skills. Table 2 clearly shows that there is a very high level of correlation between education and skill level. The higher the education, higher the skill level. There is an urgent need to re-qualify and re-specialize the labour force with adequate skills so as to make them able to compete in this fast-changing globalised job market.

### 3.3 EFFECTS OF ILLITERACY AND LACK OF SKILLS

The impacts of illiteracy are inter-generational. The educational capital of the household is essential to a child's physical and social development. Such development is unquestionably limited among children whose parents have not acquired basic reading and writing skills, or have lost them through disuse (Martinez and Fernandez, 2010). Adult illiteracy also increases socio-economic vulnerability. Illiterate people face several difficulties. On a personal level, they face difficulties with social inclusion, work issues and high rates of diseases; at family level, they face problems related to child nutrition, hygiene, health and schooling and at societal level they face lower productivity and higher health care costs. People with lack of formal schooling also face serious employability related issues. Illiterate people are less aware of their rights and duties and hence end up accepting precarious and low quality employment.

The impact of adult illiteracy can be divided into the following categories:

- 1) **Health:** Illiteracy limits a person's ability to understand and absorb the knowledge related to self care. The inability to comprehend such messages has a negative impact on household health, hygiene and nutrition.
- 2) **Education:** Illiterate parents tend to have little expectations and aspirations for themselves and their children. Children of parents who have not attended school or failed to complete primary education tend to do the same. Parent's schooling also has a close correlation with a child's academic performance and behaviour.
- 3) **Economic:** Literacy and schooling are believed to have a significant impact on individual's income. People who have not completed primary education are less likely to get good jobs or avoid poverty.
- 4) **Social Integration and Cohesion:** In terms of social integration and cohesion, illiterate persons are often denied the social recognition they deserve, and suffer from low self-esteem, display little autonomy and possess little ability for critical thinking (UNESCO, 2006). Illiterate people have less opportunities to be aware of and to make use of individual rights or participate in attainment of collective rights.

#### Activity 1

Discuss with your friends/colleagues regarding various skill sets that would help in better employment of youth in your district. Write down the suggestions given.

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### Check Your Progress -1

**Note:** a) Use the space given below to note your answers.

b) Check your answer with those given at the end of this unit.

- 1) Explain the different skill levels.

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- 2) What are the effects of illiteracy on human lives?

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## 3.4 GOVERNMENT PROGRAMMES FOR EDUCATION AND SKILL DEVELOPMENT

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### 3.4.1 Education

There are several programmes started by the Government of India in order to achieve universalization of elementary education. The National Policy on Education was first promulgated in 1968 with the objective of promoting education among the people. A new policy was then developed in 1986 which was later revised in 1992. In 2019, the Ministry of Human Resource Development released a Draft New Education Policy, 2019. In line with the principles of National Education Policy, the government has come up with various schemes from time to time to ensure equitable education for all. For more details, you can click on the link provided.

- 1) **Samagra Shiksha:** It was introduced in the Union Budget, 2018-19 with the aim to treat school education holistically without segmentation from pre-nursery to Class 12. Samagra Shiksha aimed to extend school education from pre-school to class 12 so as to improve school effectiveness measured in terms of equal opportunities for schooling and equitable learning outcomes. It subsumes the three schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE) (<http://samagra.mhrd.gov.in/>).
- 2) **Right to Education:** According to the Right of Children to Free and Compulsory Education (RTE) Act, 2009, every child has a right to full time elementary education of satisfactory and equitable quality in a formal school

which satisfies certain essential norms and standards. ‘Compulsory education’ casts an obligation on the appropriate government and local authorities to provide and ensure admission, attendance and completion of elementary education by all children in the 6-14 age group (<https://mhrd.gov.in/rte>)

- 3) **Mid-Day Meal Scheme:** The National Programme of Nutritional Support to Primary Education (NP-NSPE) was launched on 15<sup>th</sup> August 1995 with a view to enhancing enrolment, retention and attendance and simultaneously improving nutritional levels among children. In 2001, it became a cooked Mid-Day Meal Scheme under which every child in every Government and Government aided primary school was to be served a prepared Mid-Day Meal with a minimum content of 300 calories of energy and 8-12 gram protein per day for a minimum of 200 days. In 2002, the Scheme was further extended to cover not only children studying in Government, Government aided and local body schools, Education Guarantee Scheme (EGS) and Alternative & Innovative Education (AIE) centres. (<https://mhrd.gov.in/mid-day-meal>)
- 4) **Scheme to Provide Quality Education in Madrasas:** SPQEM seeks to bring about qualitative improvement in Madrasas to enable Muslim children attain standards of the national education system in formal education subjects. (<https://mhrd.gov.in/spqem>)
- 5) **Scheme for Infrastructural Development in Minority Institutions:** In order to enhance quality of education to minority children, IDMI was operationalised to augment infrastructure in private aided/unaided minority schools/institutions.
- 6) **Sakshar Bharat:** This programme was formulated in 2009 with the objective of achieving 80% literacy level at national level. It aims to reduce the gap between male and female literacy to not more than 10 percentage points by focusing on adult women literacy. The principal target of the programme is to impart functional literacy to 70 million non-literate adults in the age group of 15 years and beyond. ([https://mhrd.gov.in/saakshar\\_bharat](https://mhrd.gov.in/saakshar_bharat))

### 3.4.2 Skill Development

Skill development is a critical factor for employability. A very small percentage of fresh graduates are considered employable and majority of them lack the skills required to be hired by corporates. In order to enhance the employability of the workforce, Government of India has taken several initiatives for skill development. For more details, you can click on the links provided.

- 1) **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** PMKVY is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this scheme is to enable the youth to take up industry relevant skill training that will help them in securing a better livelihood. Individuals with prior learning experience or skills will also be assessed and certified under Recognition of Prior Learning (RPL). Under this Scheme, training and assessment fees are completely paid by the Government. (<https://www.msde.gov.in/pmkvy.html>)

- 2) **Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP):** SANKALP was launched on 19<sup>th</sup> January, 2018. SANKALP aims to address the ongoing challenges like bringing about convergence, infusing quality in skill development programmes and making them market relevant and accessible while ensuring private participation in the context of short-term training. (<https://www.msde.gov.in/assets/images/sankalp/note.pdf>).
- 3) **UDAAN:** Udaan is a Special Industry Initiative for Jammu & Kashmir implemented by National Skill Development Corporation. It is based on partnership between the corporates of India and the Ministry of Home Affairs and aims to provide skills training and enhance the employability of unemployed youth of J&K. The scheme covers graduates, post graduates and engineering diploma holders. It has two objectives:
  - i) To provide an exposure to the unemployed graduates to the best of corporate India;
  - ii) To provide corporate India, an exposure to the rich talent pool available in the state. (<https://www.msde.gov.in/udaan.html>).
- 4) **Vocationalization of Higher Education:** In order to bridge the industry academia gap – NSDC (National Skill Development Corporation), this scheme was developed to integrate skill-based trainings into the academic cycle of the Universities. These are based on National Occupational Standards set by industry through sector skill councils. (<https://www.msde.gov.in/higher-education.html>)
- 5) **Sub-Mission on Polytechnics under the Coordinated Action for Skill Development 2015-16:** The schemes under this sub-mission are:
  - i) Setting up of new polytechnics in unserved and underserved districts
  - ii) Scheme of community development through polytechnics
  - iii) Central assistance for construction of women's hostel in selected polytechnics
  - iv) Central assistance for upgradation of selected polytechnics
  - v) Scheme for integrating persons with disabilities in the mainstream of technical and vocational education.

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## 3.5 ROLE OF CSR IN PROMOTING EDUCATION AND SKILL DEVELOPMENT

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Education and skill development are fast emerging as preferred choices for CSR initiatives in India.

### 3.5.1 Role of CSR in Promoting Education

Education is the backbone of any developed economy. In spite of the Right Education Act passed in 2009, which envisages free and compulsory education for children, many children are still deprived of education and forced into child labour. Most of the government schools lack basic amenities, adequate infrastructure, adequate teachers, effective teaching aids and efficient school

management, etc. Also, the drop out rates are high especially among girls. The governments are constrained with resources to tackle these issues and hence the involvement of corporate sector is important to complement the efforts of the government. In India, CSR in education mostly involves steps towards construction of school building, scholarships for underprivileged children, sponsorships of teaching aids, books, uniform, bags etc. awareness creation, transport facilities, teacher's training and providing other related infrastructure.

Other CSR practices for the education sector that are increasingly gaining popularity among specific industries include the promotion of computer illiteracy, establishment of gender equity by targeting girls from economically disadvantaged families for quality education, provision of toilets and maintenance of a clean and hygienic school environment, customization of programmes designed to provide educational support to children with disabilities, provision of nourishment to students, psychological support to underprivileged students by providing motivational talks on leadership development, personality development, establishment of training institute for teachers, libraries for rural school education of slum children and night schools for uneducated adults for empowerment of illiterate public in surrounding villages, tribal areas (Deshmukh, 2017).

Awareness creation is one of the important ways in which CSR initiatives can spread awareness about the importance of education. Companies can provide their active support to the public education system through providing support in development of curriculum and study materials, teacher's training, academic monitoring of school, etc.

With the increased virtualization of education, opens up huge potential for CSR initiatives to use the potential of digital India to spread education to the huge, diverse population of the country. Teacher's can be trained in the use of computers to impart education to students across the country. Several companies can also come together to make available to the students in the remote areas the needed infrastructure and training to be able to reap the benefits of digital India.

There are three models prevailing in the country wherein corporates can carry out their CSR activities in the field of education. They can own the programme, be a fund provider for an educational programme or be an implementation partner.

- 1) Corporates can initiate, conceptualize and implement an educational programme on their own through their foundations.
- 2) Corporate can provide support, either financial or material, to development initiatives in education run by NGOs, Government Institutions or partner with other corporate.
- 3) Corporates can help in designing and implementing development initiatives of third party entities like government or other corporates.

### **3.5.2 CSR and Skill Development**

CSR by corporates has a crucial role to play in accomplishing national agenda for skilling India. There are several ways in which skill development can be supported through CSR initiatives of the corporate.

- 1) By funding the training of socially and economically disadvantaged, underprivileged and differently abled by establishing their own foundations or funding training organized by other organizations or NGOs.
- 2) Corporates can either set up new institutions or modernise the existing ITIs or vocational training institutes with latest tools and technologies, software, support services, knowledge transfer, finances or infrastructure.
- 3) In order to enable livelihoods in rural areas, corporates can facilitate microfinance so as to supplement training and skill development. Corporates can also support programmes involving vocational trainings in schools.
- 4) Corporates can sponsor professional counselling for mobilizing people to enrol for skill development courses. Corporates can also provide funding for capacity development and meeting the requirement of qualified human resources to manage their projects effectively.
- 5) Encourage startups, self help groups and micro enterprises through seed funding, mentoring and incubation support. Besides sharing knowledge and best practices, corporates can sponsor projects that have demonstrated high impact through innovative models and technology-enabled initiatives in skill development and vocational education. They can also support entrepreneurs who are working on initiatives to support work-integrated training through entry level skilling and upskilling. Specific skills intervention for self help groups could increase their efficiency and outcomes. Innovative ideas that could help scale at the village level could be supported through the incubation phase and also mentor support be provided (Chenoy, 2016)

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### 3.6 CASE STUDIES OF CSR INITIATIVES IN EDUCATION AND SKILL DEVELOPMENT

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#### 3.6.1 CSR Initiatives of Corporates in Education

##### 1) Promotion of education in Jharkhand and Orissa by Tata Steel Limited

The project aims at increasing access of children to school by improving the quality of education in government schools in these states. Tata Steel operates two all girls schools at Pipla and Noamundi and an all boys school (Masti Ki Pathshala) at Jamshedpur. In order to reintegrate the out of school children into the formal education system, residential bridge courses are provided by these schools. Also, to provide quality education to 30 educationally backward blocks in Orissa, Tata Steel entered into a MOU with the government of Orissa to construct 30 model schools.

**Impact:** By the end of FY 2017-18, the initiative has benefited 2 lakh children in 2800 habitations in Orissa and Jharkhand. 1165 habitations are now free of child labour. There has also been quality improvement in the functioning of the schools in Orissa with attendance going upto 90 percent in some of the schools, regular PTA meetings, good quality mid day meals, school projects, children's festivals, active libraries etc. Overall there has been an improved learning environment due to better infrastructure for 5000 children in 9 model schools.



## 2) Project Catch Them Young with Road Safety Clubs (RSC) by Hero MotoCorp Limited

In order to sensitize students about road safety, the company has created road safety clubs in 1150 schools across India by the end of FY 2017-18. The company also supports 2200 Student Police Cadets who propagate road safety message and help in overall personality development and inspire their peers to be conscious and responsible citizens. The mobile safety vans of the company support the road-safety awareness activities of the clubs as well as the SPCs.

**Impact:** i) The project has been successful in creating RCS in 1,150 schools.  
ii) It has created 2,200 SPC's.

## 3) Learning Made Fun and Promoting Educational Initiatives by HDFC Bank Limited

In order to bring about an improvement in the quality of education, the programme focuses on teacher's training, scholarships and career guidance so as to improve the standard of education in communities across India. Their flagship programmes, 'Zero Investment Innovations for Education Initiatives', 'Teaching the Teacher' seek to transform education in government schools across India. This programme aims at benefitting the students by improving the skills of the teachers.

**Impact:** By the end of FY 2017-18, the programme has oriented 10, 47, 250 teachers covering 1, 47,021 schools.

## 4) CSRL Super 30

It is the flagship programme of Centre for Social Responsibility and Leadership. It provides one year free residential coaching and mentorship for admissions to IITs, NIITs etc. This initiative began in 2009 when the first CSRL Super 30 unit was established in Kanpur with support from GAIL India Ltd. The success of this programme fuelled the opening of 2 more units in 2010 and today there are 20 units (spread across UP, Delhi, Assam, Arunachal Pradesh, Odisha, Rajasthan, Maharashtra, Kashmir and Uttarakhand) where more than 750 students are receiving the benefit. The well thought out system of residential mentoring focuses on a one-to-one relationship with our students and enables us to invest in their holistic development. Several such initiatives have since been established across India with the support of PSUs like Indian Oil, ONGC, NTPC, etc.

## 5) Satya Bharati School Programme of Bharati Airtel Limited

Satya Bharati School Programme is the flagship programme of Bharati Airtel Limited. It is a rural education initiative and aims to provide quality education to students in the rural areas free of cost. This programme has a special focus on the girl child and aims at transforming students into confident, self reliant, educated employable citizens. The programme also encourages involvement of parents of students, the community and other organizations involved in education. It operates in 13 states across India and aims at developing replicable and scalable components of quality education which can be adopted by government and other educational institutions.

### Impact

- By the end of FY 2017-18 it has reached 45,388 students and 1,617 teachers in 254 schools.

- 50% of the total students are girls of which 76% are from minority community
- 70 % of the teachers employed are women.
- Nine Satya Bharti students among the coveted top 100 at the 'Design For Change' contest that recognizes impactful community campaigns addressing social change.

### **3.6.2 CSR Initiatives of Corporates in Skill Development**

#### **1) Construction Skills Training Institutes (CSTIs) by Larsen and Toubro**

L&T Ltd has set up eight Construction Skills Training Institutes (CSTIs) running across the country to contribute to the demand for quality craftsmanship in construction. These institutes provide free vocational training in constructional skills to the unorganized workers. Skills like bar-bending, formwork, carpentry, masonry, scaffolding, and welding are taught to illiterate youth and school dropouts. To encourage the participants to complete the course, stipend, hostel facilities and a completion certificate are also given.

**Impact:** By FY 2016-17, 7000 youths have been trained under this programme.

#### **2) Skill development programmes by Oil India Limited**

The company offers various industry relevant placement linked skill training and capacity building programmes in construction industry (plumbing, masonry, carpentry, welding, etc.) housekeeping & hospitality, food & beverages, electrician, sewing machine operator, BPO/Voice calling, general duty assistant, etc.. in Dibrugarh, Tinsukia and Sivsagar districts of Assam for youth aging between 18 to 35 years. These programmes are certified by NSDC government of India. The implementation partners of the programme include IL&FS Education & Technology Services (New Delhi), Construction Industry Development Council (New Delhi), Indian Institute of Entrepreneurship (Guwahati), Pragati Edutech (Guwahati), Gyanjyoti Foundation (Guwahati), Gram Tarang (Guwahati) and Downtown Hospital (Guwahati).

**Impact:** Since the launch of the project in 2013-14 till 2016-17, a total of 8,560 candidates have been successfully trained, 78% of which have found placement in various industries across the country. Further, entrepreneurship education programmes for students and teachers of schools and colleges were conducted under the project benefitting 4290 participants.

#### **3) Skill development programmes by adopting and upgrading ITI's by Maruti Suzuki India Limited**

Maruti Suzuki is working with 141 ITIs across India. A Japanese expert through a Japan-based Human Resources and Industry Development Association (HIDA) was invited by the company for a period of two weeks to train teachers/students on latest technologies at ITI Pusa, Delhi. Students were imparted training on global best practices in vehicle service and repair and latest automobile technologies along with training in soft skills like discipline, punctuality, cleanliness, safety, and quality in the field of service.

**Impact:** A total of 144 students, studying the Maruti Suzuki training module has been employed by Maruti Suzuki dealers in all.

#### 4) Skill development through ISO certified rural BPOs by JSW Steel Limited

With a vision of skilling 2 Lakh people of the age group of 18 to 35 years over a period of five years, the company has designed the CSR initiatives in line with the 'Kushal Bharat Kaushal Bharat' vision of Hon'ble Prime Minister. The project operates in three states of Tamil Nadu (Vijaynagar), Maharashtra (Vasind, Dolvi, Kamleshwar), Uttarakhand (Tarapur).

**Impact:** From initiation till FY 2016-17, 6000 people have been already skilled through an ISO certified rural BPO and nearly 280 women have started enjoying financial empowerment and have become instrumental in motivating others.

#### 5) Skill development programmes by establishing vocational education and training centers through the implementing partner by Idea Cellular

Livelihood education training is imparted to youngsters in the age group of 18 – 30 years who have completed 12th and dropped out of college. For this purpose, they are operating Vocational Education and Training (VET) centers, operating in 6 States. Training is provided in sustainable and marketable skills and 10 other training programmes with six technical services namely, Household Electrician, Hardware & Mobile Technician, Field Technician CD & WG, Salon Executive, Tailoring, Logistics Operations Executive and four Service Sector Programmes; Retail Stores Exec, BFSI Executive, Hospitality Executive and OA/DEO are provided to the candidates.

**Impact:** The project reaches out to 1800 youngsters in 6 States

#### Activity 2

Visit a nearby CRS programme on education or skill development and write about its impact on the community.

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#### Check Your Progress -2

**Note:** a) Use the space given below to note your answers.

b) Check your answer with those given at the end of this unit.

1) Write in brief about the Right to Education Act, 2009.

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- 2) What are the models prevailing in the country wherein corporates can carry out their CSR activities in the field of education?

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### 3.7 LET US SUM UP

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Education equips people with the required knowledge, skill, technique and information required to empower people to lead a meaningful life. Skill development is another important aspect which helps in improving employment opportunities among the masses. In this unit you have read about the status of literacy and skill development in India. The ill effects of illiteracy and lack of skills has also been discussed. The government has initiated several programmes towards enhancing the literacy and skill levels of the people. Various such government programmes have also been discussed in this unit. You have also read about the role of CSR in literacy and skill development. Finally, several case studies on how CSR has helped in promoting literacy and skills have been discussed.

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### 3.8 KEYWORDS

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**Skill** : The ability, coming from one's knowledge, practice, aptitude, etc., to do something well

**Literacy** : The ability to both read and write with understanding in any language.

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## 3.10 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** There are four levels of skills.

Level 1 Skills involving simple and routine physical or manual tasks

Level 2 Skills involving operation of machinery and electronic equipment.

Level 3 Skills involving written records of work, simple calculations, good personal communication skills in specialized fields

Level 4 Skills involving decision making and creativity based on theoretical and factual knowledge

**Answer 2:** The impact of adult illiteracy can be divided into the following categories:

- 1) Health: Illiteracy limits a person's ability to understand and absorb the knowledge related to self care.
- 2) Education: Children of parents who have not attended school or failed to complete primary education tend to do the same
- 3) Economic: People who have not completed primary education are less likely to get good jobs or avoid poverty.
- 4) Social Integration and Cohesion Illiterate people have lesser opportunities to be aware of and to make use of individual rights or participate in attainment of collective rights.

### Check Your Progress - 2

**Answer 1:** According to the Right of Children to Free and Compulsory Education (RTE) Act, 2009, every child has a right to full time elementary education of satisfactory and equitable quality in a formal school which satisfies certain essential norms and standards. 'Compulsory education' casts an obligation on the appropriate Government and local authorities to provide and ensure admission, attendance and completion of elementary education by all children in the 6-14 age group.

**Answer 2:** There are three models prevailing in the country wherein corporates can carry out their CSR activities in the field of education.

- 1) Corporates can initiate, conceptualize and implement an educational programme on their own through their foundations.
- 2) Corporate can provide support, either financial or material, to development initiatives in education run by NGOs, Government Institutions or partner with other corporate.
- 3) Corporates can help in designing and implementing development initiatives of third party entities like government or other corporates.

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## UNIT 4 AWARENESS CREATION

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### Structure

- 4.1 Introduction
- 4.2 What is Awareness?
- 4.3 Major Challenges in India
- 4.4 Approaches and Steps for Awareness Campaign
- 4.5 Case Studies-Awareness Creation
- 4.6 Let Us Sum Up
- 4.7 Keywords
- 4.8 Bibliography and Selected Readings
- 4.9 Check Your Progress - Possible Answers

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### 4.1 INTRODUCTION

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Awareness is the first essential step in any kind of development, awareness creation is meant to convey the knowledge and skills that will contribute to more ideas about the products. Awareness offers more than just hope. It can lead to action. To be effective in our efforts, we need to make sure we help others translate that awareness into actionable items. This can be through helping to change behavior or acting upon beliefs. Raising awareness can be an important part of developing community support for changes in the informal justice sector, it has been shown to change knowledge and attitudes about violence against women, raising public awareness involves creating a specific messaging campaign about a particular issue. Public awareness is important because safe cities for women are created when people in cities work together to eliminate violence against women and girls. The public also has to believe and share values that women's safety is an important issue in the community.

After reading the unit, you will be able to:

- Understand what is awareness
- Explain the various awareness initiatives taken to spread awareness
- Describe the steps for successful awareness campaigns

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### 4.2 WHAT IS AWARENESS?

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Awareness means understanding of a situation or subject at the present time, based on information or experience. Raising public awareness involves creating a specific messaging campaign about a particular issue. Awareness creation is important to change the knowledge and attitude of a community towards any particular issue. Awareness creation can be done through various awareness campaigns including events, poster campaigns, websites, documentaries, newspaper articles, radio, TV, or theatre programmes.

It is generally accepted that to raise public awareness of a topic or issue is to attempt to inform a community's attitudes, behaviours and beliefs. Furthermore, it is our intention through information to influence these attitudes, behaviours

and beliefs positively in the achievement of a defined purpose or goal: for example, improving public health or promoting information literacy. The theory and practice of public awareness-raising has always drawn heavily on the literature of mass communication and social or “social change” marketing. Social change marketing refers to the practice of communicating or selling a ‘good idea’ with the stated object of changing community attitudes and actions. Seeking and using information (Information Literacy) is one such good idea, but other examples include messages about public health and education, environmental concerns and social inclusion (Sayers, 2006).

To raise awareness about something entails promoting its visibility and credibility within a community or a society. The destruction caused by the tsunami in 2004 directed attention of NGOs and scientists alike towards the importance of awareness in influencing people’s response and behaviour during such a crisis. It brought home the realization that the early warning systems by themselves would not work unless the people were told how to respond to the warnings. The technical means of detecting the undersea earthquake would be useful only if the awareness of the people is raised so as to ensure correct actions in the event of detection of another tsunami in that region.

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### 4.3 MAJOR CHALLENGES IN INDIA

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Let us now discuss some of the major challenges in India where awareness creation would help in mitigating these challenges.

#### I) Rural Healthcare

The rural populations, who are the prime victims of the policies, work in the most hazardous atmosphere and live in abysmal living conditions. Unsafe and unhygienic birth practices, unclean water, poor nutrition, subhuman habitats, and degraded and unsanitary environments are challenges to the public health system. The majority of the rural population are smallholders, artisans and labourers, with limited resources that they spend chiefly on food and necessities such as clothing and shelter. They have no money left to spend on health. The rural peasant worker, who strives hard under adverse weather conditions to produce food for others, is often the first victim of epidemics.

The majority of rural deaths, which are preventable, are due to infections and communicable, parasitic and respiratory diseases. Infectious diseases dominate the morbidity pattern in rural areas (40% rural: 23.5% urban). Waterborne infections, which account for about 80% of sickness in India, make every fourth person dying of such diseases in the world, an Indian. Annually, 1.5 million deaths and loss of 73 million workdays are attributed to waterborne diseases.

Three groups of infections are widespread in rural areas, as follows.

- i) Diseases that are carried in the gastrointestinal tract, such as diarrhoea, amoebiasis, typhoid fever, infectious hepatitis, worm infestations and poliomyelitis. About 100 million suffer from diarrhoea and cholera every year.
- ii) Diseases that are carried in the air through coughing, sneezing or even breathing, such as measles, tuberculosis (TB), whooping cough and

pneumonia. Today there are 12 million TB cases. Over 1.2 million cases are added every year and 37,000 cases of measles are reported every year.

- iii) Infections, which are more difficult to deal with, include malaria, filariasis and kala-azar. These are often the result of development. Irrigation brings with it malaria and filariasis, pesticide use has produced a resistant strain of malaria, the ditches, gutters and culverts dug during the construction of roads, and expansion of cattle ranches, for example, are breeding places for snails and mosquitoes. About 2.3 million episodes and over 1000 malarial deaths occur every year in India. An estimated 45 million are carriers of microfilaria, 19 million of which are active cases and 500 million people are at risk of developing filariasis. Awareness on the importance of sanitation and hygiene would help to reduce the incidences of such diseases.

## II) Environment

- i) Water pollution: India has major water pollution issues. Discharge of untreated sewage is the single most important cause for pollution of surface and ground water in India. There is a large gap between generation and treatment of domestic waste water in India. The problem is not only that India lacks sufficient treatment capacity but also that the sewage treatment plants that exist do not operate and are not maintained. The majority of the government owned sewage treatment plants remain closed most of the time due to improper design or poor maintenance or lack of reliable electricity supply to operate the plants, together with absentee employees and poor management. The waste water generated in these areas normally percolates in the soil or evaporates. The uncollected waste accumulates in the urban areas and cause unhygienic conditions and release pollutants to surface and ground water.
- ii) Air pollution: Air pollution in India is a serious issue with the major sources being fuel wood and biomass burning, fuel adulteration, vehicle emission and traffic congestion. Air pollution is also the main cause of the Asian brown cloud, which is causing the monsoon to be delayed. India is the world's largest consumer of fuel wood, agricultural waste and biomass for energy purposes. Traditional fuel (fuel wood, crop residue and dung cake) dominates domestic energy use in rural India and accounts for about 90% of the total. In urban areas, this traditional fuel constitutes about 24% of the total. Fuel wood, agri waste and biomass cake burning releases over 165 million tonnes of combustion products into India's indoor and outdoor air every year. These biomass based household stoves in India are also a leading source of greenhouse emissions contributing to climate change.
- iii) Solid waste pollution: Trash and garbage is a common sight in urban and rural areas of India. It is a major source of pollution. Indian cities alone generate more than 100 million tons of solid waste a year. Street corners are piled with trash. Public places and sidewalks are despoiled with filth and litter.

## III) Road Accidents

As per the government data, almost 1.5 lakh people lost their lives in road accidents in 2017, which means every hour 17 people died on the road due to an accident. The number of fatalities is one third of the number of accidents, which



amounts to 53 road accidents every hour. Awareness on importance of following traffic rules to avoid accidents can help avert them.

#### IV) Infant Mortality rate

India has reduced its infant mortality rate (IMR) by 42% over 11 years—from 57 per 1,000 live births in 2006 to 33 in 2017 (as per the latest government data released on May 30, 2019). Despite the reduction, India's IMR in 2017 remained higher than the global 29.4, a rate equivalent to that of the West African nation of Senegal and higher than most South Asian neighbours except that of Pakistan and Myanmar. IMR is considered a rough indicator of a country's overall healthcare scenario. In 2017, India's rural areas had an IMR of 37 and urban areas 23, revealing difference in healthcare quality and access despite implementation of a national programme to bridge this gap, the National Rural Health Mission, since 2005. Creating awareness about various government programmes in the rural areas would help in bringing down the mortality rates in the rural areas.

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## 4.4 APPROACHES AND STEPS FOR AWARENESS CAMPAIGN

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In this section we will learn about the various approaches for raising awareness and steps involved in successful awareness campaigns.

### 4.4.1 Approaches for Raising Public Awareness

Common approaches and techniques for raising public awareness include:

- Personal communication with community members through public meetings, presentations, workshops and informal social events
- Structured education and training programmes in schools, colleges and universities
- Exhibitions and displays
- Printed materials - like brochures, billboards, cartoons, comics, pamphlets, posters, and resource books
- Audiovisual resources - for example, pre-recorded video CDs
- Interviews and articles in newspapers, magazines and e-publications
- Interviews and news items on radio and television
- Social awareness through celebrity endorsement- for example, actress Vidya Balan became the brand ambassador of sanitation campaign of the government of India and would promote the construction and use of toilet in rural India.
- Where oral traditions dominate, performances of specially composed stories, songs, dances, plays and poems, eg., Kerala police dance video to encourage hand washing during Corona times, 2020. <https://www.youtube.com/watch?v=Nun2xJdY68E>
- Strategic partnerships and alliances with other organizations - for example, local schools and civil society
- Political advocacy

### Activity 1

Go through some of the awareness campaigns endorsed by an Indian celebrity and write about it. Do you think people respond more to campaigns endorsed by celebrities?

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#### 4.4.2 Steps for Successful Awareness Campaign

Let us now look at some of the steps to be followed for a successful awareness campaign.

- 1) **Set objectives-** Develop a comprehensive campaign plan, including the clearly defined short-term, long-term and SMART = specific, measurable, achievable, realistic, time bound objectives. This would help to guarantee to establish initial realistic goals and to develop each promotional activity in a well paced manner that would work towards the achievement of the objectives.
- 2) **Target Groups** – Identifying target groups will go a long way in helping to select the most relevant approach to reach and influence their behavior.
- 3) **Identify tools and channels to use campaign**– Identify which tools should be used to spread the messages should be identified, like mass media, social media, print media.
- 4) **Identify partners and networks** - Campaign developers are advised to pick suitable partners with well established sectoral networks within their field of competence so that they could act as an efficient multiplier and complement each other when implementing campaign activities.
- 5) **Identify sources of funding** - In this step the importance of identification of multiple sources of funding and pooling of resources to reduce costs is emphasised. The latter one optimizes campaign and programme outcomes in terms of promotion and awareness raising of each other, reduced costs, avoiding the repetition of efforts and reducing the proliferation of disjointed initiatives with limited potential of impact. While multiple funding sources strengthen financial sustainability of the campaign. Also, sponsors usually want to highlight their participation in the campaign. In this way greater promotion of the activity may be achieved.
- 6) **Develop campaign messages**- Awareness raising campaigns should clearly communicate the message or messages.

- 7) **Other planning considerations-** A campaign's success can be furthered by ensuring that it is not a standalone initiative, i.e., by integrating it within broader initiatives. Also, campaigns with a wide geographical reach should be adapted to meet needs across different areas. At the same time, the one identity of the campaign should remain. Additionally, to be sustainable and successful, the campaign should include an aspect of capacity building, i.e., participants and disseminators should be well aware of its aim and have to feel a sense of ownership regarding the outcomes of the campaign. Also, they have to ensure that all stakeholders involved with the campaign have the same understanding of what they are working towards
- 8) **Develop campaign-** It is recommended that campaigns be centralized, but its implementation decentralized. This would allow enough flexibility to address local-level challenges and adapt the campaign to each specific context whilst ensuring national consistency.
- 9) **Promote Campaign -** campaign developers should focus on measuring all the outcomes and collect evidence on what activities have impact on adults and when. During the campaign its promoters should also fully use internal networks, contacts and informal channels of communication as it can be useful in promoting the debate and attention to specific issues.
- 10) **Monitor and evaluate campaign -** Campaign policy developers are advised to monitor national research. This would help to identify the existing needs of the target groups and, consequently, develop relevant activities. Also, this would help to identify the research gaps and to concentrate original research on these gaps. Additionally, before launching a campaign, campaign developers are advised to pilot programmes. This would help to identify and verify the approaches, channels and activities prepared for the target group and select the best ones. Besides, support for external evaluation with internal monitoring should be provided. Such combination would help to prepare a comprehensive evaluation encompassing all emerging trends and tendencies on campaign and, respectively, develop specific recommendations for actors in charge of implementing the programme. Finally, to strengthen a campaign's success collection of best practice examples is advised.

### Check Your Progress - 1

**Note:** a) Use the space given below to note your answers.

b) Check your answer with those given at the end of this unit.

- 1) What do you understand by awareness?

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- 2) Write down the steps involved in successful awareness campaigns.

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## 4.5 CASE STUDIES-AWARENESS CREATION

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### 1) DLF Foundation: Rural Health Awareness

DLF Foundation aims at evolving innovative and action based solutions to help needy sections of society fulfill their unrealized aspirations for a better life through interventions in the areas of health, education, and employment linked skill development. The foundation empowers communities by creating multiple opportunities and providing platforms for the underprivileged by promoting inclusive growth which is holistic, sustainable and socially uplifting, thus enabling them to emerge as significant contributors in India's growth story.

Rural healthcare is one of the biggest challenges that India is facing today. High mortality rates are subjected to poor health care facilities in the rural areas of India. More than 70% of India's population is living under the roof of rural setup. These poorly established houses experience lack of proper supply of water and electricity. They manage to get a little water from far away distant places in order to proceed with their daily activities.

Apart from this, their situation is vulnerable because of lack of education and public health awareness. The key challenges in the health care domain are poor accountability, low quality care, lack of health awareness and limited access to health facilities. As a result, majority of people in India, turn to local private health sector as their first choice of care. Local private health care is expensive and unregulated sometimes. Considering the entire picture, DLF Foundation took the initiative of introducing rural India to health awareness programme. With the objective to fill the gaps in implementation of various policies and programmes which failed to meet the goals of a healthy rural India. It aims to educate rural India and make them aware of how to take proper care of their health. This programme is focused towards addressing issues of personal health care, vaccination, hygiene, and illness prevention.

The Foundation operates with the commitment to health for all. Organizing various health camps at regular intervals are targeted towards providing health solutions. These health camps impart health education and sensitize the community on preventive and promotive health grounds. These camps are aimed at generating awareness, diagnosis and treatment of numerous health hazards. Specialized health camps are organized for eye care, TB, malaria, anemia, dengue, and diarrhea, worm infestation, skin infections and STD/HIV diseases.

For all these, people are encouraged to incorporate healthy habits and take various preventive measures. In addition, people are also spurred to boost up their daily nutrition intake. They are also given information on how to integrate and maintain

hygiene in their lifestyle. Apart from that, special attention is given to women's reproductive health. Women's health care camps also foster women to seek medical aid for their reproductive health and well being. Counseling couples, educating adolescent girls and other informative activities too are undertaken by DLF Foundation.

The complete health awareness programme is focused towards making rural people aware of how they can maintain a healthy lifestyle while undertaking various preventive measures.

## **2) Tata Steel**

Tata Steel launched 'The Green School Project' in association with TERI. The project was launched at Tata DAV Public School, Joda. This initiative is aimed at creating awareness and understanding about environment issues in school campuses in the operational areas of Tata Steel. The Energy and Resources Institute (TERI), a leading research institute in the fields of energy, environment and sustainable development based in New Delhi, will be actively involved in promoting environment messaging through classrooms and outdoor activities.

There are 10 schools identified across the state of Jharkhand and Odisha in the 1st phase of the 'Green School Project'. The schools selected are: Model School Jamposi, Jajpur; Stewart School, Sukinda; St Mary's High School, Noamundi; DAV Public School, Noamundi; St Teresa School, Joda; DAV Public School, Joda; Residential Bridge School, Joda; Holy Cross School, West Bokaro; DAV School, Jamadoba and Government High School, Tomka, Bamnupal.

The project will run for 15 months in these schools. There will be year-round activities related to environment in these schools. "Whole school" approach will be adopted with emphasis on students of Class 6 to 8 in the formal schools for capacity building initiatives. For students from Bridge Schools, focus will be on striving to mainstream them in project activities by promoting communication through art and craft, theatre, folklores etc.

## **3) Reliance Industries Limited (RIL)- (Alert today – Alive Tomorrow)**

This initiative was started to improve road safety awareness among students with a view to reduce their risks of road accidents and develop capacity and awareness of students as well as their parents regarding road safety. This is an initiative to promote the health and well being of children in the traffic environment and sensitize the parents through high school students. Basic instructions such as importance of using a seat belt, places children can use in order to ride their cycle, how one should cross the road etc. were meted out to students in an effort to ensure their safety.

### **i) Safety Matters**

Training and demonstration activity on fire and safety was organized for 250 students of Sanjeevani Primary School, Damka village. Basic knowledge about fire and its types, mitigation methods were explained to the students with proper demonstration.

### **ii) Road Safety Awareness Programmes**

RIL conducts rigorous safety programmes to ensure and instill road safety among bus drivers and cleaners. The road safety briefing session was conducted for drivers and cleaners and included various aspects of road safety.

### iii) Drivers Safety Training Centre

In an endeavour to prevent road accidents, truck / tanker drivers are trained for 'Defensive Driving Techniques' and 'Material Transportation' at Drivers Safety Training Centre (DSTC), Hazira. This Centre is fully equipped with audio video equipment to impart training to truck drivers on safety rules, efficient driving techniques, understanding hazards associated with various materials and emergency responses. 21,092 drivers were trained through this initiative during FY 2014-15 (over 2,60,000 since its inception).

### 4) Swachh Bharat Abhiyan (SBA) or Swachh Bharat Mission (SBM)

Swachh Bharat Abhiyan is a nationwide campaign in India, which was initiated by Government of India. Phase I of the mission was for the period 2014 to 2019 that aims to clean up the streets, roads and infrastructure of India's cities, towns, urban and rural areas. The objectives of Swachh Bharat include eliminating open defecation through the construction of household-owned and community-owned toilets and establishing an accountable mechanism of monitoring toilet use. Run by the Government of India, the mission aims to achieve an "open-defecation free" (ODF) India by 2 October 2019, the 150<sup>th</sup> anniversary of the birth of Mahatma Gandhi, by constructing 90 million toilets in rural India at a projected cost of 1.96 lakh crore (US\$28 billion). The mission will also contribute to India reaching Sustainable Development Goal 6 (SDG 6), established by the UN in 2015. The Phase II of the mission will be implemented between 2020-21 to 2024-25.

The campaign was officially launched on 2 October 2014 at Rajghat, New Delhi by Prime Minister Narendra Modi. It is India's largest cleanliness drive to date with three million government employees and students from all parts of India participating in 4,043 cities, towns, and rural areas. Prime Minister Modi has called the campaign *Satyagrah se Swachhagrah* in reference to Gandhi's Champaran Satyagraha launched on 10 April, 1917.

The mission has two thrusts: Swachh Bharat Abhiyan ("gramin" or 'rural'), which operates under the Ministry of Drinking Water and Sanitation; and Swachh Bharat Abhiyan ('urban'), which operates under the Ministry of Housing and Urban Affairs.

As part of the campaign, volunteers, known as *Swachhagrahis*, or "Ambassadors of cleanliness", have promoted indoor plumbing and community approaches to sanitation (CAS) at the village level. Other non governmental activities include national real time monitoring and updates from non-governmental organizations (NGOs) such as The Ugly Indian, Waste Warriors, and SWACH Pune (Solid Waste Collection and Handling) that are working towards its ideas of Swachh Bharat. The government has constructed 86 million toilets since 2014.

### 5) Tata Tea's Jago Re

Jaago Re has been the clear call of a lot of Tata Tea advertising initiatives from the year 2009. But the object of Jaago Re has been changed through the years. The very first reminder of this campaign was for the country's citizens in order to assert their political franchise, vote as well as elect their leaders who would be accountable to them in the process of governance. But later the campaigns have rolled out the message about anti-bribery, spreading of knowledge in a simplified form as well as Chotishuruaat for the empowerment of women.

Source: <https://www.brandloom.com/best-cause-marketing-campaigns-in-india>

## 6) Educate the Girl Child by Nestle

Consumer goods magnate Nestle set foot into one of the partnerships with Mumbai-based education reform non-profit Nanhi Kali in late 2016 in order to Educate the Girl Child in a long term project of the same name. Nanhi Kali has also worked before for many years in order to improve opportunities for Indian girls from low income as well as otherwise disadvantaged families to avail opportunities for education.

(Source: <https://www.brandloom.com/best-cause-marketing-campaigns-in-india>)

### Activity 2

Write about any one of the awareness campaigns that has influenced you the most. Give your reasons.

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### Check Your Progress - 2

**Note:** a) Use the spaces given below to note your answers.

b) Check your answer with those given at the end of this unit.

1) Explain any one awareness programme initiated by a corporate group.

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2) What is Swachh Bharat Abhiyan (SBA) or Swachh Bharat Mission (SBM)?

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## 4.6 LET US SUM UP

Awareness creation is a significant corporate social responsibility endeavour for corporates. The corporates can do it in large scale as a lot of money and other resources is involved. Awareness creation helps in sensitizing members of society

towards social problems. Awareness creation is not only for the government, but for individuals, NGO's, and educational institutions too. In this unit you have read about the meaning of awareness. You have also read about the major challenges in India that need awareness creation. We also discussed the approaches and various steps in successful awareness creation. Finally, we discussed various case studies on awareness creation.

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## 4.7 KEYWORDS

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- Awareness Campaign** : Awareness campaigns typically are defined as a sustained effort to educate individuals and boost public awareness about an organization's cause or issue.
- Target Group** : The primary group of people that something, usually an awareness campaign, is designed to appeal to.
- e-publication** : The publication of works in an electronic format like e-books, digital magazines, etc.

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[https://en.wikipedia.org/wiki/Swachh\\_Bharat\\_mission](https://en.wikipedia.org/wiki/Swachh_Bharat_mission)

<https://www.brandloom.com/best-cause-marketing-campaigns-in-india>

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## 4.9 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** Awareness means understanding of a situation or subject at the present time, based on information or experience. Raising public awareness involves creating a specific messaging campaign about a particular issue. Awareness



creation is important to change the knowledge and attitude of a community towards any particular issue.

**Answer 2:** Steps to be followed for a successful awareness campaign

- 1) Set objectives
- 2) Target Groups
- 3) Identify tools and channels to use campaign
- 4) Identify partners and networks
- 5) Identify sources of funding
- 6) Develop campaign messages
- 7) Other planning considerations
- 8) Develop campaign
- 9) Promote campaign
- 10) Monitor and evaluate campaign.

**Check Your Progress - 2**

**Answer 1: Alert today – Alive Tomorrow by Reliance Industries Limited**

This initiative was started to improve road safety awareness among students with a view to reduce their risks of road accidents and develop capacity and awareness of students as well as parents regarding road safety.

**Answer 2:** Swachh Bharat Abhiyan (SBA) or Swachh Bharat Mission (SBM) is a nation-wide campaign in India for the period 2014 to 2019 that aims to clean up the streets, roads and infrastructure of India's cities, towns, urban and rural areas.

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Block

# 5

## **KEY OUTCOMES OF CSR**

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### **UNIT 1**

<b>Democratizing Development</b>	<b>141</b>
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### **UNIT 2**

<b>Community Ownership</b>	<b>157</b>
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<b>Connecting the Last Mile</b>	<b>176</b>
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## BLOCK 5 KEY OUTCOMES OF CSR

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Block 5, **Key Outcomes of CSR** consists of three units.

Unit 1: **Democratizing Development** discusses the concept of democratized development. It also discusses how the present policy environment involving CSR impacts the community at large. Finally, two case studies on how CSR has impacted communities have also been discussed.

Unit 2: **Community Ownership** discusses the meaning of community ownership in CSR activities. The factors contributing to effective community ownership and engagement are also discussed. Key strategy to be adopted for developing community ownership. A case study has been discussed so as to make the learners realize the true value of community ownership.

Unit 3: **Connecting the Last Mile** discusses the meaning and context of connecting the last mile. The economic and social issues around last mile delivery has also been discussed. It also suggests an effective model for last mile delivery.

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# UNIT 1    DEMOCRATIZING DEVELOPMENT

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## Structure

- 1.1 Introduction
- 1.2 Understanding the Concept of Democratized Development
- 1.3 Impact of Present Policy Environment Involving CSR on Communities
- 1.4 Two CSR Case Studies with High Impact on Communities
- 1.5 Let Us Sum Up
- 1.6 Keywords
- 1.7 Bibliography and Selected Readings
- 1.8 Check Your Progress – Possible Answers

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## 1.1 INTRODUCTION

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The issue of corporate social responsibility (CSR) is being actively debated since the 1950s. A fairly recent analyses done by Secchi (2007) and Lee (2008) reported that the definition of CSR has been changing in meaning and practice. The classical view of CSR was narrowly limited to philanthropy and then shifted to the emphasis on business-society relations particularly referring to the contribution that a corporation or firm (a business is often identified in terms of a company, a corporation or a firm, which is invariably a legally registered entity) provided for solving social problems. By doing so, business helps creating wealth in society and providing better standards of living to many people and communities.

The CSR mandate of 2% given by the Companies Bill, 2013 is an epochal moment in the evolution of corporate practices in India. With the addition of Section 135, the law has recognized the expectations of a common man from corporations that make profit. Till now the corporations have been concentrating mainly on the structurally influential stakeholders like the shareholders, financial institutions, government and employees of the company with a few exceptions. With these provisions in place, the people at large have been empowered to communicate with the companies on important aspects of their social and economic life. It has indeed left an indelible mark on the journey of community empowerment of India by establishing a legally backed link between CSR and social or community development.

After reading this unit you will be able to:

- Describe the concept of democratizing development
- Discuss the impact of present CSR policies on community development

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## 1.2 UNDERSTANDING THE CONCEPT OF DEMOCRATIZED DEVELOPMENT

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It would be helpful to develop better understanding on democratized development if we unravel the core issues and complexities involved with the subject following a step-by-step approach.

### 1.2.1 Democracy and democratization

Democracy is now being suggested as a good system of governance, both intrinsically and instrumentally. Intrinsically, it is a necessary component of the ability of individuals to live freely and autonomously. Instrumentally, it is an institutional guarantee that the policies and laws created by a government will have a reasonable fit with the fundamental interests of the people of the nation. Thus, democracy is a central determinant of the quality of life, and a central element in the ability of men and women of any democratic country to live freely and autonomously as human beings.

Democratization refers to administrative reforms that enhance democracy. Ideologically, democracy is fundamentally about governance-by-consent—citizens must be capable of holding governmental bodies affecting them accountable (Johnson, 2001; Bhagwati, 2002). Institutionally, it promotes universal suffrage, regular multi party elections, an independent judiciary, and a role for public interest groups. It is also worthwhile to differentiate democratization from good governance for the two often intersect and sometimes get mistaken for each another. Good governance includes characteristics that support democracy but could also support authoritarian governance regimes that do not promote democratization. However, good governance is crucial to development. Good governance as well as democratization also relate to politics, which Leftwich (2008) defines as all the many activities of cooperation, conflict and negotiation involved in decisions about use, production and distribution of resources, whether these activities are formal or informal, public or private, or a mixture of all. Democratization therefore must be judged on its intent, structure, and political use. It must be measured according to its ability to promote good governance and therefore development.

Development theories have generally shifted over the last eight decades to include a broader range of goals. Three definitions reflect this trend since World War-II. Initially, modernization theory focused narrowly on economic growth, proposing developing nations needed to ‘catch-up’ to western countries (Turner and Hulme, 1997). Lewis (1955) stated, “our subject matter is growth, not distribution.” This view persisted until the 1960s when it was rejected for failing to promote growth and for being ethnocentric<sup>1</sup>. In its place emerged new goals related to wealth distribution such as eliminating poverty, providing basic education and medicine, reducing inequality, and securing human rights (Seers, 1977; Bhagwati, 2002). Most recently, Nobel laureate Prof. Amartya Sen proposed that development goes beyond a material focus to include the expanding freedoms. Freedoms are not only the primary ends of development, they are also among its principle means (Sen, 1999). Development clearly requires a great deal of societal transformation. Development used in this context broadly confirms to the second definition of promoting material growth and distribution and it includes Prof. Sen’s views on development too.

### 1.2.2 Democratization and development

Proponents of democratization believe democracy helps development in several ways. Democratization represents a good in itself that increases the quality of development even if it slows it down (Helliwell, 1994; Sen, 1999). It is nevertheless important to recognize a generally strong moral bias towards

democratization even by those who feel it detracts from development (Leftwich, 2008). Instrumental arguments include the fact that democracy promotes stability evidenced as democracies rarely go to war against one another. Besides, democracy empowers citizens to garner the attention of decision-makers by allowing for debate and discussion on issues affecting them and their interests (Sen, 1999; Bhagwati, 2002).

Democratized development in the context of CSR (as well as regarding the subject being discussed here) would therefore mean socio-economic development “of the right kind” vis-à-vis people and their communities involving several dimensions. A few of these dimensions are presented below.

- Growth in the productive capacity of society, viz., increase in productivity of labour, agriculture, and capital leading to growth in per capita incomes and per capita assets.
- Achieving significant and continuing improvement in the quality of life for the poor and the near-poor (that is, a large chunk of population living in many developing countries).
- Broadening the distribution of economic assets and incomes.
- Improvement in conditions of health and safety in the workplace.
- Improvement in ‘quality of life’ issues for all: improved access to health care, clean water, education, nutrition, housing, sanitation, etc.
- Sustainable environmental change and resource use that effectively factor in climate related concerns.
- Improvement in gender equity over time.

The process of national voluntary guidelines (NVGs) (formulated by the Ministry of Corporate Affairs, Government of India) graduating to the next stage to take the form of a solid legal provision in the form of Section 135 of the Companies Act, 2013 passed by the Parliament of India and later assented by the President of India, adhered to an elaborate process of transparent consultations conducted by the Standing Committee on Finance (SCF) which is a democratic institution under the aegis of the Parliament of India. The SCF’s consultations involved a large number of stakeholders in order to discuss the CSR component (as specified in Section 135) in the Companies Bill, 2011, which later became the Companies Act, 2013, after passage of the bill in Parliament on 29 August 2013. Since CSR was meant to facilitate the redistribution of profit generated by businesses in non profit development projects and programmes, the process of this important policy change followed the principle of ‘democratization of development’ which is the prime focus of this section.

### **1.2.3 Consultation Process with the Community While Formulating and Implementing a CSR Project**

Community engagement is very important to ensure a comprehensive approach in carrying out responsible business. It helps in ascertaining the type and magnitude of intervention. Participatory project implementation not only helps in building sustainable systems but also empowers the community to take charge of the project. Some of the important factors for effective community engagement in CSR projects are:

- 1) When a company decides to take up a CSR project in a particular area, it is important that the company is familiar with the area and the people of that area. Connecting with the people of the area of intervention helps in deciding the type of intervention required, the relevant approach and appropriate method. NGOs can play an important role in connecting with the community.
- 2) The information generated from secondary data can never validate the needs of the community. In order to know the community better, it is important that if the area of intervention is new for the company, a thorough baseline survey coupled with exhaustive group discussions and stakeholder discussions are held.
- 3) Another important step in the process would be to align the CSR thematic focus of the company with the needs of the community.
- 4) Building stakeholder interlinkages is also very important as it helps in building transparency and accountability between them. There is a need for regular engagement with stakeholders where problems are raised and solutions discussed collectively.
- 5) Regular participatory review meetings are needed to understand the progress of the intervention and to understand the gaps that need to be filled. Such meetings also help in building trust between the community and the company.
- 6) It is also important to identify key members of the community who can either be a part of the project implementation team or could be extended members. The companies need to identify such leaders and build their capacity so that they can be the local leaders of the project and also be the representatives of the community.
- 7) Developing community based information management systems does not just empower the community but also develops community ownership of the project. It helps the community to keep track of the progress of the project and point out the gaps.
- 8) Generally monitoring and evaluation follows a top down approach. However, in the case of CSR projects, a frontline monitoring of project activities through identified community members can help in avoiding day to day hindrances and impact the intervention positively.

#### Activity 1

Discuss with your friends/colleagues regarding the concepts of democracy and democratization and mention below the new things that you learnt that are not mentioned in the above section.

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**Note:** a) Use spaces given below to note your answers.

b) Check your answer with those given at the end of this unit.

- 1) Write your understanding of the relationship between democracy and democratization.

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- 2) What are the different changes required during the process of democratization?

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- 3) Identify three different dimensions of democratized development?

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### **1.3 IMPACT OF PRESENT POLICY ENVIRONMENT INVOLVING CSR ON COMMUNITIES**

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There are a number of provisions in Section 135 of the Companies Act, 2013; the CSR Rules of 2014; and clarifications issued by the Ministry of Corporate Affairs (MCA) from time to time (e.g. 2014 and 2016) which point towards a sincere intent of the Government of India to ensure that its policy on CSR is implemented towards creating a wide ranging and sustained impact on the stakeholder communities of different companies operating throughout the length and breadth of the country. There is a clear indication that the CSR activities are meant to be carried out for a longer period backed up by appropriate monitoring mechanisms so that benefits from these projects flow to the beneficiary people and their communities over a period of time and these projects create positive impact too.

Some of these enabling and empowering provisions (as specified in section 135 of the Companies Act; CSR Rules and clarifications of MCA) are worth mentioning.

- A company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities
- The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programmes or activities, excluding activities undertaken in pursuance of its normal course of business
- The CSR projects or programmes or activities that benefit only the employees of the company and their families shall not be considered as CSR activities
- Contributions of any amount directly or indirectly to any political party shall not be considered as CSR activity
- One off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc., would not be qualified as part of CSR expenditure.

### **1.3.1 Main CSR themes and their impact on community development**

Further, the Companies Act, 2013, also provides a broad set of activities on which the companies can spend their CSR spend from year to year. The MCA has also issued clarification in 2014 that these must be interpreted liberally so as to capture the essence of the subjects towards creating improved and enriched lives in target communities. These broad activities specified under the Schedule VII of the Companies Act are as follows:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of Sanitation and making available safe drinking water
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for the rejuvenation of the River Ganga
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up

public libraries; promotion and development of traditional arts and handicrafts

- Measures for the benefit of armed forces veterans, war widows and their dependents
- Training to promote rural sports, nationally recognised sports, para Olympic sports and Olympic sports
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- Rural development projects
- Slum development.

A close and careful examination of the above would certainly provide a pointer to the fact that the purpose behind each one of the above subjects are to improve lives in rural as well as urban areas.

### **1.3.2 Recent evidences on community development through CSR spend**

A report released by CRISIL Foundation (2018) details of the various nuances of CSR spending in India by companies.

- The amount spent on CSR by eligible listed companies rose by 6.8% to Rs.8,912.70 crore. Over the past two fiscals, such spending surged at a compound annual growth rate (CAGR) of 14%, despite a lukewarm 5% growth in profit.
- The improvement came despite a high base of fiscal year 2016, which had seen a marked increase in spending led by government push to schemes such as the Swachh Bharat Abhiyaan (SBA). Around 70% of these companies spent more than they did the previous financial year. And the number of companies spending the stipulated 2% of their net profit also increased.
- Growth in the number of companies spending on CSR was 2.4%. The growth rate was 13% in 2016.
- An outstanding feature of financial year 2017 was an overwhelming 74% of companies utilised services of implementing agencies such as non-government organisations (NGOs) to achieve their community development and empowerment goals. Not just large companies, around two-thirds of the small ones also did so.
- Smaller companies continued to be relatively more generous, spending 2.1% of net profit on average – but down from 2.4% in fiscal 2016. In comparison, the average CSR spend of medium companies fell to 2% from 2.3%, while that of large ones was flat at 2%.
- Among the segments of spending, education & skill development got the lion's share of CSR money, improving its share to 36.59% from 32.2% the previous fiscal. Healthcare & sanitation, rural development, and environment were the next big areas of spend.

All the above indicators point to the fact that companies are spending increasingly higher amounts of funds and are spending them sensibly too. Spending on education, skills development and health are known to create significant capacity in human beings that spur further development in households, communities and nation. The fact that companies are utilizing the services of grassroots voluntary organizations also indicate that they intend to reach the bottom of the pyramid to create lasting impact where it matters the most.

### Activity 1

Visit a nearest community center where CSR intervention has been carried out. Write your observation on the impact of any one CSR project.

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### Check Your Progress - 2

**Note:** a) Use the spaces given below to note your answers.

b) Check your answer with those given at the end of this unit.

- 1) Write a couple of enabling provisions in law related to CSR which can create positive impact on a target community.

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- 2) Mention five intervention themes prescribed by the Companies Act, 2013.

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- 3) Consider any one theme from the above and mention three different outcomes or impact it can bring about in a focus community.

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## 1.4 TWO CSR CASE STUDIES WITH HIGH IMPACT ON COMMUNITIES

Case studies are a powerful way of learning multi-faceted and complex social development issues in their real life settings. Since we are exploring the impact of CSR programmes on community life and their development in many aspects especially their social and economic empowerment, it is pertinent to have a detailed look at two case studies of CSR interventions of two different companies. Both these interventions are aligned with the broad set of activities mentioned in Schedule VII of the Companies Act, 2013.

### Case Study-1: Project Nanhi Kali of Mahindra Group of Companies

Nanhi Kali (in English the term would mean ‘tender buds’) Project was initiated in 1996 by the K. C. Mahindra Education Trust (KCMET) with the aim of providing primary education to underprivileged girl children in India. The main donor of KCEMT is the Mahindra group of companies. Since 2005, Project Nanhi Kali is jointly managed by the K. C. Mahindra Education Trust and Naandi Foundation.

The project provides academic, material and social support that allows a girl child to access quality education, attend school with dignity and reduces the chances of her dropping out. It is implemented through twenty NGOs in different states.

The leadership in Mahindra Group strongly believes that educated women would not only contribute to the economy but also issues of population and social evils like the dowry system and child marriage would reduce as more women are educated. It expresses confidence in the World Bank’s suggestion - there is no investment more effective for achieving the global goals than educating girls. The Group believes that some of the benefits associated with girls’ education include reduction of child and maternal mortality, improvement of child nutrition and health, lower fertility rates and improvement in economic production.

Over the years, KCMET has provided approximately INR 200 crores in the form of grants, scholarships and loans. Apart from the Mahindra Group companies, more than 70 other companies and about 8,500 individual donors have also been a part of the programme. In 2015-16, the project has educated 120,466 girls from underprivileged backgrounds and since inception, reached out to over 2,50,000 girls. Over 12,000 girls have completed Class X since inception. Learning outcomes improved by 10% to 20% year on year. The project is empowering girls through education across 33 districts in 10 states - Andhra Pradesh, Chhattisgarh, Delhi, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu and Telangana. 22% Girls hail from marginalised rural areas like Mahbubnagar in Telangana, Sheopur in Madhya Pradesh, Krishnagiri in Tamil Nadu, Chakan in Maharashtra. 36% girls belong to tribal areas such as Kanker in Chhattisgarh, Udaipur and Pratapgarh in Rajasthan, Araku in Andhra Pradesh and Ratlam in Madhya Pradesh. 42% Girls live in urban slums and low -income communities in Chennai, Bengaluru, Nasik, Delhi, Mumbai and Hyderabad.

The Nanhi Kali programme provides academic, material and social support for girl children to continue attending school.

**Academic Support:** Mathematics and language skills are the foundation of every curriculum and often considered challenging by most students. That's why after school tuition at academic support centers focuses on concept learning through the cooperative-reflective methodology, to help the girls learn better and bridge the gap in learning.

**Material Support:** The intervention believes that providing material help to young girls can enable them to attend school with dignity. They are provided with basic school supplies in the form of a kit that includes a school bag with stationery, books, school uniforms, shoes, socks and even hygiene material for the older girls.

**Social Support:** While it may be hard to believe, educating a girl child is still not seen as a priority by many people. To eradicate this belief, the programme team works closely with parents, teachers and elders in the communities to spread awareness and garner their support for girl child education.

The final level implementation on ground in the Nanhi Kali programme is handled by Community Activists (CAs) who are selected from within the local community. The CAs are selected to teach the students Math and English. The minimum education level is 10<sup>th</sup>/12<sup>th</sup> – this has resulted in a creating a cadre of empowered last-mile community-based teachers who are trained in delivering a high-quality curriculum to enable girl children. This has contributed to sustainability of the intervention leading towards enhanced empowerment.

KCMET attributes significant success of the Nanhi Kali programme to a combination of factors –strategic consolidation of programmes on an organization-wide set of clear focus areas, engaging the power of individual social responsibility in contributing to the growth of the programme, and harnessing resources and energy of diverse organizations and people to grow the programme to a much bigger scale.

*Source: <https://www.nanhikali.org/>*

### **Case Study-2: Project Swavalamban of ACC Limited**

Rural women through their hard work and eye for details have turned Kudithini into an apparel manufacturing hub. Standing tall in the highly competitive readymade garment manufacturing sector, the units run under the guidance of the self help groups (SHGs) organized by the Kudithini Cement Works of ACC Limited and provides sustainable and year long employment opportunities to rural women.

The high quality jeans and garments from these units are proving to be the right fit for both the wearer and the stitcher. Apart from tailoring, training in other trades like beautician, incense stick making and computer operations are opening non traditional vocations for rural women who till recently had skills for agriculture based work, which is fast dwindling in Kudithini of Bellary district of Karnataka.

**The Challenge:** Kudithini village which is located about 25 kilometers from the district headquarter town of Bellary is making a transition to an industrial milieu. With a number of industries coming up in the region, including the Kudithini Cement Works which started operations in 2010, there has been a perceptible shift in the economic base from being largely agricultural based to being more industrial. However, the transition of the social mores, skills and the worldview of the local populace, in sync with the new economic reality, is taking time. This is particularly true for women. The population in ACC CSR project villages is comprised of 50% women. The literacy rate is 48%, much lower than the state average. They do not have the skills required to engage with the newly emerging industrial economy in their midst. The prevalent social mores are dictated by the norms of patriarchy, a society ruled by an ideology of female subordination. The traditional engagement of women in agricultural operations is not possible given that large swathes of crop land have been converted to industrial use. Industrialization has left the rural women more vulnerable than they were in an agro-based society.

**The Intervention:** The central idea was to organize the women into SHGs and provide requisite training and attendant support for alternate livelihoods. Training in a number of trades have been organized including tailoring, beautician course, paper bag making, computer training, dairy and sheep and poultry rearing. The training in tailoring has been particularly successful in transforming Kudithini village into a hub of jeans and apparel stitching.

**Establishment of Apparel Units:** ACC established the first Apparel Training-cum-Production Centre in 2013 at Kudithini village. Support was provided for procuring machinery, furniture and center maintenance cost. More than 60 women were trained in design, cutting, stitching and finishing of various garments.

The women have formed a collective called 'Mother Teresa Village Organization' which now maintains the center. Market linkage was facilitated wherein the unit now does work for wholesale garment manufacturers located in Bellary. The members of the collective are involved in the production of jeans, uniforms and other readymade garments. At present, each woman tailor of the collective stitches 15 to 20 garment pieces earning Rs.180/- to Rs. 240/- per day (@ Rs. 12/-apiece), this translates to an average earning of Rs. 5500/- per month. The Mother Teresa collective receives maintenance charges for the center from the garment manufacturer as well as cloth and stitching accessories. The success of the first unit spurred demand for setting up more such centers. A number of women SHGs approached ACC for support in establishing similar facility and this lead to the opening of the second apparel unit in Kudithini. The SHG has contributed an Rs.1,50,000/- and purchased 10 sewing machines. ACC provided support for purchase of a Su Kansai Belt Machine with motor power set and Brother Five Thread machine with power set worth Rs.1,53,400/- of which 70% was borne by ACC. A professional agency has been hired by ACC to provide training, establish market linkages and other support services to the SHGs. Currently, 30 women are involved in stitching jeans which earns them Rs. 5500/- to Rs. 6500/- a month. Linkage has been established with Bellary jeans/uniform manufacturers who provide work to the center. Buoyed by the success of ACC supported apparel units, a young entrepreneur Umakantha Reddy made

a capital investment for the establishment of a third apparel unit in Kudithini. ACC provided support for training and recurring expenditure for six months to stabilize the unit. Presently, 20 women are working at the facility. Sai Garments, Bellary is providing job work to the unit and also supports for training more women in tailoring.

Source: <http://www.acclimited.com/sustainable/corporate-social-responsibility> (*Community Counts - Annual Collection of Case Studies*)

### Activity 3

Mention six major points that you learned from the above two case studies (three points per case study).

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### Check Your Progress - 3

**Note:** a) Use the spaces given below to note your answers.

b) Check your answer with those given at the end of this unit.

- 1) What is the intervention in the Case Study-1 that relates to Schedule-VII? What are the three main impacts/ outcomes that you have noticed in this case?

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- 2) In Case Study 2, what would be three other impacts or outcomes of the intervention in your view other than income generation?

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3) In your view, in what context can the two case studies be said to be related?

Democratizing Development

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## 1.5 LET US SUM UP

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In this unit we started with a brief discussion as to how CSR has evolved over the recent decades. We mentioned that CSR is a responsibility of business towards the society and its many stakeholders. India recently witnessed CSR as a legally mandated activity having been enshrined in the provisions of law. Companies have been assigned responsibilities and provided with specific roadmap to invest their profit in community and social development. The process of social development is more transparent and less conflict driven in democracies and equipping democracies with democratization processes makes development more humane and people centered. Finally, we examined the positive impact potential of current CSR policy in India and provided evidence as to how companies are making wide ranging and more investments in the recent years towards realizing development of communities which they are focusing on as a part of their social responsibility. We ended our journey of this unit by citing two interesting case studies of two leading Indian companies.

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## 1.6 KEYWORDS

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<b>Corporate Social Responsibility (CSR)</b>	: It is defined as social responsibility of business as well as its responsibility towards its stakeholders.
<b>National Voluntary Guidelines (NVGs)</b>	: NVGs are a common standard as to how companies can improve their CSR efforts, especially with regard to sustainability. NVGs were laid down by the Ministry of Corporate Affairs (MoCA), Government of India, in order to provide companies with guidance in dealing with the expectations of inclusive growth and imperatives of climate change.
<b>Democratization</b>	: Democratization refers to administrative reforms that enhance democracy. Ideologically, democracy is fundamentally about governance-by-consent and institutionally, it promotes universal suffrage, regular multi-party elections, an independent judiciary, and a role for public interest groups.

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## 1.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress - 1

**Answer 1:** Democracy is a form of government whereas democratization refers to strengthening of a democratic form of government by undertaking certain strengthening measures, viz., universal adult franchise, regular multi party elections, an independent judiciary, and acceptance of a critical role for public interest groups either formally or informally.

**Answer 2:** Different changes required during the process of democratization could be identified as: eliminating poverty, providing basic education and medicine, reducing inequality, and securing human rights.

**Answer 3:** Three different dimensions of democratized development are: growth in the productive capacity of society like growth in productivity of labour and agriculture; significant and continuing improvement in the quality of life for the poor and the near poor; broadening the distribution of economic assets and incomes.

### Check Your Progress - 2

**Answer 1:** A company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for corporate social responsibility activities; the CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities, excluding activities undertaken in pursuance of its normal course of business.

**Answer 2:** Eradicating hunger, poverty and malnutrition; promoting preventive health care and sanitation; promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

**Answer 3:** Eradicating hunger, poverty and malnutrition – three different outcomes or impact could be people work with energy and earn more; people are able to afford basic requirements of life like food, education and health; children grow well and do not get stunted or underweight for their height and age.

**Check Your Progress - 3**

**Answer 1:** Case study no. 1 is related to the promotion of education in Schedule VII. Three impacts of this intervention are: 12,000 girls successfully completed Class X; learning levels among the girls of this programme increased significantly; there was community level responsibility fixed for educating children towards making the intervention sustainable.

**Answer 2:** Women gain self confidence and self respect; they can have more decision-making authority in their respective households; gender equity would increase.

**Answer 3:** The two case studies could be related in the context – education enhances chances of employability and income earning capacity. Education prepares the beneficiaries to get better prepared for the world of work and they can conduct business with a much higher level of self confidence.

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## UNIT 2 COMMUNITY OWNERSHIP

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### Structure

- 2.1 Introduction
- 2.2 Meaning of Community Ownership in CSR Activities
- 2.3 Effective Community Engagement and Ownership
- 2.4 Strategy to be Adopted for Developing Community Ownership
- 2.5 Realizing the 'True Value' of Communities: A Case Study
- 2.6 Let Us Sum Up
- 2.7 Keywords
- 2.8 Bibliography and Selected Readings
- 2.9 Check Your Progress – Possible Answers

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### 2.1 INTRODUCTION

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Corporate social responsibility (CSR) in India is going through an interesting phase where the need for community centered impact is increasingly becoming more important than ever before. It is not just about compliance with the laws and regulations but also about transitioning beyond the mandated CSR. Stakeholder engagement is a critical tool to ensure a comprehensive approach in carrying out responsible business and within that community ownership holds an important place. It is important because it helps in ascertaining the type and magnitude of the intervention. While most companies try and develop a comprehensive approach to engaging with communities, sometimes certain gaps restrict the efficiency of an intervention and can decrease the impact. It is, therefore, necessary to understand why there must be a shift in implementation approach i.e. from top down to bottom up. Participatory project implementation helps in developing sustainable systems and empowers the community to successfully take charge of the project.

Corporations cannot function in isolation. Their relationship with society needs to be nurtured and maintained both for sustainable business and inclusive development. Over the years, CSR has become an important aspect of Indian corporations, more so since the enactment of the CSR law in 2014. There are various ways in which the community can be integrated for the effective and efficient CSR strategy. In this unit, we will discuss how few practices not only make the community an integral part of the decision making process but also act as a catalyst for growth of the business.

After studying this unit, you will be able to:

- Define community ownership
- Discuss the factors contributing to effective community engagement and ownership
- Analyse the key strategies to be adopted for developing community ownership

## 2.2 MEANING OF COMMUNITY OWNERSHIP IN CSR ACTIVITIES

Community is generally defined as a group of people sharing a common purpose, who are interdependent for the fulfillment of certain needs; people who live in close proximity and interact on a regular basis. There are shared expectations for all members of the group and responsibility taken from those expectations. The group is respectful and considerate of the individuality of other persons within the community. In a community there is a sense of community, which is defined as the feelings of cooperation, of commitment to the group welfare, of willingness to communicate openly, and of responsibility to and for others as well as to one's self. Responsibility implies that the community takes ownership of the system, with all its attendant obligations and benefits/liabilities while authority indicates that the community has the legitimate right to make decision about the system. Control implies that the community has the power to implement the decisions regarding the system. Mc Common et al. (1990) are of the opinion that the control element as contained in this definition distinguishes community participation (where the government and other institutions may have control) from community management (where the community has control). The community may receive external support, but it must be the community itself that actually owns the system, makes the decisions on when to call for this support, and exercises control over access to the system. It is a model in which professionals are "on tap, not on top" (Brennan, 1994).

According to Paul (2008), Enhancing public involvement in community planning and development efforts has been promulgated on developing and acquiring "buy-in" which signifies the support, involvement or commitment of interested or affected parties to a community development proposal, plan, strategy or decision. Buy-in is a term used in securities markets, business management and even poker playing to signify the commitment of stakeholders to a decision by agreeing to and supporting the formulation of a process with an interest and influence in the outcome. The term ownership (or sense of ownership) is increasingly cited as a critical element in determining the potential for buy-in and, consequently, public involvement in community planning and development efforts. For example, the term ownership has been specifically used in community development contexts. The term is popular in environmental policy literature and in sociology, education and curriculum development, and organizational behavior. As with the term "sense of place," the term ownership is also referred to as "sense of ownership".

Community ownership here refers to ownership undertaken by community in partnership with external organizations or corporation to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities. These skills are often concentrated around making use of local resources and building political power through the formation of large social groups working for a common agenda. Community organizers or key persons must understand both how to work with individuals and how to affect community's position within the context of larger social institutions. Community ownership is the process of developing active and sustainable communities based on social justice and mutual respect. It is about influencing power structures to remove the barriers that prevent people from participating in the issues that affect their lives. Community workers facilitate the participation

of people in this process. They enable linkages to be made between communities and with the development of wider policies and programmes.

Community ownership is the combined processes, programmes, strategies, and activities that make a community sustainable as compared to economic development, which is the marketing of its potential for growth followed by local efforts to act on opportunities. The entire set of approaches to community development practice may be considered a specialized form addressing, coordinating and building the social infrastructure at a location. Community ownership is people working together voluntarily to achieve their own initiatives using available resources.

Karikari (1996) and Yelbert (1999) identified the key principles of community ownership and management as a situation where the community has legal ownership and control of the services, including formal agreements with the project agency. Ownership requires that the community contribute real (not token) cash of between 5 - 10% to the capital cost of facilities and setting up a committee/board for managing the facility. Community ownership and management therefore implies community participation, willingness and ability to pay for services to ensure sustainability of the services.

**Example: Bajaj Auto Ltd. (BAL) Project on Sanitation Programme in Collaboration with Government and Non-Government Organizations (NGOs)**

Bajaj Auto Ltd. (BAL) is a flagship company of the Bajaj group. It is one of the leading 2 and 3 wheeler companies of India. For years, BAL has been providing quality 2 and 3 wheelers at an affordable price while maintaining the highest ethical standards within the industry. The Company started a Samaj Seva Kendra in 1974 near its plant in Akurdi, Pune to meet the socio-economic requirements of the community around it. Later, in 1987, it established the Jankidevi Bajaj Gram Vikas Sanstha (JBGVS) at Pune for the development of the rural poor. JBGVS now implements integrated rural development programmes in selected 85 villages in Maharashtra, Rajasthan and Uttarakhand.

**Genesis:** The situation of the villages around Pune, 25 years back was very different than what we see today. People were living in abject poverty and unhygienic conditions; hardly any sanitary latrines existed in the villages around. The workers of Bajaj Auto used to come from nearby villages. In the mid 80's they started requesting for both financial and technical support for the construction of latrines and biogas plants. Initially Bajaj Auto used to give interest free loans for the above mentioned programmes, but after JBGVS took up the cause, these programmes were supplemented with small scale lift irrigation schemes to make water available for both household use and irrigation. The latrines were constructed with technical and managerial support from JBGVS, the Government subsidy and the contribution from the co-partner. Biogas plants were also established in a similar way. Soon, the sanitation programme became the center point of all activities. Slowly other programmes like education, income generation, environment, social development etc., evolved and took shape in form of an integrated model, as we see it today.

**Sanitation Programme:** As mentioned above, JBGVS has been in the forefront of implementing the environmental sanitation programme, which entails, construction of latrines, biogas plants, soak pits, improved cooking stoves, etc.

**Selection of project area:** JBGVS works in selected villages (85) around the Bajaj Auto plants in Pune, Aurangabad & Uttarakhand and districts like Sikar in Rajasthan, which is the birth place of late Shri. Jamnalal Bajaj, the founder of the Bajaj group, and Wardha in Maharashtra, his place of work. However, for the sanitation project, JBGVS has worked in partnership with the Government & other NGOs to cover a large number of villages particularly in Pune.

**Toilet design and model/technologies:** JBGVS, since its inception has been promoting two pit latrines using bricks & cements. The UNICEF and the Government of Maharashtra approve this model. The latrine pans are especially designed to reduce water consumption. For the school sanitation project, toilets are being constructed separately for boys and girls in Government schools using the two pits and septic tanks technology. The selection of design depends on the number of students in the school.

**Stakeholders:** For proper implementation of the project, they partner with the villagers, Government agencies, members of gram panchayats, mahila mandals, women SHGs, other NGOs, etc. The stakeholders are called co partners and not beneficiaries.

**Implementation Model:** In the beginning of the 90's, JBGVS used to construct low cost household latrines using their own manpower. While the masons used to work on contract basis, the beneficiaries provided the unskilled labor and the materials were supplied by JBGVS. Technical support was also provided by JBGVS to a few NGOs for construction of latrines. Presently, JBGVS works in partnership with *gram panchayats*, and provides technical & financial support. The construction part is taken care of by the respective *gram panchayats*.

**Partnership with Government agencies:** JBGVS works with *gram panchayats*, *panchayat samittee* and *zilla parishads* for the implementation of the sanitation programme. Because of longer involvement in the sanitation programme, the Maharashtra Government recognized JBGVS as the key resource centre for the state. JBGVS represents the Maharashtra Government to inspect villages for screening under the Nirmal Gram Scheme of the Central Government.

**Linking with Government schemes:** Presently JBGVS works with *gram panchayats*, provides technical & financial support to successfully implement Government schemes under which subsidies are available.

**Awareness programme to change mindset:** JBGVS has been designated as the Key Resource Centre by the Maharashtra Government. It conducts awareness programmes in villages in association with several NGOs, villages selected by the Government under Nirmal Gram etc. JBGVS's technical team conducts these programmes. Three aspects are emphasized, namely- the importance of cleanliness of villages from the health point of view,



technologies available and advantages of having a latrine at home. Pamphlets, booklets etc. are prepared by JBGVS and used for this purpose.

**Reaching out:** JBGVS implements the sanitation programme in the project villages, besides helping the government and other NGOs. Under the programme, the entire gamut of 'Environmental Sanitation' is covered, i.e., promotion of low cost latrine, biogas plants, soak pits, improved cooking stoves, etc. These technologies help in keeping the home as well as the village clean.

**Sustainability:** Sustainability is a major issue in any development programme. The partnership model involving the village community, local Government agencies and opinion leaders ensures sustainability of the sanitation programme. Once the construction is complete, JBGVS has a regular monitoring & follow up mechanism, which has been built-in, in the 'Integrated Rural Development Programme'. This helps a lot in the sustainability.

**Ensuring ownership of the community members:** JBGVS promotes only low-cost household level latrines, sanitation units in schools, family size bio-gas plants & soak pits to name a few. Since the households own the latrines, biogas plants and soak pits, they focus on the beneficiaries and their education. Village level institutions like *mahila mandals*, *gram panchayats*, youth groups, etc., are also involved so that there is community level pressure on co partners. School sanitation units are handed over to the respective schools and the school management is responsible for the maintenance.

**Lessons learnt:** Being an implementing agency that has worked in the field of rural sanitation for more than 26 years, the following lessons were learned:

- Before taking up the sanitation programme, it is essential to take up extensive motivational and awareness programmes as the intervention involves changing habits of people.
- Involve the entire community, *gram panchayats*, local institutions and particularly women at every stage (from planning to implementation) to ensure sustainability.
- Choose a technology/model, which is long lasting & user friendly.
- Ensure that water is available near the latrine to maintain cleanliness.
- Teach the use of latrines to the community.
- If the programme is implemented under CSR-NGO model, the company should study the credibility of the NGO, model selected and the ability of the NGO to motivate the community.
- The NGO should not act as a contractor.
- Try to leverage CSR funds with the Government and other agencies to increase outreach.

**Impacts:** During and after the implementation of projects, a survey was conducted, which indicate that the programme has created the following impacts:

## Key Outcomes of CSR

- Reduced water borne diseases.
- Reduced foul smell at village surroundings.
- Changed the habit of open defecation by using toilets.
- Increased participation in all village development activities.
- Provided social security and saved embarrassment to women.
- School attendance increased due to reduction of various diseases.
- General health condition improved.

### Activity 1

Make a visit to one non government organization or any development project funded under CSR in your locality/state/district/field site and document the process and phases of the development of 'sense of ownership' among the community people, towards the projects undertaken by the organization. Compare their views as given in this section and write your observations.

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### Check Your Progress - 1

**Note:** a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

- 1) What do you understand by community and community ownership?

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- 2) What are the key principles of community ownership and management as identified by Karikari (1996) and Yelbert (1999)?

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- 3) What do you understand by ensuring ownership of the community members in CSR funded project on Sanitation Programme as discussed in the given example from the field?

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## 2.3 EFFECTIVE COMMUNITY ENGAGEMENT AND OWNERSHIP

Some of the critical factors that contribute to effective community engagement leading to ownership are as follows:

- 1) **Intervention Area:** It is important that the company is familiar with the area and its people where it is planning an intervention. One of the primary things to keep in mind is to spend as much time as possible in understanding the dynamics of the community. Stakeholder analysis and engagement activities play a vital role in this. Connecting with people directly associated with the community gives insightful information regarding the type of necessary interventions required, the relevant approach and appropriate method. NGOs play an important role in bridging this knowledge gap if the intervention area is new. Another thing to keep in mind while determining the area is the monitoring and evaluation cost associated with the intervention. Such costs shouldn't be too high since it takes away the necessary resources allocated to the community and diverts it to the operational costs, which minimizes the impact of the project intervention.
- 2) **Needs Assessment:** No amount of secondary data on a community can validate the needs of the community as much as they themselves. The nature of the existing relationship between the company and the community is important because the ease of community engagement depends on that. If the company has been working with the community for long, group discussions within the community with target groups like women, children, institutional members, etc. can suffice the necessary information required. However, if the community is new then it is advisable that a thorough baseline survey coupled with exhaustive group discussions and stakeholder discussions are held.
- 3) **Alignment with CSR Policy:** While the needs of the community can vary from the CSR thematic focus of the companies, it is important to find ways of integrating and aligning them. For example, if one of the primary needs of the community surfaces as food and nutrition requirements of the school going children but health is not amongst the focus area of the company; it can still be addressed by designing an intervention in such a way that proper nutritional requirements of school children are ensured through midday meals which are mandated in schools. This way, the company is still focusing

on its thematic focus area - Education and yet can meet the critical needs of the community.

- 4) **Building Stakeholder Inter linkages:** Developing inter linkages between stakeholders helps in increasing transparency and accountability between them. The intervention should focus on regular engagements within the stakeholders where problems are raised, addressed and solutions are talked about collectively.
- 5) **Regular Participatory Review and Reflection Meetings:** Regular meetings with the communities help in understanding the progress of the intervention as well determining measures to fill the gaps. The community also feels that the company is genuinely interested in their betterment and therefore a mutually benefitting relationship is formed. Such regular meetings also help in improving, rethinking strategies so that impact can be improved.
- 6) **Capacity Building of the Community Key Members:** One of the key ways in improving community participation and empowerment is to build the capacity of community members that can be identified at the onset of the intervention. Key members of the community can either be a part of the project implementation team or can act as extended team members. Such members can prove to be huge assets to the project but they need appropriate guidance and skill building avenues first. It is vital to understand that the community members have different skill sets and are not completely devoid of them. They just need the correct guidance to complete the project team loop. Companies should, therefore, spend sufficient resources on their capacity building so that they can be local leads of the project and primary representatives of the project within the community.
- 7) **Community-based MIS:** community based systems are very helpful in developing community ownership of the project. One of the key factors contributing to an impactful project is the extent of community ownership integrated within the systems. Capacitating the community to set up an information management system locally is a powerful empowering tool. It helps the community to track progress independently and focus on gaps.
- 8) **Community-led Monitoring:** Monitoring and evaluation are typically seen as a top down approach. Even in the very detailed collaborative approaches, we fail to recognize the importance of community-led monitoring of interventions. It is important to etch out the frontline monitoring of activities through the identified community members as it helps in avoiding day-to-day glitches of the interventions. These day-to-day hindrances can be quite cumbersome and costly for the project team alone to handle. A well networked inward and outward information flow from the community through the project teams and subsequently to the stakeholders is an ideal form of communication, which impacts an intervention positively.

**Activity 2**

Visit any government or non government organization implementing MGNREGA programme and ask how they are assessing community needs in Gram Sabha. Write your observations.

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**Check Your Progress - 2**

**Note:** a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

- 1) What are some of the critical factors that contribute to effective community engagement leading to ownership?

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- 2) What do you understand by community-led monitoring in CSR projects? Give an example to support your answer.

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## **2.4 STRATEGY TO BE ADOPTED FOR DEVELOPING COMMUNITY OWNERSHIP**

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Key factors have to be kept in mind by companies that are willing to launch a community engagement and ownership strategy. As a matter of fact, for a company that has already gained some local license to operate, a wrong step can mean going back to starting point again, and lose all legitimacy that it struggled to conquer.

Four key aspects are identified that a company should keep in mind when launching local CSR programmes:

- i) Sustainability
- ii) Co-creation
- iii) Local team
- iv) Long-term investment

**i) Sustainability**

Ensuring that a CSR initiative is sustainable is primarily achieved by developing a healthy relationship with local communities and working with them as partners. Rather than treating them like beneficiaries and mere receptacles of corporate donations, the company should work on teaming up with the community, and other local stakeholders like the government, rural entrepreneurs, etc., to create winning collaborations that can sustain over the/ long-term.

**Example**

A leading materials manufacturing company with plants across India has worked on the creation of institutional structures that are community owned and community-led and can create a strong foundation for the sustainability and in the long term, self sufficiency of CSR operations. This/ company is now working with local community based organizations that have a deep relationship with the local community, and funds the formation of self help groups, producer co-operatives and farmer groups, including support in provision of financial access, training, capacity building and development of local infrastructure. Over the last 3-4 years, the company has managed to create over 4,000/ such groups and leveraged over one third of the investment in partnership with the government.

**ii) Co-creation**

As sustainability, co-creation is crucial to ensure that the community has a stake in the development scheme, and hence fully engages in order to achieve the success of the CSR initiative. Co-creating solutions with the community, rather than adopting a top down approach, is the best way to ensure these will be feasible, accepted, and successful. This means that the company will not necessarily implement the exact strategy it had planned. On the contrary, it requires a sense of compromise and adaptation to how the community envisions its own development.

**Example**

Danone has adopted this principle in its CSR activity. The Danone Ecosystem Fund has been created to support all stakeholders involved in Danone's ecosystem (small agricultural producers, small suppliers, proximity distributors, etc.) in order to generate powerful social change. The Fund is designed to support initiatives with general interest purposes, which are identified by Danone subsidiaries in the territories where they operate. Selected initiatives add value in three areas: employment, skills and employability, and micro entrepreneurship. The Fund works with a manager from Danone and a partner from the non profit sector to co-design, co-manage and co-monitor the project over time. NGOs or community-based organizations facilitate dialogue between communities and provide expert knowledge of the local context. This co-creation process commits Danone to evolving its practices and models through partnerships with local experts.

### iii) Local Team

Having a dedicated implementing team on the ground is an essential feature. A local team, contrary to a corporate one, lies at the interface between the company and the community. By its knowledge of the field, it can easily avoid mistakes and it can re-orient the strategy as soon as difficulties or blockages emerge. In addition, its proximity with the community is the guarantee of continuous corporate/community dialogue and personal engagement of team members in initiatives that affect their own community.

#### Example

A large health insurance company, Max India, has adopted this approach in its nationwide immunization programme in India, as part of its CSR initiatives: the programme is solely run through partnerships with local non profits in remote villages. These local non profits work intimately with the community, understand the socio-cultural context and are able to track the patients' progress and issues throughout the year making health a year-round activity rather than merely during the health camp. Complementing the efforts of these non profit partners, local units of the insurance company (doctors and other health professionals) volunteer skills and expertise to the health camps over week ends, thus ensuring that local teams are strong from both a technical and community linkage perspective.

### iv) Long term investment

Finally, long term investment is the condition for success of local CSR initiatives and of their most valuable outcomes. As a matter of fact, what is most valuable in CSR initiatives is also what takes more time to be built: trust, social license to operate and reputation, and the belief that the corporate will stay with the community in attaining the long term social outcomes like better health, infrastructures or livelihoods. Long term engagement is thus crucial if the company is willing to achieve these objectives, by establishing a trustful relation with the community. Without mutual trust, the money invested can be frittered away in mere activities and the initiative's impact can become unsustainable.

#### Example

This principle guided Tata Consultancy Services (TCS), a technology company of the TATA group, when 12 years ago it started a pioneering Computer Based Functional Literacy programme following their core philosophy of "bringing together your core competencies to serve the community". The project has been using computers, multimedia presentations and printed material to teach uneducated adults the most basic of the three R's: reading. Through partnerships with NGOs, TCS' training programme has reached over 200,000/ people, and emphasizes how long term vision in programme design and investment can lead to significant social innovation that brings together the core expertise of a company with the social expertise of non profit partners. Since its launch, the software has been translated in nine/ Indian languages and in Arabic, has travelled to Africa, and has cut learning time for each learner from 200/ hours to just 40 hours.

### Check Your Progress - 3

**Note:** a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

- 1) What are four key aspects that a company should keep in mind when launching local CSR programmes?

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- 2) Discuss how to ensure that a CSR initiative is sustainable. Give example to support your answer.

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- 3) Why is long term investment crucial for the success of local CSR initiatives?

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## 2.5 REALIZING THE 'TRUE VALUE' OF COMMUNITIES: A CASE STUDY

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### CSR at Ambuja Cements: A Case Study

The CSR interventions cannot be uniform across different regions. A company/foundation should design an area specific plan based on the potential of the village and its dwellers. The range of activities has to be diverse and updated according to the demand of the villagers and the market. Field based reports on CSR interventions suggest that a particular activity can be running successfully in one village but can be a failure in another village. There were socio-economic factors at play such as religion of the beneficiaries, the average age of the villagers, the accessibility to the market, etc. The company/foundation should be able to identify the different factors that might interact with their CSR strategy and then plan the interventions accordingly.



To illustrate our point, a detailed case study of a company, which has implemented an ambitious CSR programme in India is hereby presented. Ambuja Cements - a part of the global cement conglomerate, Lafarge Holcim, and one of the leading cement industry players in India since 1986. The community has always been a primary stakeholder for Ambuja Cements Ltd. (ACL) and the company has a long history of innovating for sustainability and social impact, presented at the forefront by its 'True/ Value' initiative.

ACL believes that 'True value' is the result of environmental and social value adding to economic value. The core objective of the corporate responsibility projects at Ambuja is to empower communities to recognize their true value and work towards its fulfillment - with Ambuja serving as a catalyst to help the community develop with the same strides as the company. ACL focuses on agro- and skill-based livelihoods and entrepreneurship, water management, women's empowerment, health and sanitation and other related issues across the communities around its factories and areas of operations (21 locations in 11 States).

All CSR initiatives at Ambuja are driven by a dedicated foundation –

Ambuja Cement Foundation (ACF), with over 439 members in its countrywide CSR team – that was set up 23 years ago with the idea of bringing together professionals working with a systematic and strategic approach towards solving community issues.

The reach and impact statistics achieved by ACL over the last 3-4/ years reveals a sustained process of community development and empowerment:

- 25,000 youth trained in over 38 locally relevant trades with a 75 % placement rate;
- 28,000+ farmers supported in capacity building, cost optimization and yield increase through the Better Cotton Initiative;
- 1,142 SHGs promoted and supported with a focus on livelihoods and empowerment (two federations have been promoted as apex organizations);
- ACF has extensively worked on water resources development management at several locations by supporting communities for construction and/or renovations of more than 2,000 different water harvesting structures. The extensive programme on water has helped ACL achieve the water positive status four times (assured by Det Norske Veritas - DNV).

The following CSR practices and principles at Ambuja Cements have ensured buy in, whole hearted participation and ownership among the community and are worth emulating:

### **1) A bottom up approach to assessing needs**

All ACL programmes are designed through bottom up need assessment discussions. Ambuja's Foundation has set up a rigorous process of assessing local community needs through multiple rounds of focused discussions that bring together women's groups, farmers, youth, village administration and local panchayats (elected local governing boards in India). The programme design is

based solely on what the community resonates with as important issues to them. This ensures subsequent buy in and cooperation in all activities undertaken by the Foundation.

## **2) Collectivization and community empowerment**

ACF actively promotes community ownership, control, access and maintenance of resources through peoples' participation and strengthening of community based institutions. ACF has funded and encouraged the formation of many such groups like associations gathering water users, Pani Samitis (local committees on sanitation and water), Watershed Committees, Farmer Groups, co-operatives or self help groups (SHGs). For instance, in Sanand, Ahmedabad, the Participatory Irrigation Management (PIM) project was implemented with 36 Irrigation Cooperative Societies and 3,408 farmers with 5,150 ha of land. Their work has earned the 21 Water User Associations a one time functional grant of INR 4.6 million (€ 60 000) from Sardar Sarovar Narmada Nigam Ltd., and other grants. In Chandrapur, Maharashtra, ACF has been focusing on Community-led Total Sanitation since the last 2 years – village development committees are promoted and strengthened through rigorous processes and capacity building programmes. This has resulted in nine villages achieving 100 % toilet coverage and overall improvement in general sanitary condition. A similar programme is being replicated at other locations as well.

Several SHGs and farmer groups trained 3-4 years ago have now further aggregated as federations at the district level. These federations have also been able to take up and replicate models like the Open-Defecation Free efforts of the ACF in neighboring villages, furthering the impact.

## **3) Leveraging native wisdom**

ACF has always worked by leveraging the traditional knowledge systems of the local community to craft local solutions to issues. For example, in the water scarce areas of Rajasthan, ACF worked by reviving traditional water harvesting structures called khadins, which prolong irrigation throughout the year. ACF has local teams, numbering anywhere between two and 40, to implement programs on the ground, supported by the last mile community mobilizers such as sakhis (healthcare) or bal mitras (education).

## **4) Partnerships and sustainability**

ACF has actively reached out to build partnerships with local banks, non profit institutions, other companies, development agencies, policy makers and the Government in a process to make ACF projects sustainable through effective collaboration. Examples of partnering are many : ACF implemented 550/ rooftop harvesting systems under the Coastal Area Development Programme supported by WASMO, an agency of Government of Gujarat ; Gruh Finance has provided revolving fund to federations promoted by ACF for sanitation and income generation programme; NABARD has partnered on watershed projects, micro irrigation promotion, skill training etc. at several locations ; Apollo Tyres partnered for awareness and prevention of HIV/AIDS at four locations ; Schneider, Taj and other companies have partnered on various skill development initiatives, etc. In 2014-15, 14 % of the total budget spent on ACF programmes was leveraged from the Government and donor agencies, 13 % came from people's contribution and 18 % was facilitated directly to communities on various development projects.

## 5) Empowering women in the community

ACF supports as many as 1,142 self help groups (SHGs) across locations, facilitating change through the creation of empowered women's groups. ACF supports the entrepreneurial activities of these SHGs through funding, regular training, and promoting income generating activities.

Women from various villages have been stepping out of the shadow and creating a difference in their roles as a sakhi, a bal mitra, an artisan, a farmer or an entrepreneur. Across locations, women in SHGs are involved in activities such as dairy development, nurseries, vegetable farming, mushroom cultivation, incense stick making, handicrafts and food processing. These activities have been instrumental in creating a value for women's work while strengthening their entrepreneurial spirit.

## 6) Process and Systems Rigor

From utilizing the strengths of a central management and distributed implementation team for efficient functioning, to creating rigorous field reports and documentation, comprehensive monitoring of outputs and third party audits for completed programmes, case study booklets and knowledge dissemination, ACF has put in place the necessary rigour and systems to realize a strategic long term CSR programme that is deeply connected to the local contexts and communities around the 22 plants across the country. For Ambuja Cements Ltd, the 2013 Companies Act has only served to enhance reporting of work as the company has always been spending more than the stipulated two percent of its profits on community development.

### Check Your Progress – 4

**Note:** a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

1) What do you understand by the term 'true value of the community'?

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2) What CSR practices and principles ensure buy in, whole hearted participation and ownership among the community?

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## 2.6 LET US SUM UP

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While the terms ownership and a sense of ownership have been applied in various disciplines and contexts, no formal or comprehensive description and explanation has yet been offered in the context of CSR initiative development projects. However in the unit, an attempt is made to understand the process and steps involved in handing over the ownership of development programmes to the community. The factors contributing to it, the strategy required and the importance of realizing the true value of the community is discussed using case illustration from the CSR projects.

At the same time, the term, sense of ownership is frequently cited as a significant characteristic of community development. While there is increasing use of the terms ownership or sense of ownership, there is a paucity of research regarding what these terms mean, how this body of knowledge influences community development, and the various approaches that can be applied in contemporary community research and practice. A sense of ownership in community development is described as a concept through which to assess whose voice is heard, who has influence over decisions, and who is affected by the process and outcome. Applying the concept of ownership can determine how the strategic interests and actions of individuals or organizations contribute to community development efforts. In addition, the potential for ownership can be understood in part by examining the capacity for and quality of trust. Implications are discussed regarding how the concept of ownership advances the current field, specifically regarding CSR's community development initiatives.

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## 2.7 KEYWORDS

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**Community-owned assets:** Community owned assets or organizations are those that are owned and controlled through some representative mechanism that allows a community to influence their operation or use and to enjoy the benefits arising. Benefits of community ownership in infrastructure projects such as dams and irrigation are claimed to include increased responsiveness to needs of that community and the community valuing the projects more highly.

**CSR Initiatives :** The term 'corporate social responsibility' (CSR) can be referred as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.

**Development Projects :** A project that sets up organizations, networks and tools that have an impact in terms of synergy and development for the community, a sector, region, etc. A development project can generate or drive other projects and gather actors from

different horizons to work towards a common objective.

**Community Engagement:** It is “a dynamic relational process that facilitates communication, interaction, involvement, and exchange between an organization and a community for a range of social and organizational outcomes. As a concept, engagement features attributes of connection, interaction, participation, and involvement, designed to achieve or elicit an outcome at individual, organization, or social levels. Current research acknowledges engagement’s socially situated nature. Community engagement therefore offers an ethical, reflexive, and socially responsive approach to community-organizational relationships with engagement practices that aim to both understand and be responsive to community needs, views, and expectations.” ([http://itss.uok.edu.in/Files/7a3103e5-b5fc-4a26-aae3-f0b5049e7faa/Menu/Community\\_Engagement\\_199c96e4-7290-48c9-928c-21e8405ae577.pdf](http://itss.uok.edu.in/Files/7a3103e5-b5fc-4a26-aae3-f0b5049e7faa/Menu/Community_Engagement_199c96e4-7290-48c9-928c-21e8405ae577.pdf))

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## 2.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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### Check Your Progress – 1

**Answer 1:** Community is generally defined as a group of people sharing a common purpose, who are interdependent for the fulfillment of certain needs, who live in close proximity and interact on a regular basis. Community ownership, here, refers to ownership undertaken by community with partnership with external organizations or corporations to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities.

**Answer 2:** Karikari (1996) and Yelbert (1999) identified the key principles of community ownership and management as a situation where the community has legal ownership and control of the services, including formal agreements with the project agency.

**Answer 3:** It means involving village level institutions like *mahila mandals*, *gram panchayats*, youth groups, etc., so that there is community level pressure on co-partners. For example, JBGVS promotes only low cost household level latrines, sanitation units in schools, family size biogas plants and soak pits to name a few. Since the households own the latrines, biogas plants and soak pits, we focus on the beneficiaries and their education. School sanitation units are handed over to the respective schools and the school management is responsible for the maintenance.

### Check Your Progress – 2

**Answer 1:** Intervention Area; Needs Assessment; Alignment with CSR Policy; Building stakeholder inter linkages; Regular Participatory Review and Reflection Meetings; Capacity Building of The Community Key Members; Community based MIS; Community led Monitoring.

**Answer 2:** It is the frontline monitoring of activities through the identified community members as it helps in avoiding day-to-day glitches of the interventions. These day-to-day hindrances can be quite cumbersome and costly for the project team alone to handle.

### Check Your Progress – 3

**Answer 1:** Four key aspects are identified that a company should keep in mind when launching local CSR programmes:

- Sustainability

- Co-creation
- Local team
- Long-term investment

**Answer 2:** Ensuring that a CSR initiative is sustainable is primarily achieved by developing a healthy relationship with local communities and working with them as partners. Rather than treating them like beneficiaries and mere receptacle of corporate donations, the company should work on teaming up with the community, and other local stakeholders like the Government, rural entrepreneurs, etc. to create winning collaborations that can sustain over the/ long term. For example, a leading materials' manufacturing company with plants across India has worked on the creation of institutional structures that are community owned and community led and can create a strong foundation for the sustainability and in the long term, self sufficiency of CSR operations. This/ company is now working with local community based organizations that have a deep relationship with the local community, and funds the formation of self help groups, producer co-operatives and farmer groups, including support in provision of financial access, training, capacity building and development of local infrastructure. Over the last 3-4 years, the company has managed to create over 4,000/such groups and leveraged over one third of the investment in partnership with the government.

**Answer 3:** Long term investment is the condition for success of local CSR initiatives and of their most valuable outcomes, in terms of building trust, social license to operate and reputation, and the belief that the corporate will stay with the community in attaining the long term social outcomes like better health, infrastructures or livelihoods. Without mutual trust, the money invested can be frittered away in mere activities and the initiative's impact can become unsustainable.

#### Check Your Progress – 4

**Answer 1:** The community has always been a primary stakeholder for any CSR initiatives. 'True value of the community' is to empower communities to recognize their true value and work towards its fulfillment. For example Ambuja Cements Ltd. (ACL) and the company has a long history of innovating for sustainability and social impact, presented at the forefront by its 'True/ Value' initiative, serving as a catalyst to help the community develop with the same strides as the company.

**Answer 2:** A bottom up approach to assessing needs; collectivization and community empowerment; leveraging native wisdom; partnerships and sustainability; empowering women in the community.

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## UNIT 3    CONNECTING THE LAST MILE

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### Structure

- 3.1 Introduction
- 3.2 Connecting the Last Mile: Context and Background
- 3.3 Impactful Last Mile Delivery
- 3.4 Suggested Model for Effective Last Mile Delivery
- 3.5 Let Us Sum Up
- 3.6 Keywords
- 3.7 Bibliography and Selected Readings
- 3.8 Check Your Progress – Possible Answers

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### 3.1 INTRODUCTION

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Last Mile Delivery is a subject at the crossroads of economic and social issues. On one hand, the ability to reach out to very low income populations deprived of access to basic services, particularly those in isolated rural areas, has long been one of the main concerns of many humanitarian organizations or development NGOs. On the other, for a few years now a growing number of businesses have become interested in a segment that is too often forgotten by economic *glottalization*, which means populations living on only a few dollars a day. One of the major concerns is bringing essential services to the poor whether in remote, rural, urban or semi urban areas or slum in the metro cities. Developing countries lack resources and capacities to reach out to the underprivileged in the areas of education, health, water and sanitation. Many private organizations are making an effort to reach to the last mile in order to provide social services. This is especially true in developing countries where social enterprises not only face the inherent challenges of growing their services, but also the unique challenge of delivering social returns to the last mile. In the traditional methods, reaching to last person has been challenging but private companies, which often step in to serve the middle and upper classes, are dissuaded by high risks and low affordability from providing these services to the poor or what is sometimes referred to as ‘the last mile’. In contrast, social enterprises have been able to provide basic goods and services to the poor. In social development programmes, connecting last mile is most important because if any person gets no service, it means percent of the programme is not achieved. For example if we talk about open defecation, if safe defecation facility is not available and accessible to even one person it means that one person is at risk and opportunistic infections that can arise due to lack of such facility is open for the others as well. So reaching out to the most deserved by connecting them to the development programmes and schemes of the Government implemented through Non-Government Organizations (NGOs) funded by the Corporate sectors is the need of the hour.

After studying this unit, you will be able to:

- Explain the meaning of connecting the last mile
- Discuss economic and social issues around last mile delivery
- Elaborate on the opportunities and challenges in last mile delivery



## 3.2 CONNECTING THE LAST MILE: CONTEXT AND BACKGROUND

Inclusion of the last mile in any social development programme is very crucial, as to achieve complete results in social service, which ought to be delivered to the last person. India or in any developing country connecting last mile is a challenge, specifically as many socio-economic dynamics stands in the way of service deliverance and people. Both government organizations (GOs) and non government organizations (NGOs) take the responsibility to cater to all needy population, but availability, accessibility and affordability still remains a challenge in the traditional system. In this situation, private companies come in to the picture and they take responsibility of giving it back to the community including the last mile in all essential services for the communities. It is noteworthy that, Government in recent times has strengthened the rule for the private companies to give back to the community and thereby the concept of Corporate Social Responsibility (CSR) came in to existence. Having stated that, it is important to understand that connecting last mile is based on the principles of the availability, accessibility and affordability of the development services to the communities. The table below throws light on the principles.

Accessibility	Availability	Affordability
All schools and colleges have to be in the approachable geographical location so each student can be reached and they avail education	In education – Private and public institution ensure that required infrastructure should be available for the schools and colleges	All education facility should be affordable – that it should not be expensive and should have a student friendly environment
Accessible to all – Educational institute should be accessible to the all the students, they can easily access the services – that should not be very far, rules should be student friendly.	Available for all - it is very important that infrastructure should be available for the student and there should be availability of the teachers and staff	Education should be affordable for the student, language friendly, healthy academic environment
In the health sector- Hospitals and dispensaries should be accessible to all.	In the health sector– Hospital should have sufficient infrastructure and staff to cater all the patients of the area and also have sufficient care giving facility	That care giving facility should not be very expensive and should be as per the need of the people

To meet the services of availability, accessibility and affordability, CSR is playing the major role in India after making it essential by legalization under the CSR law.

### 3.2.1 Sustainable Development Goals (SDGs) in connecting the last mile

The legacy and achievements of the Millennium Development Goals (MDGs) provide us with valuable lessons and experiences to begin work on the new goals. But for millions of people around the world the job remains unfinished. We need to go the last mile on ending hunger, achieving full gender equality, improving health services and getting every child into school beyond primary. The SDGs are also an urgent call to shift the world onto a more sustainable path. SDGs are main source of motivation and right path of achieving the objective of connecting the last mile of all people of the world or any country. These are the guideline for any country, to connecting last mile and fighting poverty, eradication of hunger. The SDGs are a bold commitment to finish what we started, and tackle some of the more pressing challenges facing the world today. All 17 goals are interconnected, which means that success in one affect success for others. Dealing with the threat of climate change impacts how we manage our fragile natural resources, achieving gender equality or better health helps eradicate poverty, and fostering peace and inclusive societies will reduce inequalities and help economies prosper. In short, this is the greatest chance we have to improve life for future generations.

The SDGs are unique in that they cover issues that affect us all. They reaffirm our international commitment to end poverty, permanently, everywhere. They are ambitious in making sure no one is left behind. More importantly, they involve us all to build a more sustainable, safer, more prosperous planet for all humanity. SDGs are the global commitment to connecting last mile, it is the right way to reach every person, bringing all the service to the last person and eradicate poverty, hunger, and providing all the services like health, education etc. to the last person of the society.

#### Activity 1

Make a visit to one non government organization or any development project funded under CSR in your locality/state/district/field site and document the process adopted to include the last mile in their service delivery.

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**Note:** a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

- 1) What is connecting the last mile and its base principle to achieve social development goals?

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- 2) Discuss the role of CSR in connecting the last mile?

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- 3) How are SDGs the main source of motivation and right path of achieving the objective of connecting the last mile?

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### **3.3 IMPACTFUL LAST MILE DELIVERY**

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#### **3.3.1 Economic and Social Issues Around Last Mile Delivery**

The very strong economic growth of the emerging countries, and in particular India, China and Brazil, has led the major multinational corporations to be interested not only in the emerging middle classes in these countries, but also in the very great majority of potential consumers of these markets, the lower income populations. The Base of the Pyramid theory conceptualizes a natural tendency of globalization: the search for the new untapped markets that the four billion people living with less than 5 to 6 dollars per day could represent. In parallel, after being in existence of over 15 years, the 'social responsibility' initiatives of large multinationals have moved from traditional forms of patronage to the creation of laboratories of alternative economic projects targeting poor populations. Social and inclusive business are some of the terms used to designate

these new ways for businesses to contribute to economic and social development seeking legitimacy in the eyes of the public and motivation for their employees. And if the strategies concerning underprivileged populations today cover multiple realities, a change is in progress: poverty is no longer seen by the international private sector just from a philanthropic viewpoint but also from a more economic angle. In France, for instance, half of listed businesses in the CAC 40 index have launched initiatives of this type.

The last mile is considered as one of the key challenges for these models. All the stakeholders involved in these strategies, despite their considerable diversity - businesses, NGOs, social entrepreneurs - and the variety of sectors in which they operate, are encountering operational difficulties in actually reaching the poor populations in question, especially in rural areas.

The last mile delivery is also a significant challenge for economic development, for two reasons: on one hand, the implementation of innovative distribution systems relying on micro entrepreneurs could be an important factor in terms of job creation and income generation; the development of micro franchise networks also plays a significant part in the development of micro entrepreneurship. On the other hand, the inefficiency or even total absence of distribution networks, particularly in rural areas of developing countries, is a major obstacle to access by poor populations to essential goods and services and largely explains the penalties of poverty weighing down on the base of the pyramid. In this context, therefore, it is important to better analyze innovative distribution practices, including those relying on micro franchises, and to understand the effects of these new practices on development. The sector of essential goods and services, such as nutrition, energy, health or water, needs to be studied more particularly. The analysis of these practices has highlighted several points, which are often overlooked in the debate around the last Mile.

In the first place, the last mile is not simply a logistic and physical challenge; it comprises all of the things that make up 'the capacity to aspire'. In this context, organizations that are seeking to reach out to low income populations need to achieve a match between distribution and an understanding of the needs of the populations concerned. In addition, these strategies represent the meeting between radically different market logics. The businesses, particularly multinationals are part of a formal market economy which are contract based and equipped with modern marketing techniques. When they target low-income segments of the population in emerging countries, they confront a traditional, certainly informal but sometimes very hierarchical, market logic. In other words, these strategies lead to a confrontation between political economies that are often profoundly different.

The point of contact between two specific trade cultures in the implementation of these strategies will precisely be the distributor. The distributor may in effect be also the 'relay' between these two worlds, the figure where these two economies influence each other. This calls for understanding of the existing distribution networks, their structure and their dynamics on one hand, and to analyze the possible relations between these networks and multinational businesses, and their consequences on the two economies on the other. Distribution plays a major part in development and the fight against poverty. Distribution first favors the employment of micro entrepreneurs - street vendors, shopkeepers, hawkers - and then gives low-income populations access to quality products.

### 3.3.2 Empowering the Rural Workforce: Case illustration

Here are some interesting models that have been implemented to reach consumers more effectively, all of which enable the flow of information and awareness, providing a range of options for the consumers. More importantly they aim to achieve rural employability and empowerment as the main drivers:

#### 1) The Village Level Entrepreneur

Companies like Villgro Stores, Frontier Markets, Essmart, etc., have created unique distribution models that reach within villages through VLEs (Village Level Entrepreneurs) or local dealership networks. The process of participative product testing and evaluation by end users in actual field conditions makes adoption quick and cost effective. The VLE model effectively creates viable businesses even in smaller villages given its low cost of operation and local participation. For the VLEs this serves as an additional income other than the irregular income through agriculture, local business, etc. A few hundred such VLEs have been operating successfully across India.

#### 2) Hubs to Empower Local Talent

Companies like Head-Held-High ([www.head-held-high.com](http://www.head-held-high.com)) have brought to life the concept of creating multipurpose rural hubs that train local youth in various kinds of business and employability skills, to be hired by corporations or local businesses wanting to access the regional markets. The network is also leveraged to service the various needs of local rural consumers by nurturing local entrepreneurs and connecting them to manufacturers and service providers from across the country. Two hubs have been piloted successfully by HHH in south India and 3-5 more hubs will be ready to setup across other states in south and central India. Bridging the gap between education and employment, Head Held High has a school dropout programme and a graduate programme for rural youth. The VEF - village entrepreneur forum – holds various events, expert talks and networking events that bring the local entrepreneurs onto a single platform along with experts, mentors and peers they can learn from. Beyond serving as an effective engagement and knowledge platform, the VEF also helps keep the spirit of enterprise alive in the rural areas where youngsters feel empowered enough to come up with their own initiatives and ideas to tackle local challenges with the support of this ecosystem. The Rural Entrepreneur Forms held by Head Held High help serve as a knowledge, networking and peer-exchange learning platform for aspiring village youth.

#### 3) Engaging Women Micro Entrepreneurs

Social organizations like Udyogini ([www.udyogini.org](http://www.udyogini.org)) have pioneered a model of creating women entrepreneurs who own and run village level service centers (VLSCs) in some of the most backward and remote tribal areas of Jharkhand, Madhya Pradesh and Orissa in the North East part of India. Having a local woman as an entrepreneur has ensured that they are now financially empowered and contributing to the local economy. More importantly the choice of products and acceptance levels have been much higher than usual given that these women better understand the needs of the local households and communities. Udyogini over the last few years has setup of over 120 women entrepreneurs through a unique curriculum in partnership with Intel. In the last few years, it has setup facilities for over 120 women entrepreneurs across remote far-flung areas.

While there are more such examples of upcoming innovations, a few key players have started to architect these models to scale through the use of technology. Logistimo, an exciting tech startup in Bangalore has made it seemingly easy for large corporations like TATA Steel with complex supply chain back ends to better engage and deliver through these rural entrepreneurs with the use of technology. EKutir is another upcoming rural business that has created over 75 entrepreneurs delivering agricultural services to small and marginalized farmers through mobile tablet solutions.

### Activity 3

Make a list of philanthropic organizations or business companies in your districts/states that are working towards social and economic development through CSR. Visit any one of the CSR project implementation sites in your vicinity and write about their initiatives in achieving impactful last mile delivery.

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## 3.4 SUGGESTED MODEL FOR EFFECTIVE LAST MILE DELIVERY

From the collective learning of various rural distribution models that have been tested by non-profits, social businesses and corporations, it is believed that we are now at the right stage of evolution of these markets. The following architecture is recommended that can address the needs of the rural population and empower them in a sustainable manner while fetching the corporations gain in reaching out to the BOP. The following layers thus working together are imperative:



### 1) Community Based Organizations: Local Presence

The layer closest to the community needs to understand, engage and effectively deliver to the rural markets through local physical presence. Research and

experience of many organizations have shown that there is no better way of doing this than developing the capacity of local talent, entrepreneurs and grassroots institutions. Grassroot NGOs that have been working on development challenges in the local area for a while can play this role extremely well as institutions given their depth of understanding of the local markets, cultures and communities. Grassroots organizations are also well aligned with the welfare and development needs of the communities, resulting in an engagement that can go beyond transaction and focus strongly also on educating and making the consumers more aware of their needs and choices.

## **2) Social Business: consumer understanding and go-to-market strategies**

Secondly, there needs to be a layer that can understand and translate local needs into services and products that can be delivered in a sustainable and profitable manner. In addition this layer can play a significant role in creating effective go-to-market strategies and executing the same through the layers below. This layer is many times the missing middle and many grassroots NGOs on one side and product/sales teams of corporations on the other side have tried to play this role with limited success. The ethos and principles behind a social business that is designed to operate on the twin goals of a social mission and for profit structure, is probably the best suited to execute this layer most effectively. NGOs with an economics and value driven approach and corporations with a community based approach to business are the next best options.

## **3) Corporations: Building products, services and an ecosystem for empowerment**

Finally, the last layer comprises corporations themselves who can take the knowledge coming from these markets and design and build products/services at significant scale, with appropriate quality and cost parameters. This requires the corporations to realign themselves from their product development to sales and human resource management and start with an attitude of learning about rural markets, rather than pre-supposing what these markets want. While markets and scale are huge, companies will have to be open to test their internal processes of bottom up innovation, frugality and marketing approaches, beyond just traditional CSR.

## **4) Building capacity in the last mile**

As evident from the above examples there is a strong need to invest in building capacity of local talent, entrepreneurs, institutions and networks to be able to align and speak the language of self-sustenance and empowerment. And, at the other end, a change in mindset and approach within corporations looking to serve the rural markets. This 'investment' in building the capacity of the last mile helps in creating a much more aligned and sustained supply chain with equitable distribution of value leading to larger success in the long run. This however requires patience and perseverance and more importantly strategic partnerships for corporations to succeed in these markets. Many short term approaches of looking to 'quickly sell' to growing rural markets have resulted in small time failures to sometimes large scale disasters, across sectors like energy, microfinance and other consumer products. Furthermore, this has also destroyed the trust between various parties in a market that can only work through partnerships.

## 5) Orchestrators /Glue and Governments

We have seen many models where any two layers have been combined and offered within a single entity and also others where two layers have been integrated well within corporations. However, rarely have we ever seen all the three layers built into one single entity and then the last mile empowered to create the access.

To enable this, on one side we would have to have orchestrators who are able to understand and empathies with these different layers and create a constructive dialogue and empower a common platform and methodology where all these layers can work together. While governments may not have all the tools to enable this, in countries like India, it is imperative that they are involved right throughout the process as one of the stakeholders. This takes time, effort and creation of new knowledge and process systems, within organizations and in the industry ecosystems.

### Case Study 1: e-Choupal by ITC

ITC's Agri Business Division conceived e-Choupal as a more efficient supply chain which aimed at delivering value to its customers around the world on a sustainable basis. E-choupal uses information technology to transmit real time and customized information in the local language on the weather and market prices, disseminate knowledge on scientific farm practices and risk management, facilitate the sale of farm inputs (now with embedded knowledge) and purchase farm produce from the farmers' doorsteps (decision making is now information based). This is done through village internet kiosks managed by farmers - called sanchalaks.

Real time information and customised knowledge provided by the e-Choupal enhances the ability of farmers to make informed decisions so that they can align their farm outputs in accordance with market demands. Availability of high quality farm inputs at fair price from reputed manufacturers is also possible due to aggregation of the demand for farm inputs from individual farmers. e-Choupal is also virtually linked to mandi systems and hence helps in price discovery and reduces the transaction costs for the farmers.

While the farmers benefit through enhanced farm productivity and higher farm gate prices, ITC benefits from the lower net cost of procurement (despite offering better prices to the farmer) having eliminated costs in the supply chain that do not add value.

Launched in June 2000, e-Choupal services benefits four million farmers from 35,000 villages growing a variety of crops like soya bean, coffee, wheat, rice, pulses, and shrimp through 6,100 kiosks across 10 states (Madhya Pradesh, Haryana, Uttarakhand, Uttar Pradesh, Rajasthan, Karnataka, Kerala, Maharashtra, Andhra Pradesh and Tamil Nadu).

There were several problems that were encountered while setting up and managing e-Choupals like infrastructural inadequacies, including power supply, telecom connectivity and bandwidth, apart from the challenge of imparting skills to the first time internet users in remote and inaccessible areas of rural India. However, some alternative and innovative solutions like power back up through batteries charged by solar panels, upgrading BSNL



exchanges with RNS kits, installation of VSAT equipment, mobile choupals, local caching of static content on website to stream in the dynamic content more efficiently, 24x7 helpdesk, etc., have helped in overcoming those challenges.

Source: <https://www.itcportal.com/businesses/agri-business/e-choupal.aspx>

### Case Study 2: Rural BPOs by Infosys

Infosys, as a part of its CSR activity has used the availability of workforce at rural areas to open BPO centers in south Indian villages. The services provided by the rural BPOs are centered towards back end operations. By establishing BPO centers in the villages, it has become possible to capture a latent workforce and also save on the stress created in the urban areas. The response from the rural folks is very good. Currently Infosys BPO uses the rural BPO centres to service their domestic customers and are engaged in basic transaction activity. The biggest incentive for Infosys BPO to get deeper into the rural segment will be its engagement with the domestic customers. Infosys BPO is already engaged with certain domestic customers like the income tax department and India Post, and this list is expected to grow in the coming years. For example, in partnership with the department of rural development, Andhra Pradesh, it has set up a rural BPO center where it handles the back end processes of social security pensions and processing pension disbursement for government agencies.

Source: 1) <https://www.dnaindia.com/business/interview-rural-bpos-are-not-merely-csr-initiatives-for-infosys-raghu-cavale-1467232>

2) <https://www.financialexpress.com/archive/infy-gears-up-for-larger-rural-bpo-movement/1102365/>  
<https://www.financialexpress.com/archive/infy-gears-up-for-larger-rural-bpo-movement/1102365/>

### Check Your Progress - 2

**Note:** a) Use the spaces given below for your answers.

b) Check your answer with those given at the end of the unit.

- 1) What do you understand by impactful last mile delivery from this section? Illustrate further relating with the model examples discussed in this section.

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- 2) What do you understand by rural employability and empowerment?

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- 3) Discuss the suggested model for effective last mile delivery. Illustrate with examples.

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### 3.5 LET US SUM UP

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Aspirations in rural India are on the rise and we are racing against time to ensure the effective delivery of essential services to these areas. Significant information asymmetry and lack of awareness among consumers make this a vulnerable market that needs to be approached in a responsible manner. However, the costs of learning about the needs of these markets and understanding consumer behaviour are high and serving them profitably is not easy. Markets need to realize and imbibe the fact that serving rural markets is a long term game and there are very few quick wins which will be sustainable. Hence, treating the rural consumers as an opportunistic customer segment through existing systems will only lead to short term success and/or higher costs of experiment. Social organizations have to nudge the consumers to make responsible choices by focusing on empowerment and connecting them with opportunities in the markets in a way that meets both needs and aspirations.

Dichotomy and dilemma exists at almost every level of this value chain, from a rural consumer who is caught between aspirations and essentials, to a corporate having to balance its profits with responsibility and impact and a social organization with social structures on one side and the need for economic empowerment and viability on the other. Every player has to make a strong attempt to move towards the 'balanced middle' for this value chain to align and deliver with absolute effectiveness.

For this to happen though, corporations and non profits will have to reinvent themselves and be prepared for an exciting but long road ahead of them if they want to serve the rural markets. The question really is, in the midst of quarterly reviews and earning calls in the corporate world or a donor driven non profit world, does one have mindshare, time and resources to invest in the long term? And more importantly, is there enough empathy in the corporate world or an open mind in the non-profit world today to try and understand the aspirations of an emerging customer segment and serve them through a new breed of partnerships and innovative products and channels?

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### 3.6 KEYWORDS

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**Last Mile Delivery** : Last mile delivery is defined in development projects funded under CSR as the movement of services from an organization/company to the final delivery destination, which are the beneficiaries or target population. The focus of last mile delivery is to deliver services to the end user/beneficiaries as fast as possible.

- Social Business** : A social business is defined as a business whose purpose is to solve social problems in a financially sustainable way.
- Corporations Company** : Corporations are the most common form of business organization, and one, which is chartered by a state and given many legal rights as an entity separate from its owners. Registered corporations have legal personality and shareholders whose liability is generally limited to their investment own their shares.
- Workforce** : The workforce or labour force is the labour pool in employment. It is generally used to describe those working for a single company or industry, but can also apply to a geographic region like a city, state, or country. Within a company, its value can be labeled as its 'Workforce in Place'. The term generally excludes the employers or management, and can imply those involved in manual labour. It may also mean all those who are available for work.
- Entrepreneurs** : An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures. Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bring good new ideas to market. Entrepreneurs who prove to be successful in taking on the risks of a start up are rewarded with profits, fame, and continued growth opportunities. Those who fail suffer losses and become less prevalent in the markets.

### 3.7 BIBLIOGRAPHY AND SELECTED READINGS

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### 3.8 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

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#### Check Your Progress - 1

**Answer 1:** Last mile delivery is defined in development projects funded under CSR as the movement of services from an organization/company to the final delivery destination, which are the beneficiaries or target population. The basic principles are availability, accessibility and affordability.

**Answer 2:** To meet the services of availability, accessibility and affordability, CSR is playing the major role in India after making it essential by legalization under the CSR law. CSR have the responsibility to give back some percent of their profit in social development sector by undertaking projects in the area of health, education, women empowerment, employment generation in a sustainable way.

**Answer 3:** The SDGs are unique in that they cover issues that affect us all. They reaffirm our international commitment to end poverty, permanently, everywhere. They are ambitious in making sure no one is left behind. More importantly, they involve us all to build a more sustainable, safer, more prosperous planet for all humanity. SDG are the global commitment to connecting last mile, it is the right way to reach every person, bringing all the service to last person and eradicate poverty hunger, and providing all the service health education and all services to the last person of the society.

#### Check Your Progress - 2

**Answer 1:** Impactful last mile delivery is an interesting model implemented to reach consumers more effectively, all of which enable the flow of information and awareness, providing a range of options for the consumers. More importantly they aim to achieve rural employability and empowerment as the main drivers.

**Answer 2:** Decent rural employment refers to any activity, occupation, work, business or service performed for and pay or profit by women and men, adults and youth, in rural areas that provides an adequate living income.

**Answer 3:** The suggested model for effective last mile delivery is to involve all the stakeholders and working with them at different stages. They are community based organizations, where local presence is felt; social business where there is consumer understanding and go-to-market; corporations where building of products, services and an ecosystem for empowerment takes place and finally orchestrators/governments who are able to understand and empathize with these different layers mentioned and create a constructive dialogue and empower a common platform and methodology where all these layers can work together.

**COURSE 1: FUNDAMENTALS OF CSR (MEDS - 051)**  
**(6 Credits)**

**Volume 1**

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