

CSR Evangelism: Rural Consumers Walk down the Road to Enlightenment

Garima Kumar & Anand Prakash

This paper critically analyzes the corporate social responsibility (CSR) discourse as operative within a fast moving consumer goods (FMCG) organization, operating in the health food sector. The dominant CSR discourse propagated as a means of mutual value creation for the organization and also the bottom of the pyramid (BOP) is questioned. Consumer freedom at the BOP seems an elitist privilege for subaltern consumers, as corporate initiatives to do good get innocuously mired with divergent discourses of brands, consumer culture, power and politics. The study draws on empirical evidence from qualitative interpretive research, based on semi-structured interviews document analyses, and participant observation. Data was analyzed using grounded theory method and Critical Discourse Analysis (CDA).

Garima Kumar (E-mail: garimak@hotmail.com) is Assistant Professor Mata Sundri College, University of Delhi. **Anand Prakash** is Professor, Dept. of Psychology & Dean, International Relations (Humanities & Social Sciences), University of Delhi

Introduction

Today's organizations seek to woo their customers by enticing them to pick and choose. The new organizational culture practices seem to further intensify this trend, and the discourse of CSR (which, as argued here, is a stylized marketing move to strengthen the Customer Relationship Management (CRM) movement in the villages and rural poor) seems to have gained ground recently. Both discourses are based on the promise of mutual value co-creation, and a win-win approach for both the organization and the customer. In the following account, we debate upon this notion of CSR, and argue that many of these consumer wants and desires are unreflectively created.

We provide a critique of two certainly distinct, but conceptually intertwined discourses on CSR and CRM. We assess the marketing techniques of value co-creation (Prahalad & Ramaswamy, 2004a, 2000b), which encourages close and mutually beneficial company–customer relationships. Extending the scope of value co-creation, Prahalad (2004) builds the business case for tapping the bottom of the pyramid (BOP). For him, the poor-

est people of the world can offer lucrative business opportunities for companies regardless of their less than US\$1 income per day, and also themselves be initiated to the consumption world. To articulate how CSR discourse governs both the consumer as well as employees, we draw on the work of Michel Foucault and his understanding of power, power relations and 'regimes of practice' or governmentality. Thereafter, we briefly discuss the concept of CSR, drawing on empirical evidence of a specific case study within the context of a fast moving consumer goods (FMCG) organization for a critical analysis.

Theoretical Constructs

A recurrent theme of Foucault's work is that of power and the exercise of power, its relational and omnipresent character. It is constructed within 'regimes of practice' (Foucault, 1991) which basically are coherent ways of going about and doing things. Thus, it is inscribed in discourse and language structures and all social practices, producing subjects – in the present case consumers as well as organizational employees. For Dean (1999), these regimes of practice e.g. administering, assessing, mentoring and the like are seen as 'governmentality' regimes, emphasizing rules, collective thought and practice of government. Foucauldian ideas within marketing focus largely on his concept of disciplinary power (Desmond, 2003; Kasabov, 2004) involving objectification of an individual for achieving total submission. Foucault argues, that such techniques of power, seek to produce com-

pliant 'docile bodies' by objectification by creation of micro-power through constant surveillance. However, fear driven external threats eventually lead to power inscribed within language and discourse i.e. within the very fabric of social structures.

We argue that the subjectivity of both consumers and employees within the context of the organization under study has been, to a large degree, defined by the discourses of CSR and CRM. These apparently provide set of norms and possible identity positions to strive for. Thus, external forms of control give way to self imposed disciplined individuals. They are encouraged to view their lives and subjectivity as a creative enterprise of their own choice i.e. subjectification. Thus, a second aspect in studies of governmentality is subjectification. Hence, power relations established through governmentality operate by impacting our subjectivity through our innermost hopes, fears and desires. Power is exercised through the 'conduct of conduct' by shaping an individuals' sense of themselves and their subjectivity which in turn shapes their conduct. Governing presupposes freedom, which is an essential element of the relationship between the government and the governed. For Foucault, power and resistance work in tandem. A key element discernable within such a view is a shift away from the way in which individuals are externally transformed by others to the way in which they transform and shape themselves (Best & Kellner, 1991: 55). The process of subjectification thus involves the appearance of technologies of domination

or power to give way to emergence of 'technologies of self. These are socially constructed ways of understanding oneself through acts such as that of self observation, examination, confession practiced under the actual or imagined gaze (Foucault, 1977) of an authority figure or system of 'truth'. Truth is a moral imperative shared by a particular group. The purpose of technologies of self is to encourage individuals to relate themselves to ideal forms e.g. as an enterprising employee, an empowered consumer, a conscientious citizen.

We utilize the concepts of governmentality, disciplinary power and technologies of self to present a renewed understanding of employee and consumer empowerment. We highlight that the discourses of CRM and CSR mobilize practices to discipline employees and consumers through effect of knowledge systems exercised via governmentality. These dominant discourses inscribed within the organizational culture practices, serve to promote self-disciplined individuals, where marketers through various marketing strategies, attempt to colonize their life-worlds. Thus by adopting a critical approach to the area of marketing within the context of an FMCG industry the study provides a useful frame for the analysis of social dynamics of marketing practice, and how it contributes to symbolic and discursive production of a market oriented culture impacting both employee and consumer subjectivity. We discuss how both employees and consumers are embedded within a web of power relations, where both producers

and consumers shape and are shaped by the subject of consumption within the market. Finally, we look at some implications of state mandated provisions for CSR as per the Companies Act 2013 for organizations. We briefly elaborate and in the process contemplate upon a conventional understanding of CSR and the marketing communication surrounding it.

Corporate Social Responsibility (CSR)

CSR coexists with modern strategic philanthropy and corporate citizenship (CS). From a protectionist state driven mixed economy model after Independence, to economic liberalization in 1990s, we are part of the BRICS nations. The Union Carbide Bhopal tragedy together with a few other episodes globally, intensified civil society groups and international NGOs to confront business excesses in India. Some key drivers of CSR in India stem from limited resources with government to deal with socio-economic challenges, civil society pressures, greater global demand for accountability and disclosure in governance and responsible supply chain.

CSR coexists with modern strategic philanthropy and corporate citizenship (CS).

Vital work on CSR focused on issues in the social (Fredrick, 1960), environmental areas (Marrewijk, 2003) contributing to an ongoing debate on whether CSR and CS are mutually exclusive. Steger (2004) proposes the

CSR represents an ideological movement, aimed at legitimizing and consolidating the power of corporations.

Business Case for Sustainability (BCS) concept a market-centric rationale for CSR by companies that operate in the “smart zone”: creating “economic value by improving environmental and social performance beyond compliance”. Very closely related to BCS approach is the BOP framework, advocating the economic rationale for CSR. For Prahalad & Hart (2004) involving the BOP which has a population of 4 billion people with less than \$ 1 income per day can offer profitable business opportunities. Challenged by critics (Karnani, 2007; Davidson, 2009) on many grounds which are highlighted in the later part of this paper, the emancipatory potential of the CSR rhetoric within the marketing jargon is limited, guided by narrow economic concerns of its stakeholders. Thus, CSR represents an ideological movement, aimed at legitimizing and consolidating the power of corporations. By and large literature focusing on implementing CSR tends to neglect power issues. Bondy’s (2008) work seems to be an exception, where empirical evidence sheds light on how some attacks use CSR to improve their position within the organization. Attention to social and environmental issues, demonstrating ethics, integrity and transparency in all operations, ensuring welfare and support of communities an organization is involved with are three rationales why corporations should engage in

CSR beyond making money (Banerjee, 2007:48).

The historical backdrop and the contemporary Indian economic realities make CSR activities especially relevant today with the provisions of the Companies Act 2013 relating to CSR, now firmly in place. The 2013 Act follows a ‘comply or explain’ approach. As per the provisions of section 135, a company with a turnover of Rs. 1,000 crore or more, or of a net-worth of Rs 500 crore or more or reaping a net profit of Rs 5 crore or more in any financial year shall constitute a CSR committee and is required to spend at least 2% of its average net profits of the past three years on CSR activities. Further, an explanation is sought if a company is unable to do so.

Evidently, corporations’ interest in doing all this is that good CSR activities lead to better financial performance. Also in case of failure on the part of corporate license for its activities will be revoked. This literature also focuses on how stakeholders are disciplined and governed to toe the corporate line. Thus, managing stakeholder interest, as we will argue, is less to do with generating knowledge for benefiting communities and more about power applied by corporation, acting as new governmental regime to produce conceding subjects or consumers. Ever since the notification of state mandated provisions for CSR as per the Companies Act 2013, important implications for companies like Nutrico ensue, as discussed later in this paper. In order to understand how CSR discourse

operates, we now situate the study within the specific context of a FMCG, MNC organization, Nutrico¹ (pseudonym) with its operations in about 150 counties across the world. We draw on empirical evidence from the narratives obtained from employees.

Research Context & Method

Nutrico is a FMCG organization located in Gurgaon, Haryana dealing in health food, health drinks and over the counter (OTC) products. It has been merged with another pharmaceutical major. The study was conducted in 2008 in Nutrico's consumer healthcare division, its independent subsidiary. Research interest focused on the cultural and structural changes in the organization in the post-merger context. Interviews were carried out with employees who had witnessed the structural and cultural changes taking place at Nutrico, over a period of six months in 2008. The intent was to capture a diversity of views and not just the dominant or shared aspects of culture, in line with the interpretive leanings of the study. The focus was to discern the ways in which organizational practices are constructed in the organizations; degree to which organizational leaders and top management have a discretion over the cultural construction of meaning, i.e. the extent and manner in which management manipulated the culture; and its reception among employees. More specific objectives emerging from data were: a) identifying managerial and

marketing strategies behind the adoption and use of organizational practices through narratives of organizational members; b) investigation of how power is made operational regulating employee and consumer subjectivity among others.

Data was collected from primary and secondary sources. Primary data involved semi-structured interviews conducted in the ethnographic genre. First round interviews involved fifteen managers. Themes identified in the initial session informed the construction of semi-structured interviews with managers of various occupational groups, including marketing & sales professionals, R&D experts, financial analysts, manufacturing, product designing and procurement group. Employees were also selected for interviewing on the basis of job roles and strategic location at Nutrico, including a few Vice Presidents as well as new entrants and some more experienced employees.

Secondary data included company brochures, documents, promotional material including some television commercials for Nutrico products. In all cases the interviews were fully transcribed, manually coded and analyzed. Analysis was a unity at three levels. (1) Themes were identified using grounded theory methods (GTM) (Strauss & Corbin, 1998) using constant comparison; (2) the identified set was further subjected to Critical Discourse Analysis (CDA) (Fairclough, 2003); (3) linkages were drawn between discourse as text and discourse a context i.e. the larger social context which may influence the creation

¹ Pseudonyms are used throughout the paper to ensure anonymity

of texts. Additional observations and contextual comments were noted. Detailed non participant observations helped to carefully study the day-to-day work practices at Nutrico. After the Nutrico snapshot, we discuss the CSR discourse, a major discourse prevalent in the organization to introduce the Nutrico case. Thereafter, we explicate more fully how the discourse was operational within the context.

Nutrico Case: A Snapshot

The Nutrico prototypical employee displays integrity, ethics and a passion for the product marketed. The complex vocabulary promoted within Nutrico established the supremacy of the guiding force behind “what we do” -doing business with integrity. This is the central theme at Nutrico, with its emphasis on a culture of ethics and care in the day-to-day workings and activities. Being one of the largest pharmaceutical players in the world, the brand name was its attraction. The organization is perceived by its employees as a company seeking more than just new markets for its products. The pre-merger history (many years ago) of a complete monopoly over market was no longer a reality. The enterprise language of the customer is now simultaneously promoted along with the morality driven ethical language of community service. Official communication suggests: “Excited by the constant search for innovation we at brand Nutrico undertake our quest with the enthusiasm of entrepreneurs. We value performance achieved with integrity. We will sustain success as a world class global leader,

... with an unmatched sense of urgency to our customers and their needs”.

The market driven business discourse of the brand and customer culture, innocuously co-exists with the discourse of ethical morality at Nutrico ensuring productivity for the time being.

Hence, the market driven business discourse of the brand and customer culture, innocuously co-exists with the discourse of ethical morality at Nutrico ensuring productivity for the time being. By critically analyzing the key discourses operational within the organization, we discern how power is made operational by regulating employee and consumer subjectivity, highlighting the dialectic between employee and customer interactions.

‘Do Good Feel Good’ Mantra

Nutrico has a sound record of activities to promote the social and economic causes of the communities in which it operates. Nutrico believes its social responsibility to be stemming from providing affordable medicines and contributing to global disease management. It has focused on several major pandemics. It announced a 50% lower price for drug accessibility in 50 poorest countries of the world. According to the CEO of Nutrico, “There is no higher priority than the ethical conduct of our employees and company. We only exist to improve the lives of patients, so every decision we take, every action, every conversation we hold,

has to have this at its heart and as its sole purpose. Given to choose between profit and ethics we would without a doubt pick the latter”.

The company employees’ involve themselves in education of poor children as well as in health awareness issues, thereby providing inputs to people about healthier life styles. Thus, Nutrico is effectively able to channelize these activities as internal marketing moves, especially relevant for the company in turbulent times. Besides the ‘feel good factor’, these initiatives help in humanizing the company in ways that other facets of job products cannot.

Corporate Evangelism or Governmentality?

The NGO flack as a result of downsizing attempts led Nutrico to spruce up its efforts to further build the image of a good samaritan. The initiatives, while helping Nutrico to keep up with its idealized vision, also enforce a form of ‘governmental regime’ (Foucault, 1977). Government regulations and societal pressures make this necessary. Besides these are also, in a Foucauldian sense, tacit mechanisms of steering clear of legal wrangles. “The layoffs caused a lot of uproar in society. Our patent application for XXX did not come through. We found ourselves reeling under the scanner. We do so much for empowering the masses... consumers value us and I know our goodness will pay off. We will pull it off!”

Nutrico’s societal orientation seems to positively influence psychological well

being of employees. A close analysis of the initiatives suggests a strong business focus as a co-determiner for assuming such a posture. It is significant to note here, that these have been in place prior to the formal state mandate for CSR activities, and were voluntary CSR initiatives by the firm, which is a significant aspect of the broad definition of CSR as “A concept whereby companies integrate social and environmental concerns in their business operations and their interaction with stakeholders on a *voluntary* basis (emphasis added). It entails going beyond minimum legal requirements and obligations stemming from collective business agreements, in order to address societal needs” (The EU Commission, 2006).

The inclusion of ‘voluntary’ implies that mere acknowledgement of societal and environmental concerns can prevent governmental regulations, as long as bare minimum legal requirements are fulfilled. Does this indicate that CSR discourse is yet another powerful mechanism of articulating a dominant ‘superior’ form of knowledge serving the interest of corporate rather than society? It is apparent that CSR may be witnessing the emergence of new seductive truth, namely it is good for economy and business (Banerjee, 2001b).

CSR may be witnessing the emergence of new seductive truth, namely, it is good for economy and business.

The Companies Act 2013, relating to CSR spending, curiously then promotes

the CSR by pushing the profit motive and not restraining it. The tacit message is: 'do good to do well'. The idea is to instill a certain mentality in the minds of managers. A pertinent concern here is, how can the dual understanding of governmentalization of CSR and 'competitiveness for business' be transcended by both economic and ideological reasoning (Scherer & Palazzo, 2007; Shamir, 2008). Foucault's (1977, 1991), governmentality studies are relevant in this regard. Governmentality aims towards shaping economic and social conduct of business by instilling a sense of self imposed discipline and 'choice' which in no way hinders its autonomous character (Miller & Rose, 1997) and "thus acts on the governed as basis of action and freedom" (Dean, 1999). In what follows, we focus on how specific forms of knowledge i.e. discourse on CSR is mobilized within the organizational culture of Nutrico, to shape the conduct of others (internal and external stakeholders) to serve the business case. In the process, we also look at some of the practices through which power is made operational. To do so, we first focus on a particularly significant area deserving close attention i.e. of serving the BOP. The BOP represents a fresh slant to the CSR logic which arguably aims at bringing together the interests of the corporate and the societal poor by creating win-win solutions for each stakeholder.

Nutrico decided to go rural and cater to those who were previously outside the health food & health food drink (HFD) domain. The step is pompously internally marketed as a step to bring the

rural poor at par with their affluent urban counterparts thus further boosting the image of good corporate citizenship behavior of the company. Employees genuinely believe and play an active role in promoting such acts as evangelic feats. In so doing the employees themselves appear to become consumers of the market culture at Nutrico; dissolving the producer-consumer distinctions. Not only does the marketing & sales function at Nutrico take up this task of extolling of company policies and products but also the employees across functions. They thus may be seen as part-time marketers (Gummesson, 1991), creating a hype (apart from marketing professionals who do this on a full time basis). While talking of a cheaper variant of its flagship brand Nutrifit; called Nutrifit XXX, specifically targeted as a branded product to be marketed at the BOP at affordable prices. "This is a product developed specifically to bridge the BOP gap. There is a need for affordable nutrition it's a huge opportunity. We need to create awareness where the consumer *upgrades* (emphasis in original) from what they are traditionally used to (milk?) to a more balanced scientific product". "We owe it to society. The *uninitiated need to be assimilated* (emphasis in original) to make their lives worth living. We promote egalitarianism, health, nutrition and the spirit of living. That's what makes Nutrico."

Hence, clearly Nutrifit – XXX was seen as a new ray of hope, making affordable nutrition available to all. The effort was thus portrayed as a socially driven move of offering a scientifically based product to the poor. It is hailed by

senior management and other employees as an effort of bringing the ‘unaware’, and ‘ignorant’ to understand the benefits of a healthy balanced diet. The product is interestingly proclaimed (in the narrative) as an up-gradation from traditional older substitute, unlikely to be anything other than milk. With no cheaper rival health drink variants available in the rural market this is the only possibility. The question then remains: was Nutrico tacitly marketing Nutrifit – XXX as a milk substitute in the name of providing a scientifically based nourishing product?

Introducing the poor to even a limited set of choices, away from their critical day-to-day urgent needs which are more pressing is hard to gulp.

Clearly the commercial and strategic viability of rural market penetration in the untapped segment seems like a more overpowering concern for the company, rather than seeking social upliftment. Introducing the poor to even a limited set of choices, away from their critical day-to-day urgent needs which are more pressing is hard to gulp. Seen as a win-win opportunity for the company and consumer it is a move which is claimed to eradicate poverty by mutual value co-creation.

Although intuitively appealing, the assumption can be seriously questioned on ethical grounds. Karnani (2007) notes that viewing the poor as resilient and ‘creative entrepreneurs’ and ‘value conscious consumers’ (Prahalad, 2004) seems se-

riously flawed. Prahalad’s libertarian view of reducing poverty assumes that the poor are ‘sovereign’ consumers ‘free to choose’ seems a far-fetched thought. Also, to assume that the uneducated poor are equally capable of making well informed choices in their own self-interest, may be viewed arguably as a new form of governmentality by corporates to further their economic interests. Although, apparently valuable a nuanced analysis suggests that expense on such branded HFDs is a frivolous expense unnecessarily forcing them to incur additional cost. Co-occurrence of such business and CSR discourses is prevalent: “We are proud that we make our products available in far flung villages and slums. It’s not just the affluent who enjoy our products but also the very needy. It’s a whole new world of choices for them! ... customers... , trust us ... and our products. We are market leaders due to our ‘*basti*’ work.” Making goods available in slums is indicative of the service commitment of the company. Cause branding and marketing also achieve a distinct identity for internal employees. It acts as a key differentiator from competitors.

CRM in Villages: ‘Docile Bodies’ & Governable Subjects

There is scarce literature suggesting relevance of CRM in emerging and BOP markets. Traditionally Nutrico’s focus has been on market segmentation of high consumption markets with accessible product and supply structures, purchasing capacity and responsiveness to integrated marketing communications. A re-

newed fervor to serve large subsistence markets at BOP was now underway. The challenge arguably, lies in adapting Western models to cater to local needs. (Prahalad & Hart, 2004; Mahajan & Banga, 2006). Thus Nutrico has upped the ante to gain access in this context.

Recourse to direct community networks for one-to-one relationships with potential customers are the key to success. Customer engagement through *gramin-melas* (village fairs), road shows apart from CSR activities with communities in which Nutrico operates, provide informal rural customer-organizational networks to create rapport and information. These act as distribution channels for Nutrifit-XXX and other newly launched products. Identifying customers in smaller markets, creating product demand and bringing the erstwhile 'un-initiated' into the fold of consumption are challenges faced by Nutrico. The move has been internally touted as a social cause and is viewed by the non-marketing group as a community outreach program for mainstreaming the rural masses.

A senior official stated: "Our research shows there was a dire requirement for our products in villages. Our work with communities suggests that marketing of Nutrifit-XXX will go a long way towards fulfilling the long standing need for a health product like this, to counter poverty and malnutrition". He further affirmed "we are not creating needs. We are simply fulfilling them". While most see it as a philanthropic move, it is also openly acknowledged that as a bonding exercise geared towards creating inti-

macy with potential customers. Interestingly, it is here that the company has a procurement plant. Organizationally mobilized self-help groups take up women's welfare, health issues pertaining to mother and children. These also serve as "great networking sites" as appraised by a few employees. Collaborating with women was a stepping stone for getting a foothold in villages and also tying up with local NGOs. "... if you convince women about the credibility of ... a finance scheme, or for that matter our product (jocularly), you convince rest of her family. Appraising communities about health benefits helps. Even rural women don't mind spending a wee bit for nutrition of their kids." "They.... trust us and our abilities completely.... Our efforts to spread awareness will go a long way in shaping up a new way of life. Nutrition is every common man's right and we facilitate ... it rightfully by our product offerings".

Apparently philanthropic moves adding to the 'do good feel good' fervor seem to be rooted in seeking commercial viability of their consumer products.

Thus the apparently philanthropic moves adding to the 'do good feel good' fervor seem to be rooted in seeking commercial viability of their consumer products. All such initiatives advance the employee wellbeing and encourages the consumer (creating strong customer relationship ties with them) to view the company in an extremely positive way, conveying an almost demi-God like im-

age. All these also serve as 'technologies of power' (Foucault, 1977) as it succeeds in cause-branding by creating demand for novel products for the under-privileged consumers. Cheaper variants like Nutrifit -XXX are portrayed as a new ray of hope for the naïve poor consumers, who are made to walk the road of enlightenment, by promising them a life different from the one they live now. Consumers are encouraged and "empowered" to 'rightfully' make the 'right' moves. Other remarks suggested that facing the realities of the market could aid in the dual purpose of providing opportunity to develop employees' in a virtuous manner. "The new Nutrifit-XXX is our genuine attempt to bring nutritive products... at affordable prices. ...health is a priority area and thus our product must be balanced and affordable, an essential daily dose. We now empower them to take a pick".

The cheaper substitute offered is platformed on the value for money proposition. By offering a product like Nutrifit - XXX Nutrico has opened up a "whole new world of choices" for the 'uninitiated'. HFD supplements like Nutrifit – XXX which were earlier bracketed under "comfort foods" and considered: "an unnecessary frill of affluent" is now being marketed by Nutrico as a necessary component of diet and a 'normal' feature of day-to-day living.

As Ritzer (1999:28) argues: "people are lured to the cathedrals of consumption, by the fantasies they promise to fulfill and then kept there by a variety of rewards and constraints". Thus, these

networks may be seen as mediums via which products are marketed to consumers with the 'well meaning' intent of improving their welfare by expanding choice. Assuming that the choices made are well-informed and rational is a mistake. In Karnani's (2007:19) words: "A poor person is far more constrained by lack of income than by lack of variety of goods and services offered by the market. "Prahalad (2004), argues how can anyone else decide what is best for the poor. He concurs that the poor have the right, to determine what they spend and what they do with their limited income as they are value-conscious consumers; 'the poor themselves are the best judge of how to market their utility'". This, for Karnani (2007), is taking the free market ideology to an extreme; a potentially dangerous element of BOP proposition. In response to governmental regulations for MNCs to act in the best interest of customer welfare, CRM has now become even more significant for organizations. Government regulations on CSR as mandated by the Act urge corporations to know their client needs. It thus becomes the corporations' responsibility to prevent mis-selling products to customers. This assumes even greater significance in the context of BOP, where the prospective customers are largely naïve and uneducated.

The responsibility for social welfare activities is entrusted to corporations. They are held accountable for effectiveness of steps taken. Although a set of activities is specified as to what could constitute CSR, organizations are given the flexibility to choose the CSR initia-

tives to undertake. Thus, despite the imposition by the new Act, to report CSR spending and reporting initiatives taken by the firm as per the government, there will be no governmental pressure as per law on what the companies should do and that it would be up to companies on how to use it for a social cause. Hence, 'self-regulation,' through CSR gives the impression of moral reflexivity and responsibility on the part of the companies without conceding power to the government. However, any activity taken up for commercial profit cannot be counted as CSR.

Consumers are able to interpret their desires and are responsive to suggestions from their trading partners.

On the other hand, attempts on the part of the organization to constitute the 'unsuspecting', loyal consumer subjectivity engender a form of subjugation to the desired ends of the organization. In practical terms, empowering the BOP consumer, to make informed decisions, to ask the 'right' questions, and to make value conscious decisions (Prahalad, 2004), thus appears to be in the best interest of all. In an attempt towards value co-creation, Nutrico seeks to make its empowered consumers 'active agents' in the tasks of making their own lives better by collaborating with the 'reflexive consumer' (Beckett & Nayak 2008). According to Pepper and Rogers (2005), consumers are able to interpret their desires and are responsive to suggestions from their trading partners.

It is this end, as claimed by officials of the company that Nutrico wanted to achieve for the community of villagers it supports, particularly where its plant is located. Nutrico collaborated and linked local farmers, to the supply chain, ensuring a consistent high quality of milk and raw produce of wheat and barley. Farmers bring milk and produce to Nutrico representatives, facilitating their own capacity building, thereby making the prospective consumer a producer. Hailed by critics of BOP proposition (Karnani, 2007; Davidson, 2009), this nevertheless creates complete farmer dependency on Nutrico. Farmers 'willingly' gave all their produce away to Nutrico, apparently a win-win solution in short run for both the consumer and the organization (it gets the raw material as well as market for its products), for totally loyal, faithful and 'docile' (Foucault, 1977), but nonetheless, 'empowered' consumers. These consumers are capable of 'rightfully' making 'right choices', and willingly submitting themselves to the governmentality of the enterprises. But, what happens if the company decides to relocate its operations to a different location in future for economic reasons? (Bannerjee, 2001a)

CRM may be thus viewed as '*technology of power*' "to aggravate consumers' anxieties about building their own future and that of their kin. It encourages the 'responsibilization' (Burchell et al., 1991) of consumer subjects. Hence the consumer-subject is reconstituted as an 'enterprising' (Du Gay & Salaman, 1992) 'empowered' subject, autonomous, self-regulating and actualizing individual, seeking to maximize the

Consumer empowerment, thus, serves “to obscure... power ...and to disarm traditional forms of resistance”

quality of life. Creating consumer awareness through initiatives, serves not only an information dissemination function, but also a way of subjection where consumers conceive of themselves as ‘autonomous’ and ‘free to choose’. Consumer empowerment, thus, serves “to obscure... power ...and to disarm traditional forms of resistance” (Hodgson, 2002: 326). Is true value co-creation (Prahalad, 2004) possible given this reality? What are the consequences of ‘romanticising the poor’? (Karnani, 2007), is an idea open to introspection and discussion.

Road Ahead: Possible Implications

The 2% CSR provision of the Companies Act, a hybrid of state intervened CSR and some degree of voluntarism with regard to where Companies want to allocate funds for CSR is unique to the Indian economy. However, the effect, both positive and negative, can only be contemplated at this time. For organizations of the likes of Nutrico, self-governed disciplined subjectivities that toe the corporate line, will build reputational legitimacy and trust amongst the communities it operates in, ensuring profitability. Possibility of protests is mitigated. Deferential subjectivities do not apprehend any reason for the philanthropic intentions of their messiah. As compliant subjects they would willingly submit to corporate will.

Spending on education, health care facilities, bring in greater visibility of the corporate initiatives, create good-will in communities and also ensure sustained profit for the organization over extended periods.

As the proponents of the mandatory approach to CSR argue, voluntary modes of governance should not be the sole or primary modes of governance of ensuring accountability (Gonzalez & Martinez, 2004). de -Schuutter (2008) strongly advocates the regulatory case for CSR in order to ensure transparency with respect to verifiable benchmarks. According to KPMG (2017) in India big companies have been actively engaged in CSR, the number of such organizations is still quite low. The new law as per KPMG officials could lead to significant rise in numbers. Others have also hailed the move. We discuss the resulting change in Nutrico’s functioning, consequent upon the introduction of the new guidelines for CSR for companies.

Since the introduction of the CSR Act, Nutrico website now has complete information about its CSR policy and an elaboration of initiatives undertaken in this regard in the past. A few years ago this was not so. 2017 is a different story. Compliance requirements of the Act are largely being followed. The CSR policy contained in the Annual Report is available in the public domain. As per the Act mandate, the weblink for the CSR policy is available on the website. The organization has a clearly articulated mission although the same is not mandated. It is a stand-alone five member committee

including a woman and independent director; beyond the mandated minimum of three members and one independent director. The role of committee is explicitly outlined, with 4 meetings (more than mandated) held during 2016-17 as per the Report of Directors. Conducting three or more meetings by the stand alone committee is a sure sign of an active committee ensuring to prioritize CSR activities. The CSR interventions create a sense of ownership and ensure sustenance of projects. Specified intervention areas both in CSR policy and in the Directors' Report indicate a very strong strategic CSR focus at Nutrico.

The budget outlay for the CSR activities and projects is very clearly presented. Direct and overhead expenses on each project are documented area-wise as per Act requirements. Support for eradication of Lymphatic Filariasis, a pan-India initiative of the company, community development projects covering multiple sectors including healthcare, education, vocational training, income generation and child protection etc. covering more than 8 states of India, disaster relief for victims of Chennai floods in 2015-16 are key support areas. All these are listed areas, recommended for CSR spending in Schedule VII of the Act. Besides identifying direct engagement areas, mode of implementation of projects entails collaboration with NGOs and not-for-profit organizations of repute. This is also disclosed in the Directors' Report. Area and sector-wise impact of activities is explicitly stated. Comparison of amount required to be spent towards, 2% CSR as against amount actually spent

is explicated. Data presented mentions that Nutrico has spent somewhat less than its average net profit of last three financial years. Reasons stated for non-compliance are reclassification of spending in accordance with suggestions by experts and the scaling up of some projects within Nutrico. However, treatment of surplus attributed to CSR activities, has not been mentioned, a mandatory requirement of the Act. This is definitely an area of concern.

Nutrico runs two key rural program steering missions i.e. the Nutrico Health Scheme (NHS) as well as Rural Entrepreneurship Program (REP) (pseudonyms). "NHS program aims to improve the standard of living in the rural areas, engaging with rural medical practitioners and community workers, thus creating... relevance for our brands... reaching out to BOP,... create livelihood for underprivileged enhancing access of our products ... economically empowering rural women". Nutrico's efforts for its marketing campaigns in rural India won it multiple awards at the recently convened XXX Asia awards in 2016-17. Brand and product penetration is further ensured by introduction of Rs 10/- sachets of the flagship brand and other key HFDs marketed for BOP consumers. From the aforementioned official accounts, we recognize the blurring economic- societal distinctions. The social is encoded as Vellentin & Murrilo (2009) put it, as a special case of economy whereby ethical concerns are enveloped within the logic of economic rationality and strategic advantage for business growth (Shamir, 2008).

A government regulated obligatory approach, accords greater credibility to voluntary initiatives through careful monitoring (de Schutter, 2008). Pro-2% CSR economic argument may in fact bring greater transparency in the endeavors of Nutrico. It may facilitate in lending some voice to BOP consumers which seems like a far cry at the moment. As Van Zile (2012) avers, the policy may in fact “help India achieve the twin goals of stability and growth and bring India at par with countries like USA who spend about 2% of their profits on CSR. It may not be a panacea for all ills but is certainly a move worth a try.”

The unwary rural consumer is ever more entrapped in the rhetorical quagmire of pedantic empowerment regimes.

We also however, need to look at the flip side of the CSR Act for a more nuanced understanding. Green-washing is possible if any organization routes CSR through its own trust. Corporate driven discourses of strategically targeted CSR seem to have distanced rural consumers further away from indigenous modes of sustainability. These modes relied on native, local knowledge systems and the expertise of a community of people about health benefits of natural foods, nutritional and medicinal value of home grown herbs and natural healing. Responsibility of one’s own health no longer personal is an agenda to be mobilized by either the government steered health enhancing initiatives, or the market driven regulatory rhetoric of corporates like Nutrico. The unwary rural

consumer is ever more entrapped in the rhetorical quagmire of pedantic empowerment regimes. Erstwhile protectionist policy treated all consumers at par with universal rights (Geisler & Veresiu, 2014), the contemporary government regulated call for public-private partnership for nation building in India comes with a unique twist.

The tutored rural consumer extols the concentration enhancing qualities of ‘clinically proven health advantage’ of micro-nutrient enriched milk as regular diet. Market segmentation exacerbates diversity amongst consumers and consumer choices. Division of consumer groups into narrower market segments with a Nutrifit for every age group; prevents the power of the collective to emerge, as responsible community of people, geared towards their common goal of accomplishing “good health for all.” This ensures a dependent relationship on either the government or the corporate for health. Responsible consumption, no longer an accepted consequence of consuming naturally healthy diet, even in rural areas, gets entangled in the jargon of “understanding one’s food choices in relation to...ecological sustainability, biodiversity, energy conservation, worker safety, living wages and most important preservation of small farms and a rural way of life.” (Thomson & Coskuner-Balli, 2007:138). Hence, ‘responsible consumption’ becomes a ‘moralistic governmental regime’ of public administrative bodies and corporations like Nutrico, urging consumers to make ‘informed choices’.

The aim here is neither to hail nor denigrate any one of the two positions.

What works best in the long run is for time to unfold. The government's role as a regulator for CSR governance requires a more balanced approach of weighing both positives and negatives. A pertinent concern to mull over is whether this is the desired direction in which we would like to move ahead, certainly, important aspects for the future.

References

- Banerjee, S.B. (2007), Corporate Social Responsibility: The Good, the Bad and the Ugly, Cheltenham, Edward Elgar.
- Banerjee, S.B. (2001a), "Managerial Perceptions of Corporate Environmentalism: Interpretations from Industry and Strategic Implications for Organizations", *Journal of Management Studies*, 38 (4): 489-513
- Banerjee, S.B. (2001b), "Corporate Citizenship and Indigenous Stakeholders: Exploring a New Dynamics of Organizational-stakeholder Relationships", *Journal of Corporate Citizenship* 1(1): 39-55.
- Beckett, A & Nayak, A. (2008), "The Reflexive Consumer", *Marketing Theory*, 8 (3): 299-317.
- Best, S. & Kellner, D. (1991), Postmodern Theory: Critical Interrogations, London Macmillan Press.
- Bondy, K. (2008), "The Paradox of Power in CSR: A Case Study on Implementation", *Journal of Business Ethics*, 82:307-23.
- Burchell, G., Gordon, C. & Miller, P. (1991), The Foucault Effect: Studies in Governmentality, Hemphstead; Harvester Wheatsheaf
- Davidson, D.K. (2009), "Ethical Concerns at the Bottom of the Pyramid: Where CSR Meets BOP", *Journal of International Business Ethics*, 2.
- Dean, M. (1999), Governmentality: Power and Rule in Modern Society, London: Sage.
- Desmond, J. (2003), Consuming Behavior, Palgrave, Basingstoke.
- Du Gay, P. & Salaman, G. (1992), "The Cult[ure] of the Customer", *Journal of Management Studies*, 29 (5): 615-33.
- European Commission (2006), "Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on CSR", Retrieved from <http://eur-lex.europa.eu/LexUriServLexUriServ.do?uri=COM:2006:0136:FIN:en:pdf>
- Frederick, W. C. (1960), "The Growing Concern over Business Responsibility", *California Management Review*, 2:54-61
- Fairclough, N. (2003), Analyzing Discourse: Textual Analysis for Social Research, London: Routledge.
- Foucault, M. (1977), Discipline and Punish: The Birth of the Prison, London: Allen Lane.
- Foucault, M. (1986), Care of the Self, New York: Pantheon.
- Foucault, M. (1988), "Technologies of the Self", in L. Martin, H. Gutman and P. Hutton (eds), Technologies of the Self, London: Tavistock.
- Foucault, M. (1991), "Governmentality", in G. Burchell, C. Gordon and P. Miller (eds), Governmentality: The Foucault Effect, Hemel Hempstead: Harvester Wheatsheaf.
- Giesler, M. & Veresiu, E. (2014), "Creating the Responsible Consumer Subjectivity", *Journal of Consumer Research*, 41:840-57.
- Gonzalez, M. & Martinez, C.V. (2004), "Fostering Corporate Social Responsibility through Public Initiative", *Journal of Business Ethics*, 55 (3): 275-93.
- Gummesson, E. (1991), "Marketing Orientation Revisited: the Crucial Role of the part-time Marketeer", *European Journal of Marketing*, 25 (2): 65-75.
- Hodgson, D. (2002), "Know Your Customer: Marketing, Governmentality and the 'New Consumer' of Financial Services", *Management Decision*, 40 (4): 318-28.

- Karnani, A. (2007), Romanticizing the Poor Harms the Poor, Ross School of Business, Working Paper Series.
- Kasabov, E. (2004), "Power and Disciplining: Bringing Foucault to Marketing", *Irish Marketing Review*, 17 (1/2): 3-12.
- KPMG (2017), India's CSR Reporting Survey 2016, Retrieved from <http://home.kpmg.com/in/en/home/insights/2017/.../csr-reporting-survey-2016.html>
- Mahajan, V & Banga, K., (2006), The 86% Solution: How to Succeed in the Biggest Market Opportunity of the 21st Century, Wharton Publishing, Upper Saddle River, NJ.
- Marrewijk, M. (2003), "Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communication", *Journal of Business Ethics*, 44 (2/3): 95-105.
- Miller, P. & Rose, M. (1997), "Mobilizing the Consumer: Assembling the Subject of Consumption", *Theory, Culture and Society*, 14 (1): 1-36.
- Pepper, D. & Rogers, M. (2005), Return on Customer: Creating Maximum Value from Your Scarcest Resource, Singapore, Marshall Cavendish Business.
- Peters, T. & Waterman, R.H. (1982), In Search of Excellence, NY: Harper & Row.
- Prahalad, C.K. (2004), The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits, Wharton School Publishing.
- Prahalad, C.K. & Hart, S.L (2004), "The Fortune at the Bottom of the Pyramid", *Strategy+Business*, 26: 54-67
- Prahalad, C.K. & Ramaswamy, V. (2004 a), The Future of Competition: Co-creating Unique Value with Customers, Boston, Harvard Business School Press.
- Prahalad, C.K. & Ramaswamy, V. (2004 b), "Co-creation Experiences: The Next Practice in Value Creation", *Journal of Interactive Marketing*, 18 (3): 5-14
- Ritzer, G. (1999), Enchanting a Disenchanted World: Revolutionizing the Means of Consumption, Pine Forge Press
- Rose, N. (1990), Governing the Soul: the Shaping of the Private Self, Free Associations Books
- Rose, N. (1999), Powers of Freedom: Reframing Political thought, Cambridge University Press, Cambridge.
- Scherer, A. G. & Palazzo, G. (2007), "Towards a Political Conception of Corporate Responsibility – Business and Society seen from a Habermasian Perspective", *Academy of Management Review*, 32(4): 1096-1120.
- de Schutter, O. (2008), "Corporate Social Responsibility European Style", *European Law Journal*, 14(2): 203-36.
- Shamir, R. (2008), "Corporate Social Responsibility: Towards a New Market-embedded Morality?" *Theoretical Inquiries in Law*, 9 (2): 371- 94.
- Steger, U. (2004), "Searching for and Building a Business Case", in Steger, U. (ed.), The Business of Sustainability: Building Industry Cases for Corporate Sustainability. Palgrave: MacMillan.
- Strauss, A. & Corbin, J. (1998), Basics of Qualitative Research: Grounded Theory Procedures and Techniques, Sage Publications, Thousand Oaks: CA.
- Thompson, C.J. & Coskuner-Balli, G. (2007) "Countervailing Market Responses to Corporate Co-optation and the Ideological Recruitment of Consumption Communities", *Journal of Consumer Research*, 34: 135-52.
- Vallentin, S. & Murillo, D. (2009), "CSR as Governmentality", Working Paper No. 04- Retrieved from www.fabricaethica.it/documenti/936.CSR%20and%20governmentality.pdf
- Van Zile, C. (2012), "India's Mandatory Corporate Social Responsibility Proposal: Creative Capitalism Meets Creative Regulation in the Global Market", *Asian-Pacific Law & Policy Journal*, 13 (2): 269-303.