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CSR AND EMPOWERMENT OF WOMEN: THE WAY FORWARD

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Abstract: The new Companies Bill with specific recommendations for spending on Corporate Social Responsibility (CSR) has taken many companies in India by surprise. Now CSR activities have to be measurable with definite budgets. This has increased the scope for meaningful intervention by corporate India towards combating many problem areas and contributing towards inclusive growth. One area of involvement could be towards creating employment opportunities through enterprise formation, particularly for women. Support could be extended as part of CSR to women belonging to SHGs and also to those individuals desiring to enter in to enterprise activities. The support could involve financial, training and marketing components. Enterprises could also be formed under the co-operative model with corporate handholding during initial stages. This paper discusses some of the existing CSR initiatives particularly those where support was provided to self help groups (SHG) for enterprise formation and suggests meaningful steps that could be taken up towards women empowerment and economic development by corporate houses.

Keywords: CSR, sustainable livelihoods, microenterprises, women empowerment

1. Introduction

The lower house of the Indian parliament passed a new Companies Bill in December 2012. According to it Public Sector Units (PSUs) and private companies that have a turnover of over 1 billion rupees or have a net worth of 5 billion rupees or recorded net profit of 50 million rupees and above are expected to spend 2 per cent of their average net profits in the preceding three financial years towards Corporate Social Responsibility (CSR). This means that for 2500 companies in India CSR reporting on the spending (though spending as such is not yet mandatory) to the corporate affairs ministry would become a compulsory annual exercise. Rough estimates by experts have pegged the amount that could be spent annually on CSR activities to be around 100 billion rupees. Thus CSR would not remain as sporadic corporate philanthropy acts, as has been the case for large number of Indian businesses, but as an area where there would be regular spending. Even before this mandate, some of the corporate houses like the Tata, Mahindra and others were contributing a fixed portion of their profits for the betterment of society.

Where should the spending go to? How should it benefit society and the company itself? There are some broad guidelines given by the government that could be considered, but the overall concern should be that, the spending on CSR activities should positively impact the socially and economically disadvantaged sections of the society. In turn, there would be a positive impact on the company and its operations if there are substantial improvement in education, environment and health in the
immediate environment or community. Companies world over has different approaches to CSR, ranging from fair-trade to philanthropy. In developing countries like India, CSR for number of companies has revolved around community-based development approach. Many have actively worked towards the economic and social empowerment of women. Some of them have promoted the formation of self help groups which were supported to take up income generating livelihood activities after sufficient training and capacity building.

2. Review of Literature

The concept of CSR originated in the USA in the 1950’s but became popular during the period between 1980 - 2000 when corporations started recognising and accepting some responsibility towards society (Srivastava et al., 2012). In his classic essay, Milton Friedman (1970) argued that there was a responsibility for corporations “to conduct the business in accord with [shareholders’] desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom”. According to Bowen (1953), CSR was about the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of the society. Carroll (1991) defined CSR as the complete range of duties business has towards the society and discussed four categories of obligations of corporate performance which included economic, legal, ethical and discretionary. Of these, ‘discretionary’ responsibilities referred to the voluntary contribution of the business towards social causes like involvement in community development or other social projects pertaining to health and awareness of the masses. Vogel (2005, p. 2) defined CSR, or business virtue, as “practices that improve the workplace and benefit society in ways that go above and beyond what companies are legally required to do.”

In developing countries like India CSR gained popularity only in the new millennium, though business houses particularly those like the TATA had an early orientation towards service to society. In the words of Jamsetji Tata, the founder of the Tata group, “In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence”. Approximately two-third of the equity of the parent firm, Tata Sons Ltd is held by philanthropic trusts through which it utilises on an average about 8 to 14 percent of its net profit every year for various social causes which even at the beginning of the new millennium had amounted to 1.36 billion rupees. In India, as there is a wide gap between sections of people in terms of income as well as socio-economic status, an ideal CSR should contain both ethical and philosophical dimensions (Bajpai, 2001).

A number of larger Indian companies have spent millions of rupees on various social causes and betterment of community in which they are conducting their business operations. They have and continue to work towards improving health, education,
basic amenities, condition of women and children and so on. But with the new legislation, these activities would have to be streamlined and carried out in a regular and more systematic manner with definite budgets.

The ministry of Corporate Affairs has indicated some of the broad areas and activities which is depicted in Figure 1.1. Other than working in these areas, companies could also contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central government or the State governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

![Figure 1.1 Broad Areas of CSR Activities](image)

**Figure 1.1 Broad Areas of CSR Activities**

It can be observed that there is an emphasis on women and their overall well being and also a mention about gender equality and empowerment of women. It has been proved that extra income in the hands of women leads to significant and positive changes in human development since it is largely spent on children’s education, health and nutrition, and is a catalyst for gendering development. Many corporate houses, working towards improving income and employment for women in rural India.
have used the Self Help Group (SHG)\(^2\) approach towards creating and enhancing ‘income earning’ or ‘decent livelihood’ opportunities.

One of the proven ways to improve women empowerment in rural India has been the SHG approach and credit and other support for microenterprise development (Kabeer, 2001). As SHGs graduate into micro-enterprise activities which are sustainable, economic empowerment is experienced by the women undertaking the activity (Chiranjeevulu, 2003; Choudhury, 2001). Micro enterprises engage in informal activities and as Versluysen (1999:27) states, the sector “encompasses the universe of microenterprises”. In the rural areas, micro-enterprise activities that generate self-employment would include off-farm activities like processing and packaging the produce, milling of grains etc. Self-employed in rural areas may include craftsmen and artisans, black smiths, carpenters, cobblers, tailors, peddlers, teashop owners, small retailers and so on.

The broad categories in the Non Farm Sector include, wage-earners (artisans and potters working for a wage); Self-employed producers (tea-shop owners, vendors); Producer-entrepreneurs (owners of food processing units, master-weavers); Traders (who supply raw materials and buy finished products); Owners of large manufacturing or service business; Farmers engaged in activities such as animal husbandry on a commercial basis etc. To enter into any such activity they require some amount of small capital from own savings or through credit. The working paper brought out during the UNDP workshop on small and micro enterprises conducted in 1993 at Delhi pointed out that an enterprise requiring an investment in the range of 25,000 - 250,000 rupees found access to credit to be difficult.

At present, a number of business houses, NGOs as well as the government are involved in the SHG formation. There is provision of financial support in terms of subsidised loans to SHGs for venturing into micro-enterprise activities under various government programmes like SGSY, SJSRY, PMEGP and others. But despite the financial support received, studies have shown that many such enterprises have not sustained for long or provided sustainable or decent livelihoods. As Abraham and Kalamkar (2011) cites, this may be due to non-suitability of the enterprise activity to the area or incorrect choice, failure to market the produce or service, lack of cohesion and co-operation among the members. Enterprises which received some type of formal support, particularly in marketing and credit requirements on an average performed better in comparison to stand alone enterprises.

3. Research Methodology

The study examined SHG promotion and women empowerment activities that have been undertaken by leading companies. For this, 21 large companies having business operations in India were purposively selected. These belonged to seven broad industries, FMCG, energy, information technology, metal processing, banking, banking,

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\(^2\) An SHG is an informal association consisting of around 10-20 women (in some cases even up to forty) belonging to the poorer strata of the society, from similar socio economic background. In 2012, there was approx. 1.5 Million SHGs in India. Majority of them were formed due to the efforts of NABARD.
telecom and automobiles. The CSR initiative particularly with respect to rural employment through SHG formation was studied from publicly available company disclosures. A conceptual framework for enhancing sustainable employment generation with corporate support is also developed and discussed.

4. Results and Discussions

First, initiatives carried out by the selected companies towards SHG formation for women empowerment is discussed. The emphasis on SHG development and related activities was lower in the case of businesses engaged in IT and telecommunications. Banking was an exception as all selected firms was intensely involved in extending credit to clients belonging to SHGs. Banks like ICICI through its foundation was also operating training centres for skill and competency development. The training programmes offered were culturally relevant and locally in demand, had low input costs but high returns, and were self-sustainable. Courses included were beautician training, mobile phone repairing, tailoring, cattle breeding and vermi-composting. Support was also provided to deserving youth for building their micro ventures.

4.1 Existing CSR Initiatives by Corporate India towards Women Empowerment

Majority of the business houses in the sample had spent some of the allocated CSR budgets towards improving the welfare of women, though the thrust varied with few having a major emphasis, while, for many, it was one among the many areas of intervention. Some of the corporate houses emphasised on education (for example P&G was committed towards improving the facilities with regard to education through its project ‘Shiksha’ which had a special emphasis on the education of the girl child), environment (PepsiCo had its attention on water replenishment) and health (RIL).

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

Empowering women and encouraging their entrepreneurial spirit was a vital aspect of CSR for business houses like the Tatas, HUL, Vedanta, Hindalco, Jindals and many others. The interventions were mostly carried out in the surrounding areas of the main operational regions, particularly in villages situated closer to the factory location. In the case of Jindal Steel, the CSR activities was concentrated around Hisar (Haryana),
Jajpur (Odisha), Visakhapatnam (Andhra Pradesh), and Gurgaon in the National Capital Region. 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 specialised agencies in some cases. Some of the companies like Tata steel, over the last 15 years had supported the formation of more than 500 rural enterprises in agriculture, poultry, livestock and community entrepreneurship. It continued to work untiringly towards furthering empowerment by facilitating the formation of around 200 women SHGs every year, who were encouraged to venture in to income generating activities. Tata Steel also held regular competitions for identifying women leaders who could be role models through its programme ‘Tejaswini’. The Kamlnayan Jamnalal Bajaj Foundation (KJBF) founded by the Bajaj family states its mission is to “empower the rural community for efficient and judicious use of human and natural resources. It is actively involved in sustainable agricultural development in about 200 villages of Wardha district where the farming community has been motivated to adopt integrated farming practices.
<table>
<thead>
<tr>
<th>Name of Corporate</th>
<th>Model of Empowerment</th>
<th>Approx. number of women involved</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindustan Unilever</td>
<td>Rural women became distributors of HUL. Popularly known as ‘Shakti Ammas’</td>
<td>About 43,000 women all over India</td>
<td>Has economically empowered rural women with entrepreneurial spirit. Plan to use the network for creation of more SHGs.</td>
</tr>
<tr>
<td>ITC</td>
<td>Poor rural women assisted to form microcredit SHGs to build small savings and finance self-employment and micro-enterprises</td>
<td>About 40,000 women</td>
<td>Sustainable economic opportunities through micro-enterprises</td>
</tr>
<tr>
<td>Jindal Steel</td>
<td>Formation and capacity building of Women SHGs</td>
<td>About 3000 women</td>
<td>Trained women have begun activities like leaf plate making which has augmented income</td>
</tr>
<tr>
<td>Tata Steel</td>
<td>Tata Steel Rural Development Society</td>
<td>About 45000 women</td>
<td>Annually create at least 200 SHGs who are encouraged to enter enterprise activity</td>
</tr>
<tr>
<td>Vedanta</td>
<td>Provide for Skill development, credit linkage, training, market development</td>
<td>About 30000 women</td>
<td>About 2100 SHG developed by group companies Vedanta Zinc, BALCO, Sterlite, Vedanta Aluminium and VAL Lanjigarh</td>
</tr>
<tr>
<td>Hindalco</td>
<td>Training for skill development through two institutes, located in UP and Maharashtra</td>
<td>More than 11000 women</td>
<td>Works towards improving the capacity building of women and men who are encouraged to take up enterprise activities</td>
</tr>
</tbody>
</table>
As mentioned, Hindalco undertook intense training activities through the *Aditya Birla Rural Technology Park* (Muirpur, Uttar Pradesh, India) which had conducted over 70 training programmes. These included diesel / hand pump repair, electrical repair/maintenance, bee-keeping, tailoring, knitting and agriculture-related programmes. All training was carried out with the objective of encouraging self-employment activities. The *Yashogami Skills Training Centre* at Radhanagari, in Maharashtra trained women in skills such as rexine handicraft, fashion design, tailoring, food processing, pottery, lamination, electronics assembly, zardozi, jewellery design, papier mache, and fabric design.

Thus many companies were seriously concerned about women and were actively involved in the empowerment process. Training was provided as it was required for skill development and enhancement.

### 4.2 Model for Sustainable Livelihood Generation and Economic Empowerment

Sustainable development of rural India and the women could happen only through economic empowerment which requires creation of opportunities to earn decent livelihoods. This can happen through the creation of both self employment and wage employment opportunities.
4.2.1 Creation of Self-Employment Opportunities Business houses can provide the necessary guidance towards the setting up of microenterprises by groups of women belonging to SHGs as well as individual women who want to operate an enterprise as a sole proprietor. Studies have shown that improper selection of the enterprise activity as well as the inability to market the product or service affects the viability and continuity of the enterprise over time. This is one area where the expertise and involvement of a corporate could make a difference. The suitability and viability of the project could be evaluated by the corporate and necessary direction and handholding provided throughout the developmental stages of the enterprise. A study conducted by the National Institute of Rural Development (2005) on SGSY had recorded that about about 35 per cent of those who had ventured in to self employment activity under the scheme had opted for dairy farming as an income generating activity. The incremental employment generated was 11 man-days per month and the incremental net income generated was Rs. 865 per month per person.

4.2.2 Creation of Wage-Employment Opportunities Some enterprise activities like the setting up of a food processing plant or a dairy would require bigger investments due to larger scale of operations. The size of the business may then range from small to medium scale. In these cases, the corporate can also enter in to partnership with a large group of women to operate the enterprise jointly and could follow a social
enterprise model. The ownership could either be a co-operative model where many SHGs are federated and organised by the corporate who acts as a ‘Godfather’. The corporate could subsidise the initial investment either through an endowment or a soft loan. Or, the enterprise could be developed as a joint partnership, with the corporate having joint ownership (holding a maximum of forty-nine percent) along with the SHG federation. In this form of enterprise building, which could be the case in the case of a dairy, food processing/coir processing or any other small/medium scale unit, the women members are directly involved in the production and therefore would also be wage earners.

SHGs can take up enterprise activities that have either a ready local market or those that have demand in accessible urban areas. According to the suitability of the area or region, specific clusters could be devised, where large number of SHGs can join together and engage in activities like dairy, poultry, fruit and vegetable processing and so on. Here, involvement of the corporate may be a necessary condition right from the incubation and planning stages. One such intervention by Cairn India involving dairy development is discussed next.

**Intensive Dairy Development supported by Cairn India and IFC at Barmar in Rajasthan** livestock breeding has been the traditional subsistence strategy in Western Rajasthan for the poor/marginalised sections of the society in rural areas with limited or no land resources. But the milk production in the state is very low due to the extreme climatic conditions, and majority of the milk produced is retained by the communities for their own use. The widespread hostile terrain offers limited opportunities for selling the surplus milk. Also, the milk from the marginalised community is not accepted by the upper castes. The collection of the milk is localised and largely managed by private vendors whose traditional milk fat analysis system ensures that the community is unable to derive full benefit from the sale of milk. These reasons in turn had resulted in low prices and lack of incentive to rear/keep animals for commercial purpose.

Cairn India, with IFC decided to support an intensive community-based dairy development programme with the objective of improving the economic condition of the rural poor. By design the programme targeted women, who otherwise had no opportunity for economic emancipation. This project not only enabled them to participate in income generating activities but has also empowered them as organised self help groups (SHGs) exploring other livelihood options. They have also benefitted from the introduction of technology for transparency, accountability, and fair price realisation. Due to the right fat measurement the price realisation has gone up by 20 to 25%. Linkage with Saras (state dairy federation) has not only ensured an assured buyer for the collected milk, but also quality fodder and nutrients. These societies now contribute about 15% of total milk collected at Barmer. The programme has organised rural households in the form of SHGs (more than 90 per cent being exclusively women) and improved their capacity building. It has also increased the quality and quantity of milk production through technical assistance to SHG farmers on improved livestock care, veterinary services, breed improvement and fodder...
development. SHGs were also assisted to establish linkages with banks and financial institutions for assistance to access funds for cattle loans.

4.2.3 Fair Wage and Fair Price to Home-based Women workers and their Products

The 55th Round of the National Sample Survey (July 1999-June 2000), which was the first-ever nation-wide survey on informal sector non-agricultural enterprises, showed that the total number of informal workers in non-agricultural enterprises was 79.7 million. Out of these, 30 million were home based (Sudarshan et al, 2001) and a vast majority of these workers are women. A number of studies have shown the plight of home based workers in India and other developing countries. Home-based workers generally receive work from big companies through sub-contractors/agents at piece-rates. There is no fair wage and fair rate for any work. But fair wages can become a reality if the corporate houses provide forward linkages to such home based workers which could potentially enable them access to bigger markets. Organisations like the Dastkar has helped many engaged in hand embroidery and other crafts (who were earlier at the mercy of the middle-men who cheated them by buying heavily embroidered pieces at pitiful prices) to receive fair prices for their pieces.

5. Conclusion

Holistic growth need to be inclusive and not standalone. Businesses cannot exist in an island of prosperity without caring for the well being of those in the neighbourhood as the TATA group had publicly stated many decades back. Corporate houses can provide the push for furthering the progress of women by improving employment opportunities and increasing their participation in economic activities. Many of them who may be indirectly utilising women in their production process as home based workers could also consider providing better rates or extending other benefits.
Holistic development of the enterprises that are initiated as part of CSR of the corporate house can occur only when the fourth and the fifth steps are also undertaken. Handholding during the initial months is extremely important for the sustainability of the enterprise as well as the group. Also it is the involvement of the corporate in developing the marketing strategy or the market linkages that would ensure further growth of the enterprise.

Economic empowerment of women brings about the betterment of the family as almost the entire income earned is spent on family requirements which increase the overall impact of corporate intervention. Businesses who are engaged in facilitating micro enterprise formation in rural areas should also ensure that these enterprises are capable of providing sustainable income and become self-sufficient in the long run. Only then there would be sustainable employment and real economic empowerment.

End Notes
A Micro-entrepreneur is one who owns a micro-enterprise. By definition an entrepreneur is an individual who organises, operates and assumes the risk of a business venture.

*Prime Minister’s Employment Generation Programme* (PMEGP). The objective of the above was to generate 37.38 lakh additional employment opportunities by facilitating self-employment and entrepreneurship in the rural and urban areas.

*Swaranjayanti Gram Swarozgar Yojana* (SGSY) is targeted at the rural poor, with integrated services for providing infrastructure, credit, marketing, utilities & services, training, etc. for promoting self-employment, gender equality, community development projects, and overall empowerment of poor...
Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) is targeted at the urban poor for providing self-employment. Provide subsidy, credit support and training to Individuals & SHGs who want to take up enterprise activities.

Dastkar is a registered society for improving the economic status of the crafts people. The main purpose of the programme is to help the crafts people, particularly women to use their traditional crafts skills as a means of employment, income generation and economic self-sufficiency.

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