CSR Initiatives for Children – Exploring the Practices in Selected Companies in India

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Abstract

Of late, the concept of corporate social responsibility has gained prominence from all avenues. Across the globe, most of the prominent leading corporations seem to have realised the importance of being associated with socially relevant causes as a means of promoting their brands. Corporate have started moving from 'what is our share mode' to' what is our environmental impact' and 'how much we are accountable' mode. Nearly all leading organisations in India are involved in corporate social responsibility (CSR) programmes in areas like education, health, livelihood creation, skill development, and empowerment of not just the weaker sections of the society but the society in large. This paper examines the concept of few notable firms sacrificing profits in the social interest within the environmental realm especially for children. Although the analysis of goodwill and quality of different initiatives within the umbrella of CSR is challenging, an attempt can be made to fulfill the social responsibility. The authors have tried to take four Indian firms who are exclusively into a robust CSR strategy, where child rights are being respected and protected. These programmes aim at holistic development of the concerned. The objective, sector, modus operandi and the scope of the programmes are investigated. Also a small effort has been made to understand the needs of children in India, scope of the corporate in fulfilling those needs and facilitate long term change in the lives of the marginalised children. A brief analysis regarding the best practices by the authors suggests that integrated empowerment is needed for sustainable development in the society. Moreover protecting the rights of children should be integral to every CSR strategy. Corporate can impact the access to the necessities, which are essential for survival and development of children in many ways.

Keywords: Corporate Social Responsibility, Children, India

Corporate Social Responsibility

Corporate Social Responsibility (CSR) was gaining attention in terms of the responsiveness of businesses to stakeholders' legal, ethical, social and environmental expectations. European Commission has defined CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. According to United Nations Industrial Development Organization (UNIDO), CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives, which is also called as Triple-Bottom-Line- Approach, while at the same time addressing the expectations of shareholders and stakeholders. Blowfield and Frynas (2005) defined CSR as an umbrella term for a variety of theories and practices all of which recognizes the following concepts

a. Companies have responsibility for their impact on society and the natural environment, sometime beyond legal compliance and the liability of the individuals

b. Companies have a responsibility for the behaviour of others with whom they do business

c. Business needs to manage its relationship with wider society, whether for commercial viability or to add value to the society.

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In this context it is important to distinguish between CSR, charity, sponsorships, or philanthropy. CSR done by a company goes a long way in making a valuable contribution to the eradication of poverty as well as enhancing the reputation of the company as well as strengthening its brand. Also a properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making, and risk management processes.

The meaning of CSR can differ from one society to another. People from different countries emphasized different issues when asked about CSR, for example, environmental issues were stressed in Thailand, while Ghanaians were concerned about empowering local communities. Atthe same time, the ethical concerns of business managers differ among nations, and managers in multinational companies can find themselves juggling the perhaps contrary expectations of their local and head offices. These differences render any common or comprehensive definition of what constitutes corporate responsibility elusive, especially when new initiatives seem to be continually emerging. According to Edelman's 2010 good purpose study, 67% of consumers say that they are more likely to buy products or services from a company if they know that it supports some good causes.

In short, CSR approach is holistic and aligned with the business strategy for addressing social issues.CSR should be taking care of the well-being of all stakeholders and not just shareholders. Philanthropic activities are just one part of the bigger umbrella of CSR.

The Indian Context

The practice of CSR in India, though still within the traditional philanthropic space, has moved slowly from building the institution to developing the community through various projects. Also, with global influences and with active communities which are very demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature than philanthropic, and majority of companies report the activities they undertake in this regard in their official websites, annual reports, sustainability reports and even to the extent of publishing CSR reports.

CSR is therefore, strategically built into the core business for sustainability. A survey conducted by HR consulting firm Mercer titled 'Corporate Social Responsibility and Sustainability Programmes, Policies and Practices Survey,' reveals 75% of Indian firms feel that CSR has become more important at their company over the past two years and that 81% believe it is an extremely important component for business strategy. These CSR activities also seem to increase their Employee Engagement Index.

The ministry of corporate affairs (MCA) has notified Section 135 and Schedule VII of the Companies Act, 2013, which relate to corporate social responsibility (CSR) that will be effective from April 1, as part of the new Companies Act. The norms will apply to companies with at least Rs 5 crore net profits (excluding its profit from overseas branches and dividend received from other companies in India) or Rs 1,000 crore turnover or Rs 500 crore net worth. These companies will have to spend 2 percent of their three-year average annual net profit on CSR activities in each financial year, starting from FY15. According to the norms, the CSR activities will have to be within India, but will apply to foreign companies registered in the country.

CSR and Children – Indian Context

Children are the future leaders of the country. In many situations, it's pathetic to notice that these future leaders are being deprived from education, food, shelter, exploited to hazardous labour, exposed to many dangers and health problems which will pose a serious threat to our country. The following are some of the eye-opening statistics.

- With an estimated 12.6 million children engaged in hazardous occupations (2001 Census India), India has the largest number of child labourers under the age of 14 in the world.
- Education is being deprived from these children citing poverty as a reason and this in turn again leads to poverty and becomes a vicious circle. India's illiterate population largest in the world, says UNESCO report
- Vocational training and skill development are the missing keys in India from education to employment. Just 2% of India's youth and only about 7% of the whole working age population have received vocational training, a recently released survey report reveals.

- Health, sanitation, diseases (HIV, TB etc.) are a major threat to the life of children. Apart from this responsible business are the key. This includes not using hazardous materials, dumping toxic wastes to poor children, illegal drug testing etc.

Children in India constitute one of the popular target groups to potentially benefit from CSR initiatives Worldwide. Businesses interact with them directly or indirectly daily. But a Global CEO study by Boston Consulting Group revealed some disappointing facts. According to some CEOs, only child labour contributed to their CSR initiatives regarding children. Moreover they were also of the opinion that as their company doesn't allow child labour, child rights were not of any relevance to them. This is a narrow window according to us. The inter-linkage between children's rights and business principles is an emerging concept that widely recognizes the potential of businesses to do greater good for children. India has 472 million people under the age of 18.India is becoming younger and 'Demographic Dividend' is at its peak in India. Because of lagging social services, we face greater obstacles to leveraging the advantages that can result from engaging a youthful, productive workforce. If we harness this power by developing programmes that build the capabilities of children in a sustainable manner, then it will lead to sustainable and inclusive development. Therefore any CSR initiative on children should aim towards building the capacities of children in a sustainable manner.

According to the authors, CSR involving children should move from concentrating only on child labour to the following fields:

- Health
- Education
- Employability (Vocational Training)
- Inclusion of differently abled children in education and the sustainability of livelihood
- Community Development.

Though there are many other scope of initiatives regarding children, in this paper the authors have focused only on the above mentioned development initiatives. India has been named among the top ten Asian countries paying increasing importance towards corporate social responsibility (CSR) disclosure norms. India was ranked fourth in the list, according to social enterprise CSR Asia's Asian Sustainability Ranking (ASR), released in October 2009. The exemplary practices of Indian organisations also will be highlighted in this paper.

Understanding these issues some of the Indian corporations have designed their CSR Programmes in such a way as to identify the key gaps and incorporate their core values in the programmes and some companies have made it mandatory to do responsible business to promote sustainability among children. In this paper the practices of the following organisations and their flagship programmes are highlighted. The information on activities mentioned is sourced from the annual sustainability reports or the CSR section of their website. Table 1 shows the list of companies taken by the authors and their society initiatives.

Table 1: Indian firms and Their CSR Activities, Studied by Authors

Company	*CSR Initiative*
Mahindra& Mahindra	*Nanhi Kali*
V-Guard	CSR programme involving children's health and education
Aditya Birla Group	Aditya Birla Centre for Community Initiatives and Rural Development
Dabur India	Sustainable Development Society (*SUNDESH*)

Societal Initiatives Taken by Indian Companies for children

Mahindra & Mahindra – Nanhi Kali

The Mahindra group is a US $7.1 billion Indian multinational organization. With over 1, 00,000 people employed in various offices across the globe Mahindra& Mahindra enjoys a leadership position in utility vehicles, tractors and information technology. It also has a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. The Group today is an embodiment of global excellence and enjoys a strong corporate brand image. Since its inception Mahindra & Mahindra Ltd. has been a socially responsible corporate beyond statutory requirements. Project 'Nanhi Kali' was founded in 1996. It was a flagship programme of the K.C. Mahindra Education

Trust. It is sponsorship programme that supports education of underprivileged girls from urban, rural and tribal communities by comprehensive material and academic support. With a presence in nine states in India, so far Project Nanhi Kali has impacted more than 100,000 girls.

The main objective of this programme is promoting education especially among girl children and measures for reducing inequalities. Project Nanhi Kali is jointly managed by the K.C. Mahindra Education Trust and the Naandi Foundation and currently reaches out to almost 100,000 girls, from remote rural, tribal and poor urban communities across 9 states in India.

Approach of the Programme

Mahindra & Mahindra operates as per the model shown in Fig. 1, for the implementation of their CSR initiatives.

They are actively involved in the conceptualisation of the initiative and are the Programme owner. The process is explained in Fig. 2.

Several corporates and individuals sponsor the education of the *Nanhi Kalis.* The sponsor gets to know about the profile of the *Nanhi Kalis* and the manner in which the donation is spent. Once the area where the programme is to be run is identified, the beneficiary was identified on the basis of the policies set aside by the trust and the foundation, with the help of recognised NGOs. Both material and academies support were given to the girls. Monitoring mechanisms involved annual planning, usage of child tracking matrix, donor reporting, using third party evaluations etc.

The main challenges were meeting the required funds, expansion to new areas, donor tracking, and renewal process. During implementation, lack of infrastructure, coordinating with NGOs, local support etc. were few of the things that needed to be taken care of. These were tackled efficiently by the team and Mahindra & Mahindra has topped the CSR list in India as per 'The Best Companies for CSR' for 2014 study conducted by The Economic Times

The programme started in 1996 and now it has donation crossing Rs. 25cr. The programme ensures that quality education is given to girl children of the deprived and the poor sections of the society. According to the authors, it eradicates not just illiteracy, but also ensures that societal evils like child marriage, dowry killings are reduced and security over livelihood is given to women. In states like Bihar, Mizoram, Rajasthan and Uttar Pradesh, 60 per cent or more girls dropped out before completing their five years of primary education. This community development programme even ensures that a girl child doesn't drop out of the school. This leads to even sensitivity in gender equality.Moreover the real success of the programme lies in the performance of the Nanhi Kalis who have been academically performing outstandingly over the years.

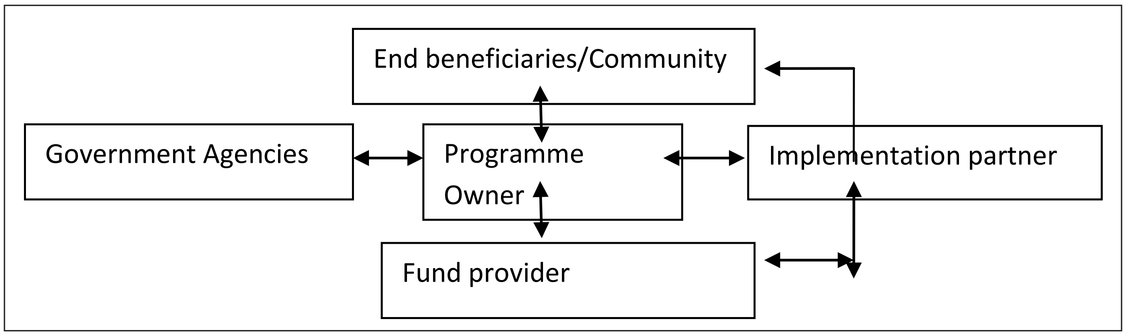

Fig. 1: The CSR Model of Mahindra and Mahindra

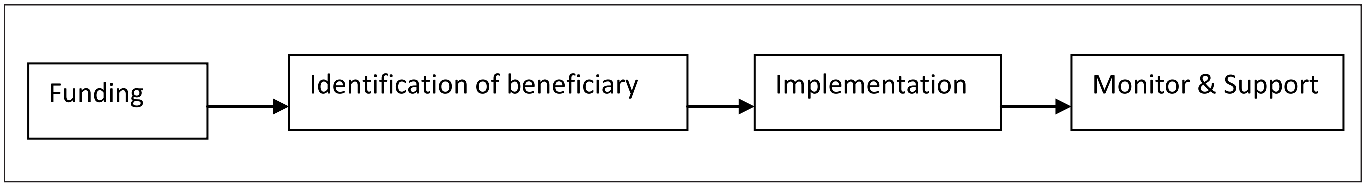

Fig. 2: The process of CSR

V-Guard- CSR Programme Involving Children's Health and Education

V-Guard is a major electrical appliances manufacturer in India, and the largest in the state of Kerala with an annual turnover of Rs. 17.50 billion. They have about 1850 employees and the founder Mr. Kochouseph Chittilappilly has taken efforts to instill the social responsibility spirit in every employee.V-Guard has set up the Thomas Chittillappilly Trust, in addition to its own initiatives (employees) for taking care of the health and education activities. It is a pioneer in undertaking activities which promote various social and charitable objectives. Understanding the importance that children are the future for the nation's development, the main objectives of the CSR programmes of V-Guard involving children include eradicating hunger, poverty and malnutrition. Providing safe drinking water is yet another programme by them and this is done by making available water purifiers in backward schools. They also aim at promoting education, including special education and employment enhancing vocation skills especially among children. Sanitation facility in schools is yet another area where V-Guard has its signature.

Approach of the Programme

The trust funds about 900 students from financially backward background and provides educational assistance in Ernakulum, Thrissur and Bangalore. It has also adopted Government High School, Vennala in Kochi and constructing a new building for 12th grade students. In addition, the company supports a sponsorship scheme, in association with Rajagiri Outreach, the service wing of Rajagiri College of Social Sciences, for children hailing from socially and economically backward families.

Apart from this the trust helps in mid-day meal scheme, funds for enhancing nutrition to children and kids of financially backward sections of society, promoting campaigns against drug, alcohol and smoking among adults and children.The company also conducts the *'Big Idea Skill development programme'* which aims at giving rise to the inventiveness of a child who has a vision for the future. The main objective of the programme was to stimulate entrepreneurship among students, by helping them learn to create and write a business model/business plan, enabled with quality desk research/market research/ feasibility study.

This programme focuses mainly on the education of underprivileged children. If the educational needs of children are met then problem of unemployment also can be solved. Themid-day meal scheme encourages economically backward families to send their kids to school at least for the nutrition and this prevents child labour. The company has organised vocational skill development programmes for children and differently abled children and adults for sustained livelihood.

Aditya Birla Group-Aditya Birla Centre for Community Initiatives and Rural Development

Aditya Birla Group is a Rs. 250000 crore premium conglomerate with over 1,20,000 employees worldwide. The Aditya Birla Group transcends conventional barriers of business because they believe that their duty is to facilitate inclusive growth.The Group spends in excess of Rs.250 crore annually, inclusive of the running of 18

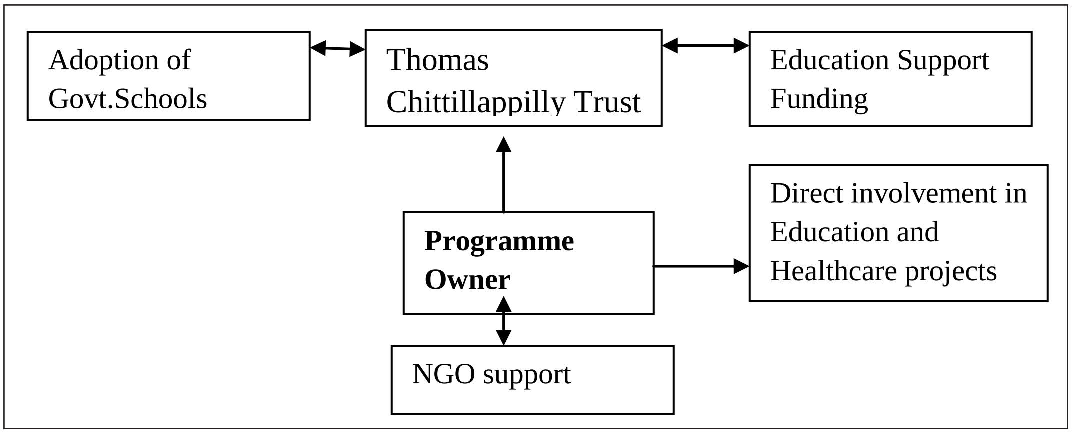

Fig. 3: The CSR Model ofV-Guard

hospitals and 42 schools for the community initiatives and rural development. The projects are carried out under the aegis of the "Aditya Birla Centre for Community Initiatives and Rural Development", led by Mrs. Rajashree Birla. They focus on sustainable livelihood rather than cheque book philanthropy. The rural development focuses on five main areas namely healthcare, education, sustainable livelihood, infrastructure, and social causes. The main objective is "to actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index."

Approach of the Programme

The group focuses on participatory development creating model villages touching 7.5 million lives. They help directly through their foundation as well as partner with NGOs, Government, localbodies, trusts and help by providing education, health and sanitation, and other projects which include schools and vocational training centers.

This initiative surpasses the general child development initiatives by incorporating education, empowerment, sanitation, Infrastructure thereby contributing to overall rural development. This forms the basis as it has laid the foundation for development in the base itself. Mrs. Rajashree Birla has taken keen efforts for this foundation and has been conferred many awards and programmes are recognised by the government. Mrs. Rajashree Birla was conferred with the 'Champion of Humanity' award by the Hindustan Chamber of Commerce for leading the Foundation and creating a continuous developmental change in the society. This recognition is received when holistic development is taken into account and all companies of the group like Hindalco, Grasim, and Ultratech are active contributors having development cells.

Dabur-Sundesh

Dabur India Limited is a leading Indian consumer goods company with interests in hair care, oral care, healthcare, skin care, home care, and foods. It has over 6000 employees and revenue of 78.06 billion. From its inception Dabur has followed the responsible way of doing business and constantly contributing to the development of society. Dabur's CSR initiatives are driven through Sustainable Development Society or Sundesh, an outcome of the vision of Dabur India Ltd founder Dr. S. K. Burman. Sundesh is sworn to the mission of ensuring overall socio-economic development of the rural and urban poor on a sustainable basis, through different participatory and need-based initiatives. It first started in 1993. Sundesh works with an objective to carry out welfare activities with the aim of improving the quality of life of the people in rural areas.

Approach of the Programme

Sundesh focuses on various sectors .The scope for children lies in education, skill training and health.

They provide non- formal education to children between 6-14 years and these centers are in rural North India. They finally put them into formal education by linking them with sponsors. Though child labour is illegal in India, it still exists. Dabur has taken efforts to locate these child labourers and give education to them without fees in their free time. They have even opened libraries for the children. In health sector too, they have frequent check-up and awareness camps for adolescent kids about their

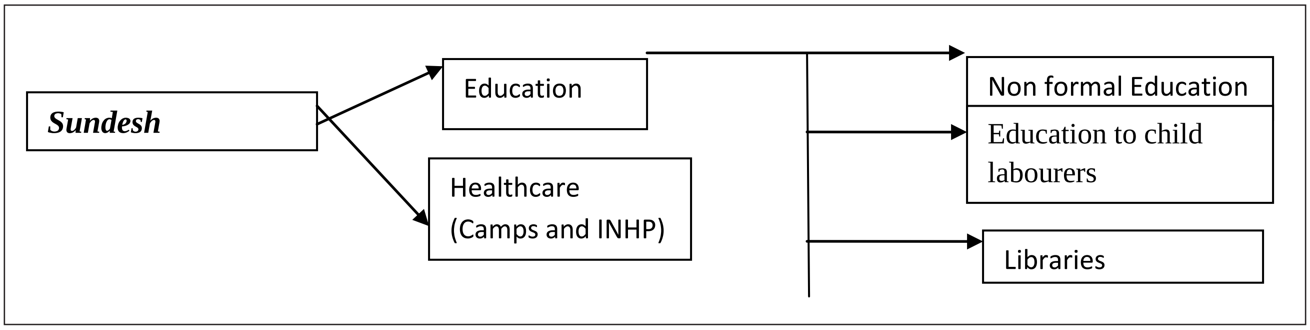

Fig. 4: The CSR Model of Dabur

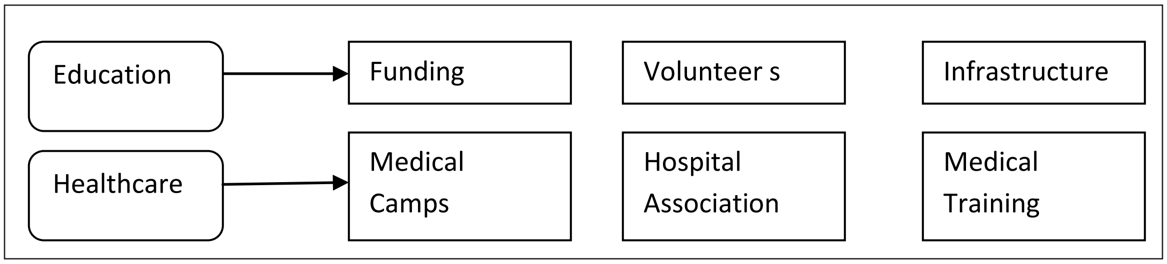

Fig. 5: Modes of CSR - SUNDESH

body and sexual wellness. They have come up with Integrated Nutrition and Health Project (INHP-III). This is to reduce infant mortality and child death due to malnutrition, mainly in Uttar Pradesh. They also have life skills training programmes for imparting skill based development. *Sundesh* provides the following support in education and healthcare sectors.

The programme is not about charity. It is about enabling people by providing the basic necessities such that they are empowered so that they have the resources to lead a better life. This integrated various aspects like health, literacy, skill development for better sustainability. These programmes are not only socially responsible but socially committed. In India, holistic development is the need of the hour. The corporate have the resources and Dabur has contributed a special organisation for giving back to the society.

Conclusion

The initiative of the government is no doubt appreciable, amid various practical difficulties which may have to be encountered at least in the initial phases of implementation of the new CSR provisions. The new provisions may be viewed as the result of the changing corporate philosophy in India and worldwide which entrusts the responsibilities on giant corporate towards social welfare of the population which comprise of their present or prospective employees, customers or other stakeholders in varied roles. All the above programmes mentioned in the paper have one thing in common-they work towards holistic integrated development. The successful case studies of the four companies bring out the fact that, it requires different strengths/skill sets in order to successfully operate in any of the models. Each of the models in their own way can contribute towards meeting the objectives. The needs of the children are well identified and then programmes are worked upon. The fundamental success also depends on participatory initiatives by these organisations rather than blind philanthropy. All the success stories mentioned above have taken place with beneficiaries, benefactors, government in unison thoughts, and clear cut strategies without compromising the ethical aspect. The best practices aims at holistic empowerment of children leading to development of the nation.

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