

Arvind Singhal: Reinterpreting CSR

Hopefully, sometime in the future, the Republic Day will also see bestowing of awards to exemplary innovators and practitioners of CSR



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As the Indian republic celebrates its 60th anniversary with pride and hope, this milestone should be a reason for all Indians to take a pause to reflect not only on the achievements of the past 60 years but also on what more needs to be done in the coming years to ensure that every Indian has a smile on her face each day of their lives.

With the Indian economy showing extraordinary resilience, poised to grow on a strong, sustained basis for years to come, and creating in the process unprecedented wealth for corporate India, it is time that “corporate social responsibility (CSR)” be reinterpreted in the context of current and future challenges faced or likely to be faced by the Indian society.

Unfortunately, the track record of corporate India has been less than exemplary when it comes to CSR of any sort. Barring a few notable, enlightened business houses, including Tata, Birla and Godrej, the efforts have largely been limited to setting up of a hospital or two, a school or a college, a few scholarships, adoption of a few villages to provide some basic amenities, or launching a few public communication campaigns.

While all of these efforts are welcome and laudable, they are not enough to make a visible impact on India. Further, a potentially disturbing development may also be in the making. With global warming and environmental degradation occupying (rightfully) much international and national attention, many large businesses have (again, rightfully) also focused their attention on “sustainability”. The risk is that environmentally responsible business practices are now actually a business imperative, and should not be seen as CSR per se.

With many Indian (and international) companies now reaching billion or multi-billion dollar revenue scale in India, they should consider deploying some of their formidable innovation, product development, manufacturing, distributing, marketing, and managerial skills towards coming out with truly revolutionary, paradigm-altering products and services providing appropriate, cost-effective solutions to those hundreds of millions of Indians at the bottom of the pyramid. Merely allocating a few crores of rupees or a couple of million dollars for product R&D — either in-house or through third parties and NGOs — will, sadly, not be enough. Stripped down versions of existing products and services in an attempt to make them more affordable to the masses may also not really be enough.

India’s challenges, while humungous, are easy to identify and understand. Hundreds of millions are deprived of basic physical and social infrastructure, which includes potable water, basic sanitation and hand-wash solutions, clean energy for lighting and cooking, basic housing, dietary supplements to make good deficiency in critical minerals and vitamins, primary health care, affordable personal transportation and elementary education that includes imparting of a basic understanding of their political and civic rights and obligations. In this backdrop, truly laudable and potentially very high impact CSR effort could be when giants such as Reliance, Tata, Birla, HUL, P&G, Nirma, Bharti, Essar, Mittal Arcelor, Godrej, Apollo, Max, Fortis, GE, Philips, LG, Samsung, Videocon, Maruti, Hyundai, Mahindra, Manipal, Amity, Raymond, Arvind, DLF, GMR, GVK, Infosys, Wipro, Bennett Coleman, Dainik Bhaskar, IBM, HP, HCL and others take up the challenge of finding revolutionary out-of-the-box solutions to these challenges. Each of these giants do have the capability to line up intellectual and financial resources from across the planet to come up with out-of-the-box approaches and path-breaking technologies that can help India (and indeed, the poor across the world) provide some succour and hope to its deprived and needy.

As in the case of developing products and solutions for the well-off, the starting point has to be the end “customer”. The approach has to be “customer” and “context” centric. If at all a fortune has to be sought from serving those at the bottom of the pyramid, it must be measured in their smiles and happiness, and return on capital to be monitored through the success achieved in tackling of the challenge. Would the shareholders of such large public and private enterprises allow such investments? There is enough reason to believe that they would give their assent provided these are reasonable in the context of the size of such enterprises and have a well-articulated vision and action plan championed by owner-promoters or the CEOs themselves.

Hopefully, sometime in the coming years, the Republic Day will also see recognition and bestowing of awards to exemplary innovators and practitioners of such CSR.

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