

# The new Agenda on the Corporates Priority: Inclusion and Empowerment Initiatives

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Globalization and digitization are two critical factors currently shaping the world, impacting local economies, societies and cultures. In this increasingly open and fluid global environment, there is a large growth story, but there is also a large segment of the population that is excluded.

In India, the Government is making significant effort to help bridge the country's socio-economic gap, but the task is daunting as the challenge is not only about the resources but also their availability, affordability and impact. It is therefore imperative that the corporate sector works with the government, regulators and other key stakeholders to help reduce the gap and create sustainable, inclusive and empowered communities. Thus, inclusion and empowerment have become subjects of vital importance in the Corporate framework today, and most corporate are beginning to realize this that in doing so it not only creates goodwill factor but sustainability of business as well.

To debate, share and understand innovative and pioneering approaches and impacts of India Inc's initiative in partnerships with various civil society organisation to reduce this gap, an exclusive discussion was organised by FICCI Aditya Birla CSR Centre for Excellence on June 28th 2012 at FICCI Federation House, New Delhi.

The discussion brought together selected 60 leading personalities with powerful collective expertise in development, business and social enterprise to discuss innovative and pioneering approaches on how the Corporate Sector can utilize its competence to help in building an inclusive society.

The concept of business responsiveness is not new in India; initially practiced as philanthropy, the concept of trusteeship, as espoused by Gandhi, in the period of fading influences of colonialism and imperialism is no doubt important maker in the recent history of CSR. Neelima Khetan, General Manager – CSR and Consumer Response, Coca Cola said, " CSR does not mean ethical behaviour, as ethics need to be practiced by businesses as well as individuals naturally. CSR, on the other hand, goes much beyond that."

Today, as the world becomes small and flat because of massive globalization, corporate social responsibility has become a worldwide concept whereby organisations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. It is one of the most important global issues with serious challenges and implications on almost all sectors Dr. Rajiv Kumar, Secretary General, FICCI, in the opening remarks shared that, 'the best form of inclusion is fulfilling and generating productive empowerment'.

Surging economies, including India, are coping with issues related to poverty, child rights, community welfare etc and are a hotbed for an innovative CSR Scenario which is still shaping up.

Pamela Flaherty, President & Chief Executive office, Citi foundation in her key note address pointed out that 'corporate social responsibility' as coined is often taken as responsibility that is externally

thrust on corporate. Thus, for more efficient implementation, the righteous terminology for it should be 'Citizenship' as it then covers inclusive development initiatives by corporates. "Citizenship has to be a leverage of the organization", she said. She also said that while Citi does not have particular expertise, however they try to put on table all the resources they have to leverage. She also mentioned that the power of a company is in its ability to mobilise all its resources to come together by sharing Citi bank's, strong focus on responsible finance which is vital for all, irrespective of their economic groups, gender and age. While sharing a brief on the global work of City-Foundation which works on Greening the office operations through climate friendly initiatives and social risk management, she said that financial inclusion stands as term for 'responsible finance'.

Financial inclusion is intended to connect people to banks with consequential benefits. Ensuring that the financial system plays its due role in promoting inclusive growth is one of the biggest challenges facing the emerging economies. Financial development creates enabling conditions for growth when access to safe, easy and affordable credit and other financial services by the poor and vulnerable groups, disadvantaged areas and lagging sectors is recognised as a pre-condition for accelerating growth and reducing income disparities and poverty. Access to a well-functioning financial system, by creating equal opportunities, enables economically and socially excluded people to integrate better into the economy and actively contribute to development and protects themselves against economic shocks.

There should be tools, capabilities for individuals to reach on their own for a better life. Quoting the number of approximately 2.7 million people globally who remain unbanked, she said there is need to personalize the efforts and reach every citizen. Talking of technology, she quoted the success story of 'Piggymojo' (mobile application) which has not only helped people to curb impulsive buying but has marked a international trend for financial education. In India, with almost 60% of people are without bank accounts, it is urgently required that financial capability needs to be built in terms of microfinance, youth education, Livelihood etc. with the aid of technology that can help cut the cost of the efforts by a noticeable amount. Adding to this, there were also discussions on the scenario of the developed countries, where the formal financial sector comprises mainly of the banking system which serves most of the population, whereas in developing countries, a large segment of the society, mainly the low-income group, have little access to financial services, either formal or semi formal. As a result of which many people have to necessarily depend either on their own sources or informal sources of finance, which are generally at high cost.

The environment today lends itself to this multi-stakeholder approach of development. Many in the corporate sector are trying to address this issue through inclusive business approaches, incorporation of the Triple P approach as part of strategy, impactful philanthropic investments, human resource contributions and engaging with the larger community through a dedicated Corporate Social Responsibility program.

Mr. Ajit Kanitkar, Ford Foundation, focused on the fact that Inclusion is a long term phenomenon with deeper commitment of resources/human resources. He said that working in exclusion areas of development is a long term process and requires atleast eight to ten years to show some results. The first three to four years establish credibility, and some kind of inclusion takes place in the 5th or 6th year, which then further is able to create impact on livelihoods.

Neelima Khetan, GM-CSR and Consumer Response, Coca Cola (India & South West Asia) pointed out, that for an overall holistic inclusive effort by the corporate, we must go beyond the indices, as everything

can't be measured. When we restrict ourselves to areas where things can be quantified and related, we miss out on large chunk of development areas where corporates can very successfully intervene. When we talk of inclusion, we have to educate our stakeholders especially shareholders that to create a overall impact , we not only have to work in easy approachable areas, but also the areas that are infected with heavy social evils like naxalism where irrespective of the efforts, development is only possible after long sustained efforts.

Mr. Bharat Wakhlu, Resident Director of Tata group , who also chaired the event said, "The fear of people to speak for rights, I think that are part of the agenda to bring about change." Ms. Neelima also agreed on this issue and said that there is a fear of asking for transparency from Sarpanchs. Mr. Bharat also mentioned that corporate supply Chains would be a good way to reach the interiors. He spoke of how many companies don't venture into CSR, worrying about capital flow, which also hinders progress in these areas.

Other subjects of discussion included topics like how corporates cannot replace the government in fund flowing for development, the need of transition from CSR to ISR ( Individual social responsibility) , the need for corporates to also address the unprivileged people of urban areas like rickshaw pullers, street vendors who are excluded for supporting corporate services like Banks, micro finance etc .