Vulnerabilities and Social Responsibility in India: Possibilities, Opportunities and Limits

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Abstract *India's economic growth post liberalisation has seen tremendous increase. At the same time, the polarisation of Indian society on economic and social parameters has never been sharper. The inability of vast sections of Indian society to take advantage of the economic opportunities on account of their multiple vulnerabilities has developed a context within which poverty and hunger are likely to become the norm rather than exception. The present paper argues that the CSR efforts of the corporate are likely to remain cosmetic in nature unless there is a focus and definite direction to these initiatives. While the prevailing texture and flavour of CSR in India is heavily influenced by CSR in the West, the CSR in India will have to be rooted in the realities of social life and deal with issues of vulnerabilities and marginalisation.*

Keywords *CSR, Vulnerabilities, Development, Government, DPE Guidelines, Corporate*

CHANGING CONTEXT AND STATE INTERVENTION

The success of India's growth story post liberalisation has largely been narrated in numbers, i.e. percent increase in growth rate. Yet, the everyday realities pose a strong challenge to this success story. The polarisation of Indian society on economic and social parameters has never been sharper. The government of India makes regular appeals for austerity measures which implies tightening and control over expenditure in social sector. The inability of vast sections of Indian society to take advantage of the available economic opportunities on account of their multiple vulnerabilities and the signs of gradual withdrawal of state from social sector have developed a context within which poverty and hunger are likely to become the norms of the day rather than exception.

The peripheral capitalism, of which India was a part during the colonial period, ensured that the local self-sufficiency was broken and production was intended for sale, both locally and in international markets. By the same token, peripheral capitalism drew India into the ambit of colonial trade, as market for metropolitan production (Alavi, 1981).This core-peripheral relationship ensured exploitation of human and natural resources for the benefit of the colonial empire. Thus, the country had a legacy of distorted development, poverty, unemployment, illiteracy, and poor health at the time of independence. The vulnerable sections of the society were the worse off in all these areas. It was in this context that in 1949 India declared itself to be a sovereign socialist secular democratic republic, the word socialist being added to the Preamble by the Forty-second Amendment of 1976.This spirit of the constitution was a signal for achieving social and economic equality by ensuring non-discrimination on the grounds of caste, colour, creed, sex, religion, or language and by making distribution of wealth more equal and providing a decent standard of living for all. This was in effect a commitment towards formation of a welfare state. The state thus took up a mammoth task of accordingly shaping the economy and giving it a direction which was different from the one seen during the colonial rule.

Within this context, the state embarked on the path of developing an economy that could be termed as state capitalism where the state was the major player in economic domain. The state also ensured that it was considered a model employer. The labour legislations regulated work context, minimum wages, payment of wages, hours of work in organised sector. Thus what is referred to as implicit CSR in international literature on CSR has been part of the corporate organised sector in India which employs about 10% of the workforce.

Post 1990s, with the onset of privatisation, liberalisation, and globalisation, the state is doing away with command economy and is creating a facilitative environment where private sector can take lead in the economy of the country. The trajectory of India's economic growth has now moved in a direction where the state is increasingly getting corporatised and it is the economy and economic growth that are driving the policy decisions. A sound economic health is considered panacea for all ills in the society and hence the policy decisions are taken mostly when they make a sound business case. However, more than 90% of Indian population is engaged in unorganised sector where many of the labour legislations are either not applicable or are not followed. Locating social responsibility of the employers in this sector is an unenviable task. Yet, it is this sector that provides a safety net, a social security to the people it employs.

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Arising out of this is the fact that the vulnerabilities of Indian population have thus continued to increase along with the rise of market forces. This provides tremendous opportunities and possibilities for the corporate to practice their own flavour of CSR, yet there are limits to it. These limits are the outcome of same market forces. Hence if the corporate world in India has to emerge as a socially responsible entity then it has to have a new brand of CSR which is different from the brand CSR which they presently follow.

CSR AND DEVELOPMENT: IS THERE A CONNECT

Without getting into the debate on the meaning of CSR and the accompanying contestations, I briefly enumerate major themes around which CSR literature is now organised. CSR has been viewed as making a strong business case. The underlying theme is that a socially responsible corporate has credibility in the eyes of customers and the increasing consumer movement is to the advantage of those corporate which are socially responsible. It is also considered as a means of giving human face to the capitalist enterprise that is seen to be only interested in making profit. It has been projected as a way to protect workers and environment from undesirable consequences of otherwise desirable international trade. It is, in its ultimate form seen as a commitment of business to contribute to sustainable economic development, working with employees, their families, local communities and society at large to improve their quality of life in ways that are both good for business and good for development (World Business Council, 2002).

With definitions such as the ones given by World Business Council and the World Bank, the term development especially social development which emphasises on removing vulnerability and ensuring development of all members of society gets a completely new meaning. Development and the entire world view tend to get coloured and affected by business thinking and such a thinking becomes a norm against which everything is tested(Blowfield,2005). Yet, business was never expected to be so disconnected with society and development, a disconnect which, it is now claimed, is being addressed by CSR. The CSR practices are worth what they claim only when they are able to push the interest of marginalised and weaker sections of society.

LOCATING CSR IN GOVERNMENT AND CORPORATE WORLD

There continues to be an ambiguity in the way corporate and Government of India understand CSR. While the government is aiming to dilute the legislations and dismantle the social benefits, it is at the same time deliberating on making CSR mandatory. Thus, it is pushing the corporate from the implicit CSR to explicit CSR. It has already made CSR a mandatory aspect for its Public Sector Undertakings (PSUs) which are required to give anywhere between 1-2% of their profits towards CSR. The nature of expected interventions is spelt out in the Department of Public Enterprises guidelines (DPE) of the Government of India. The statements in the DPE guidelines, namely, '*The business plan under CSR should be integrated with the social and environment concerns related to the business of the company*' and that '*CSR activities should help in building a positive image of the company in the public perception*' clarify that CSR is clearly seen as a business proposition by the Government. At the same time it also looks at CSR as a tool to facilitate development (DPE Guidelines, 2009, Government of India).

There is diversity amongst the corporate in India on their understanding of the term CSR. A majority of corporate looks at CSR as an aid to business. Some see it as philanthropy and very few as an ethical commitment (Sharma, 2011). There is also a diversity of activities that go in the name of CSR. These initiatives can be broadly categorised under three heads. First come the initiatives that can be considered to be philanthropic initiatives. The corporate houses give donations towards some cause or the other. These range from donations of computers, old clothes, books for libraries, holding blood donation camps, donations to orphanages, hospitals, donations in cash or kind to homes for the aged, and scholarships for the weaker sections of the society especially the scheduled castes and scheduled tribes. Donations during disasters and free veterinary assistance are other modes of philanthropy. None of these activities is sustainable. The second set of initiatives is that which falls in the domain of infrastructure development, be it building of roads, community centers, schools, tube wells, providing technical assistance, and infrastructure facilities in electricity generation/ distribution in villages without electricity. Some are also involved in enhancement of already existing infrastructures in the community in the vicinity of the corporate house, for example adding rooms or constructing separate toilets for the girls in government schools. Then come the initiatives that can be termed as those aimed at empowering communities. The initiatives taken by the corporate that come under this category include skill building, vocational training, education, livelihood issues, training of rural sportsmen, counseling to parents of school going children or to the patients through help lines, Self Help Group formations (SHG) and encouraging economic activities through them, capacity building of farmers, training, and employing visually challenged people and improvement in existing health initiatives. While the vocational training arranged by some organisations under CSR initiative does not have backward or forward linkages, the skills imparted are also many a time not marketable (Ibid, 2011). Some examples of the vocational training that do not have forward linkages are training to become plumbers, electricians, beauticians, tailors, computer operators and drivers. The communities are generally left to find job for themselves after training. Many of these trainings are not relevant to the cultural context of communities. Such initiatives are neither sustainable in terms of their backward and forward linkages nor do the initiatives have any built in mechanism for sustaining themselves. There is also duplicity of interventions and many a time in same locality or area.

It is a big question as to how such piecemeal, unsustainable and ad hoc efforts can bring about development of the communities.

VULNERABILITIES AND DEVELOPMENT IN INDIA

The vulnerable in India are the people on margins. Their vulnerability comes from their inability to access available resources in our society. This inability is structurally rooted in Indian society and is not an outcome of an individual's own failure to access the resources. This is also referred to as social exclusion. It arises out of a process of social closure by which some social groups seek to maximise rewards by restricting access to a limited number of eligible (Parkin, 1979). There is sufficient evidence to prove that access to resources is certainly affected by membership to certain groups. The vulnerability of groups such as the poor, women, children, scheduled castes, scheduled tribes, religious minorities, persons with certain disabilities and those engaged in unorganised sector in India multiplies in accordance with membership of different groups. Development in India cannot be conceived without bringing people on the margins in the centre of debate. Besides, raising issues of human rights and justice, at a purely mundane level wastage of these available human resources itself would scuttle the growth prospects of any country. However, there are certain prerequisites for working with this section of society. First, to have long lasting impact of an intervention on these groups, there is a need to have a long term engagement. This is required to ensure that the transition period where there is maximum danger of falling back into the old trap is successfully managed by these groups. The second prerequisite for engagement with these vulnerable groups is a critical awareness of the structural barriers that prevent any long lasting change to take effect among these categories. This awareness is also a guide to the direction the proposed interventions should take. The third prerequisite for working with such groups is the need to take up comprehensive initiatives with these groups. Piecemeal initiatives would fail to bring desired effects on account of multiple vulnerabilities of these groups or communities, but the CSR efforts of corporate in India have a tendency to spread across a large canvass of issues and groups. At the same time there is too much emphasis on quantifiable outcomes leaving out the qualitative aspects of interventions.

LOCATING CSR MODEL IN INDIAN CONTEXT

The prevailing model of CSR in India is heavily influenced by the way CSR is practiced in the West. Two prerequisites for the CSR which are gradually gaining acceptance are a functioning market in which corporations have discretion over their responses to market, social or political drivers, and second, functioning governmental and legal institutions that guarantee, define and administer the market and act on behalf of society to address instances of market failure (Crane et al, 2008) While the socio-economic and historical context of CSR in the West, especially the USA, has been very different from that of India, yet this model is gaining an unquestioned acceptance amongst the Government and corporate functionaries. It therefore becomes pertinent to ask how a socially responsible corporate should function in India- whether it should follow the business model where the returns on investment are translated into numbers or should a socially responsible corporate take on the issues of vulnerability and marginality in India. While the business model of CSR is easier for purposes of creating brand image on account of the tangible outcomes and for compliance, yet it does not address the issues of vulnerability. At the same time engaging with issues of vulnerability for social development requires taking positions, for which, the corporate world is neither prepared nor capable. The corporate and the NGOs hesitate to take positions on issues of vulnerability and exclusion in communities while implementing CSR initiatives. As a consequence, the services get monopolised by certain sections of society on the lines of caste, gender or religion. In such situations, while the issues of development remain unaddressed, there is an indirect reinforcement of existing power differences and exclusionary practices.

The near total reliance of the corporate on Non Governmental Organisations (NGO) and other civil society organisations to mediate between the society and themselves also has impact on promoting development. NGOs in fact are widely being considered as having potential to safeguard environment, mobilise public on issues of concern and thereby deliver on development much better than state and political parties. Reliance of corporate on NGO sector for implementation of CSR agenda comes from this belief. However, mediation between communities and corporate by NGOs is expected to achieve those social goals which are partially shared by the state, concerned communities, the corporate and the NGOs and completely owned by none. The problems of Indian society have increased manifold and so have the NGOs over this period and yet the solutions are not in sight (Chandoke, 2009).

Thus CSR in India will have to come out of its comfort zone, identify and carve out its actual role in Indian society. The business world would need to take positions and accordingly direct its CSR activities if it wishes to concern itself with social development issues of the country. Otherwise, it will continue with its efforts in CSR through explicit means, through philanthropy or in the form of services. But these will be the limit within which CSR will operate. Calling these initiatives by the name of development would be incorrect. The end result of many such CSR initiatives in India till date has been a multiplicity of initiatives on the same issue and with no direction or sustainability. The corporate on account of limited liability does not concern itself with these aspects of CSR and the state with a much larger liability allows the corporate a free hand under socially responsible initiatives.

The corporate must appreciate that in absence of development of human capital in India and on account of its wastage through marginalisation, CSR does not even make a business case for Indian enterprises. A vast majority of Indians towards whom these initiatives are directed does not know the corporate, nor is it capable of purchasing the products that the corporate sells.

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