
UNIT 1 POVERTY ALLEVIATION

Structure

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1.1 INTRODUCTION

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 11th and 12th 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 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

1.2 POVERTY IN INDIA - SITUATIONAL ANALYSIS

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 94th out of 107 qualifying countries. In 2012 it was on 97th 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
First phase	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.
Second phase	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.
Third phase	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 Uniliver 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 benefitted 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, 3rd year operation is completed 4th 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

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

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.

1.7 KEYWORDS

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
IRDP	:	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

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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