

STATUS OF AFFIRMATIVE ACTION (For SC & ST) IN BSE-LISTED COMPANIES OF INDIA



PARTNERS IN CHANGE
Making Corporate Social Responsibility Your Business

DECEMBER 2012



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Status of Affirmative Action (For people of SC and ST) in BSE-Listed Companies of India

**Archana Shukla
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2012

Status of Affirmative Action (For people of SC and ST) in BSE-Listed Companies of India, 2012

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ಮಲ್ಲಿಕಾರ್ಜುನ್ ಖರ್ಗೆ
मल्लिकार्जुन खरगे
MALLIKARJUN KHARGE



D.O. No. 4/4/LEMMP/2012

ಕಾರ್ಮಿಕ ಮತ್ತು ಉದ್ಯೋಗ ಸಚಿವರು
ಭಾರತ ಸರ್ಕಾರ
ನವ ದೆಹಲಿ

श्रम एवं रोजगार मंत्री
भारत सरकार, नई दिल्ली

MINISTER OF LABOUR & EMPLOYMENT
GOVERNMENT OF INDIA
NEW DELHI

26th October, 2012

MESSAGE

I am glad to know that Partners in Change (PIC) a non-profit, non-governmental organization is publishing a study on **"Status of Affirmative Action (for SC& ST) in BSE listed companies of India"**.

The constitutional scheme for reservation in the legislation, education and employment are for ensuring due share to all sections of the population as a basis for building up of a suitable society. This is a means of ensuring representation for all communities especially Scheduled Casts, Scheduled Tribes and other vulnerable and marginal section within them (women, disabled, etc.). The policy was to redress past discrimination through these active measures to ensure equal opportunity in education as well as employment for all. Our government's policy of inclusive growth will not succeed unless the vast private sector comes forward to accept their social responsibility to provide equitable representation to these communities while hiring candidates for their need.

This effort of Affirmative Action will provide input for the use of corporate sector, civil society organizations and NGOs to map the progress made in this direction till date. It will further help them to form future plans in this direction.

I extend my greetings to the members of society and express my heartiest wishes for the success.


(Mallikarjun Kharge)

“बाल श्रम रोकें”

“STOP CHILD LABOUR”

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SHARAD PAWAR



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भारत सरकार
MINISTER OF AGRICULTURE &
FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA

08th October, 2012

MESSAGE

I am happy to know that Partners in Change has conducted this pioneering study on Affirmative Action.

The private sector can play a very important role in the advancement of an equitable development in India. The impacts of business on the economy make companies central to expanding the access of marginal groups to the Indian success story.

I hope that the findings will inspire companies to expand their initiatives regarding Affirmative Action, leading to a more just society and more balanced economic growth.

Wishing you all the best in your future ventures.

(SHARAD PAWAR)

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भारत सरकार
शास्त्री भवन, नई दिल्ली-110001
MINISTER OF TRIBAL AFFAIRS
AND PANCHAYATI RAJ
GOVERNMENT OF INDIA
SHASTRI BHAWAN, NEW DELHI-110001

Message

I am happy to note that Partners in Change is bringing out a report on their pan-Indian study on the status of Affirmative Action with regard to Scheduled Castes and Scheduled Tribes in Top Listed Companies of India.

Affirmative action in terms of providing equal opportunities to the hitherto marginalised sections of the society is imperative for inclusive growth of our country.

I am glad that Partners in Change has taken an initiative by bringing out this well thought-out study to examine and analyse Affirmative Action as a component of the corporate social responsibility being followed by the corporate world.

I congratulate Partners in change for their laudable beginning and wish them all the success in their endeavour for sustainable economic growth and poverty alleviation.



1-10-12

(V. Kishore Chandra Deo)

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मंत्री

विधि एवं न्याय

भारत सरकार

MINISTER OF LAW & JUSTICE
GOVERNMENT OF INDIA

18th October, 2012.

MESSAGE

I am pleased to know that 'Partners In Change', a non-profit non-governmental organization, proposes to launch the study conducted by it on the *Status of Affirmative Action in Top Listed Companies of India* on 27th November, 2012 in New Delhi, jointly with the Indian Institute of Corporate Affairs.

Affirmative Action refers to the conscious efforts to provide full and equal opportunities in education, employment, entrepreneurship and other areas to Scheduled Caste and Scheduled Tribe communities and other vulnerable and marginalized sections of society. In order to provide better and dignified lives for the downtrodden, deprived and vulnerable people, corporate sector has an important role to play by taking affirmative action initiatives. Findings of the Study will be of great help in framing suitable policies.

My greetings to the team of 'Partners In Change' and best wishes for the event.


(SALMAN KHURSHID)

Ms. Laura Donovan,
Chief Executive,
Partners In Change,
C-75, South Extension-II,
New Delhi – 110 049.

धीरज श्रीवास्तव
अध्यक्ष के निजी सचिव
DHIRAJ SRIVASTAVA
Private Secretary to Chairperson



No. 6513/PS-CP/2012-NAC
भारत सरकार
राष्ट्रीय सलाहकार परिषद
नई दिल्ली
GOVERNMENT OF INDIA
NATIONAL ADVISORY COUNCIL
NEW DELHI

22nd November, 2012

Dear Ms. Donovan,

I have been desired to acknowledge the receipt of your letter dated 6th November, 2012 addressed to Smt. Sonia Gandhi, Chairperson, National Advisory Council, regarding consultation with Indian Institute of Corporate Affairs (IICA)

Smt. Gandhi conveys her good wishes for the consultation.

Yours sincerely,

(Dhiraj Srivastava)

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Government of India
National Commission for Scheduled Castes

MESSAGE

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'Partners in change' is doing commendable service to the nation by way of assessing the results of affirmative action supposed to be taken by the private business sector after the Prime Minister of India had made an appeal in 2006 to include AA policies in order to promote diversity in the work force. India is already a unique example of unity & diversity and therefore, the AA policies will only add to the unity of our Country. The response of the private sector so far leaves much to be desired. The Private Sector should form AA policies favouring particular communities on the same lines on which they favour certain other groups such as women & disable persons, particularly as most of them have already signed the Code of Conduct with the CII based on the basic criteria laid down by the CII, FICCI & ASSOCHAM.

Yours sincerely,

(P.L. Punia)

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PLANNING COMMISSION
YOJANA BHAWAN
NEW DELHI-110 001

MESSAGE

"A core, institutional and even an ideological, challenge of our times is the impatience with the pace of the process of inclusion in development and growth. It is inevitable that, when more opportunities are available with the opening of markets, those who have the wherewithal--in terms of financial assets, educational assets, social assets, or access to power--to take advantage of opportunities will be the first to benefit. Thus their incomes will grow even faster, leaving further behind for a while those with less. In this model, benefits will 'trickle down' later. However, people are becoming less patient than ever before with the pace of the trickle down. Consciousness of inalienable rights of all human beings, rich or poor, male or female, black or white, has become much stronger in the past twenty five years than ever before in human history. Also, with the very recent explosion of information, through the media and internet, knowledge about what others have and how they obtained it is very easily and widely available. These two forces coming together have accelerated the impatience with the pace at which prevalent business and governance models are enabling inclusion.

Business leaders must make innovations in their business and institutional models to accelerate the pace of inclusion of communities not sufficiently included in progress. This innovation must be spurred by three affirmations. First, an affirmation that many people are indeed being excluded for historical, social and economic reasons beyond their personal control. Second, an affirmation that business as usual with conventional approaches to inclusion are not solving the problem of exclusion as rapidly as is now required. The third follows as an affirmation that other ways, which may require new mind-sets and innovative solutions have become necessary.

The status report on Affirmative Action amongst the top listed companies confirms that the pace of inclusion is too slow and its scale too small yet. The report serves as a mirror to our current reality. And it should strengthen a call for stronger affirmation, more innovation, and faster action by the business community."


Arun Maira

Many would like to believe in this second decade of the 21st century that the issues that pushed the Indian government to set up reservations for different minority groups in the country at the time of independence are now far behind us. Sadly, the reality is not so positive. Social and economic equality for groups such as those included as Scheduled Castes and Scheduled Tribes has yet to be achieved. This issue much therefore remain in the forefront as efforts continue to regularize the situation.

Business has recognized the need of addressing human rights issues and is adopting guidelines set up at an international level. The United Nations Human Rights Council endorsed the Guiding Principles for the Implementation of the UN "Protect, Respect and Remedy" Framework. These principles provide a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity.

In the Indian context, affirmative action must be recognized as the human rights issue that it is. Companies working in India need to appreciate how their value chain can serve to promote the economic and social inclusion of disfavored groups.

Partners in Change has been working in the area of corporate social responsibility since 1995 and as such, has been assessing how companies manage human rights in their business practices. With this present study, we hope to stimulate thought as to how business can best promote affirmative action in their operations, to the benefit of all. CSR is not philanthropy but rather a concerted effort of a company to manage its business impacts in a way that is beneficial to the bottom line, the environment and stakeholders. As a result, this report will be followed by a consultation with a range of companies so as to identify tools and means that can facilitate the roll-out of robust human rights work, especially in the area of affirmative action.

Affirmative Action in the Indian context has almost always been synonymous with reservations. It has been a successful, albeit contentious, tool to undo the subjugation, discrimination and agony suffered by the members of what the Indian constitution defines as Scheduled Castes and Scheduled Tribes who constitute one fourth of the population. Reservations for SC/ST proportionate to population were made mandatory in all government enterprises and government-run educational institutions as per the Indian constitution.

Post the economic liberalization of the Indian economy in 1991, under the then finance minister Manmohan Singh, the private sector burgeoned and changed the socio-economic fabric of the subcontinent. As the private sector started employing more people, and because many public sector institutions were privatized, the demand for Affirmative Action policies in the private sector gained appeal. Responding to these demands, Prime Minister Manmohan Singh made an appeal to the private sector in 2006 to include Affirmative Action policies in order to promote diversity in the work-force. The call did not go unnoticed and many companies and industry organizations committed to pursue the ideals of Affirmative Action.

As an organization set up for and dedicated to promoting the understanding and practice of corporate responsibility issues in India, Partners in Change is aware of the critical need for Affirmative Action policies in the corporate sector. Keeping these in mind, PiC wanted to examine current business initiatives under Affirmative Action among the most successful and profitable companies in India, both in the private and public sectors.

To this effect, PiC targeted the top 145 companies ranked by Bombay Stock Exchange as on 31 March 2011 and attempted to engage them in a meaningful conversation. An exhaustive questionnaire along with request letter for an interview was sent to these companies (CEO/Chairman, HR, CSR, Procurement and marketing heads) that sought information on the degree and nature of commitment to Affirmative Action. Many of these companies were signatories to the codes of conduct designed by industry organizations such as CII, FICCI and ASSOCHAM.

While the public sector companies seemed committed to the ideals, at least in letter, since reservation is compulsory for them at least at the workplace level, very few private sector companies displayed an inclination towards adopting and implementing effective Affirmative Action policies and to making the information available in the public domain. Only one business group (Tata Group) had an embedded Affirmative Action policy. Others chose to adopt voluntary codes of conduct devised by the various industry associations.

The reticence in having an open conversation on the subject is evident from the fact that only 39% of the companies contacted participated in the study. This figure includes those who did not have any such policies and initiatives in place (10%). The rest either declined to participate or did not respond to our communication. Many companies proclaimed that none of their business activities is affected by caste, creed, religion or gender issues. Only a few companies (Crompton Greaves, TCS, Tata Steel, Tata Motors, GCPL) were able to respond to all four sections of the business areas covered in the study (workplace, supply chain, marketplace, community) while almost all of them did not, as no actions had been taken in one or more of these mentioned domains.

It would appear that the private sector has yet to appreciate that positive discrimination can be necessary to combat deep-seeded discrimination, which in India's case, goes back centuries. The results clearly indicate that the private sector has yet to engage seriously with this issue, one of basic Human Rights and therefore of concern to all.

The study has been able to identify the reasons behind this inability to integrate AA into company policy; to ascertain to a large extent the different perceptions about the subject and document some of the best practices in the field. This report is, therefore, not to be taken as a judgment on the state of Affirmative Action in India. It is, instead, a small yet significant step towards establishing an inclusive and engaging dialogue on the subject.

As a result of this exploration, several recommendations can be posited. In addition to suggestions to key stakeholders (companies, industry associations, civil society, government), we have highlighted the key take-aways from each of the seven sections of the questionnaire as a starting point to operationalizing AA in a productive manner and to contributing to India being ready to realize its full potential.

1. **Workplace:** Increase awareness of business leaders and board members, who can take concrete action as to the business case for AA. The AA initiatives of the companies should also be incentivized by regulatory bodies, including the respective ministries of the companies (sector wise) and SEBI.
2. **Supply-chain:** Establish concrete processes to identify and promote SC/ST entrepreneurs for inclusive supply-chain management
3. **Marketplace:** Begin awareness-raising of the benefits of addressing AA in the marketplace, which in turn can increase the number and capacity of consumers from SC/ST communities.
4. **Community Initiatives:** Analyse the demographic profile of the community and ascertain the percentage of SC/ST. It is possible to assess their needs to assist these communities without revealing caste-based criteria.
5. **Sectoral level:** Collaborate (on sectoral basis) to identify ways and best practices that individual business sectors can best address AA
6. **Public Policy:** Expand the government's role in legislating policies to promote equality of opportunity and also promoting transparent disclosure mechanism(at all the four pillars of workplace, supply chain, market place and community level) in the public domain about AA in the private and public sector both

Taking this study as our baseline, PiC intends to undertake review studies at regular intervals in the future. Such studies will not help document the progress of the movement, they will also act as the conscience of the corporate sector, constantly reminding them of their responsibilities and the expectations from them. These findings can also be used to develop a toolkit that would assist companies in their understanding and implementation of AA in the years to come. Such a tool could offer an operational means of addressing what is both a social and business imperative.

Affirmative Action (AA) refers to policies that take factors including "race, colour, religion, caste, ethnicity, gender, sexual orientation, or national origin" into consideration in order to benefit an under-represented group "in areas of employment, education, and business", usually justified as countering the effects of a history of discrimination. It refers to the deliberate efforts to provide full and equal opportunities in employment, education, and other areas to women, minorities, and individuals belonging to other traditionally disadvantaged social groups. It could be a policy and program that seeks to redress past discrimination through active measures to ensure equal opportunity as in education and employment.

The term "Affirmative Action" was first used in the United States in Executive Order 10925 and was signed by President John F. Kennedy on 6 March 1961; it was used to promote actions that achieve non-discrimination. In 1965, President Lyndon B. Johnson enacted Executive Order 11246 which required government employers to take "affirmative action" to hire without regard to race, religion and national origin. In 1968, gender was added to the anti-discrimination list. Comparable procedures in other countries are also known as reservation in India, positive discrimination in the United Kingdom, and employment equity in Canada.

In the United States, for decades even after the end of slavery, the employment situation for African-Americans was even worse than for Dalits in India. Prejudice excluded them from all but the lowest jobs; inferior education only worsened their situation. They were taken into factories on a mass scale only when large scale industrialization made this necessary, and even then they got the lowest and worst paid jobs. It was only after the militant and massive civil rights movement of the 1950s and the 1960s that the government began to take up the issue, and start the process of desegregating schools and removing the economic discrimination against African-Americans through programmes of what were called "Affirmative Action". And when it did so, "Affirmative Action" did not simply include government employment, but also comprehensive programmes of promoting and legislating employment in the private corporate sector, and aiding minority businesses and professions.

It is a similar same story for Northern Ireland, Malaysia, South Africa and Pakistan. Since the 1960s, 52 countries have introduced reservations in the private sector. There is a very strong practice of affirmative action in the United States and most American corporations follow aggressive recruitment policies regarding racial/ethnic minorities. In fact, there is hardly any US corporation without a diversity/affirmative action department.

Most affirmative action programmes in the U.S. in fact work in the private sector. One basic reason is that there is no simplified division between public and private. Any sector that is regulated and/ or funded by the government is open to government directives. In the U.S., to take a specific example, colleges and universities are all by Indian standards "private" since they are not directly controlled by the government: they raise their own budgets, charge student fees, make their own decisions, appoint their own teachers, and so on. Yet, because they get some government aid and are subject to government regulation, Affirmative Action programmes operate and if they do not fulfil the criteria, the government aid can be withdrawn.

¹**Reservation in India** is a form of affirmative action designed to improve the well-being of *perceived* backward and under-represented communities defined primarily by their 'caste' (quota-system based on 'gender' or 'religion') is a phenomenon that commenced with the coming into force of the Indian Constitution.

²**Positive discrimination** is defined as a policy or programme designed to counter discrimination against minority groups and women in areas such as employment and education.

³**Employment equity**, as defined in Canadian law by the *Employment Equity Act*, requires employers to engage in proactive employment practices to increase the representation of four designated groups: women, people with disabilities, Aboriginal peoples, and visible minorities. The Act states that "employment equity" means more than treating persons the same way but also requires special measures and the accommodation of differences.

In India, prior to independence, many leaders and intellectuals, prominent among them Dr. B R Ambedkar and Mahatma Gandhi, championed the cause of the marginalized and worked for advancing their interests. Post-independence, the affirmative action programmes in India were targeted Scheduled Castes and Scheduled Tribes those at the bottom of the caste hierarchy and the tribal communities.

In the Indian context, reservations have been the mainstay of the Affirmative Action (AA) agenda, which is driven by the constitution and the government. The ideals of AA for SCs and STs enshrined in the constitution ensured that the policies do not become a matter of legal dispute. The Indian government has, as part of the AA policy, reserved 15% and 7.5% posts in government agencies, government enterprises and educational institutions for SCs and STs respectively (in later years, 27.5% for Other Backward Castes (OBCs) as well).

The Constitution of India addresses the widespread deprivation of the communities in a chapter titled “Special provisions relating to certain classes” in Part-XVI. Special provisions were made for the Scheduled Castes and Scheduled Tribes in Part-X of the Constitution. The Constitution provides for the protection and promotion of their social, economic, educational, cultural and political interests to remove the disparities and to bring them on par with other sections of the society. In addition, many articles in Parts III, IV, IX, IX-A, Fifth and Sixth Schedule of the Constitution reinforce these arrangements. **Article 14** provides that States shall not deny any person **equality before law** or the equal protection of laws within the territory of India. **Article 15** operationalises the concept of equality in a manner which specifically touches upon the conditions of the Scheduled Castes and Scheduled Tribes.

Social safeguards like abolition of untouchability, access to religious institutions and prevention against atrocities are contained in **Article 17, 23, 24 and 25(2)(b)** of the constitution. The provisions of **Articles 23, 24 and 46** form part of economic safeguards for Scheduled Castes and the Scheduled Tribes which prohibits bonded labour system and child labour. **Article 46** notes that the State shall promote with special care the educational and economic interests of weaker sections of the people and, in particular, Scheduled Castes/Scheduled Tribes and shall protect them from social injustice and all forms of exploitation. **Article 15(4)** empowers the State to make **special provisions for the advancement** of socially and economically backward classes or citizens and for Scheduled Castes/Scheduled Tribes. **Article 16**, which provides **equality of opportunity** for all citizens in matters relating to employment or appointment to any office under the State and prohibits any discrimination on grounds of religion, race, caste, sex, descent, place of birth, residence or any or all of them, has made a very special provision which permits Parliament to make any **provision for reservation of appointments** or posts in favour of any backward class of citizens which, in the opinion of the State, is not adequately represented in the services under the State. It is through this provision that reservations in appointments and promotions for Scheduled Castes and Scheduled Tribe and for OBCs in the matter of recruitment have been made.

The role played by the corporate sector in AA in India in the pre-liberalisation era was limited to the mandatory reservation policies for public sector enterprises (PSEs) and perhaps a handful of companies which proclaimed its commitment to a diverse workforce and the upliftment of the marginalized. But with India's meteoric rise as an economic powerhouse after the 1991 economic reforms, the dynamics of this engagement with the disadvantaged communities has changed. Taking into account the at-times shocking disparities, and their adverse effects on the socio-cultural fabric of the country, in the income levels and the opportunities available to different sections of the society, the cry for an inclusive society is getting louder by the day.

⁴The **Scheduled Castes** (SCs) and the **Scheduled Tribes** (STs) are two groupings of historically disadvantaged people that are given express recognition in the Constitution of India. During the period of British rule in the Indian sub-continent they were known as the **Depressed Classes**. The Scheduled Castes and Scheduled Tribes make up around 15% and 7.5% respectively of the population of India, or around 24% altogether, according to the 2001 Census. The proportion of Scheduled Castes and Scheduled Tribes in the country's population has steadily risen since independence in 1947. The *Constitution (Scheduled Castes) Order, 1950* lists 1,108 castes across 25 states in its First Schedule, while the *Constitution (Scheduled Tribes) Order, 1950* lists 744 tribes across 22 states in its First Schedule.

A marked example of inequality is the literacy rate. While the literacy rate in 2001 for the general category was 64.8%, the corresponding rate for SCs and STs was only 54.69 and 47.10%. The numbers are worse for women with the literacy rate for women in the general category being 53.7% in 2001 compared to 41.9% and 34.76% for SCs and STs respectively (Annexure 2). In terms of the population living below the poverty line, compared to the national average of 28.3% and 25.7% of the rural and urban population respectively, the corresponding figures for SCs and STs are far from pleasing. (Annexures 1,2,3,4)

Additionally, the corporate sector can no longer identify as a strictly economic entity, driven solely by profit. It has acquired a socio-economic identity which means it is answerable not only to its shareholders but the society as a whole. For this very reason, Corporate Social Responsibility (CSR) is not just a buzzword, primarily aimed at scoring PR brownie points; it is slowly becoming a full-fledged strategy that governs, or should govern, a company's interactions with all of its stakeholders, barring none.

At present the obligations of states with regard to implementing labour rights are increasingly being complemented by instruments that call upon the corporate sector to be responsible and accountable for its impact on the larger society, including those whom it employs or whose employment it influences through the sub-contracting chain. One of these instruments is the UN Global Compact, of which Principle 6 requires supporting companies to seek 'the elimination of discrimination in respect of employment and occupation'. Another is the Global Sullivan Principles, which state that companies will 'work with governments and communities in which we do business to improve the quality of life in those communities, their educational, cultural, economic and social well-being and seek to provide training and opportunities for workers from disadvantaged backgrounds'. There are similar commitments in the OECD Guidance for Companies and the (draft) United Nations Norms on the Responsibilities of Transnational Corporations and other Business Undertakings with Regard to Human Rights and the recently formulated (2011) UN principles on Business and Human Rights.

Companies are now expected to display a higher degree of corporate governance. The Department of Public Enterprises (DPE) Guidelines on CSR and Human Resources Management for Central Public Sector Enterprises (CPSEs) were released in 2010. The National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business (NVGs) contains nine principles of which principle 4, 5 and 8 are related to AA. These NVGs were established in 2011 by the Ministry of Corporate Affairs. More recently, SEBI (Securities and Exchange Board of India) adopted the NVGs as a business reporting framework for the top 100 listed companies on the two Indian exchanges. These government and regulatory frameworks are changing the way the corporate sector interacts with its various stakeholders. Issues such as disclosure, inclusiveness and human rights, which earlier did not find a place in the Indian corporate lexicon, are slowly becoming inseparable from business activities.

CALL FOR AFFIRMATIVE ACTION IN THE PRIVATE SECTOR

In 2006, Prime Minister Dr. Manmohan Singh appealed to Indian industry to be the government's partner in creating a humane and just society by voluntarily committing to greater diversity in their work force. Responding to the PM's call, the heads of nodal agencies representing Indian industry including the Confederation of Indian Industry (CII), the Federation of Indian Chambers of Commerce and Industry (FICCI) and the **Associated Chambers of Commerce and Industry of India (ASSOCHAM)** outlined the basic criteria to be followed for affirmative action to be undertaken by companies via policy implementation and positive discrimination in the hiring of candidates.

⁷PiC was also one of the member of drafting committee of NVGs under Ministry of Corporate Affairs, Government of India. The document can be accessed

via:http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf

CII formed a task force, the National Council, headed by Dr. J. J Irani, Director of Tata Sons, which brought out its report in July 2006. This study included the *CII-ASSOCHAM Action Plan*, which outlined concrete steps to ensure equal opportunities to members of Scheduled Castes and Scheduled Tribes. CII also developed a Code of Conduct on Affirmative Action, which to date has 696 member companies as signatories from all over the country (Annexures 5 & 6).

Affirmative Action for the Scheduled Castes and Scheduled Tribes communities is defined as a voluntary commitment by Indian companies to help the Government and civil society in the national endeavour to ensure equal opportunity to members of the Scheduled Castes and Scheduled Tribes communities. The Code relates to non-discrimination, assistance, and transparency with

respect to employees/ applicants/ vendors from the SC and ST communities. Many CII member companies have drawn up Affirmative Action agendas for SC/ST youth under the 4 E's.

- Entrepreneurship Development
- Employability
- Education
- Employment for the Scheduled Castes and the Scheduled Tribes

Under the Code, a level playing field for employees without fear of discrimination and harassment is to be followed. The companies must also appoint a managerial head to oversee their CSR/Affirmative Action initiatives; this manager reports directly to the CEO and is responsible for bringing out policy papers and detailed annual reports on initiatives undertaken by the company.

FICCI proposed a “Voluntary Code of Conduct” after a detailed discussion with the industry (Annexure-7). FICCI holds awareness workshops on the subject, explaining to company managers how to be an equal-opportunity employer, promoting diversity in the workforce by including people with disability, people from the local community, etc. FICCI also identified 27 districts for skill development programs to make SC/ST population employable. ASSOCHAM also formulated a code of conduct for its member companies and devised its own strategy for AA-related activities.

Based on the above efforts, Indian industry assured the Prime Minister that it would draw up a robust affirmative action plan, believing that there is an urgent need to ensure that the number of employable SC/ST youth continues to grow to guarantee that India becomes a land of equal opportunity.

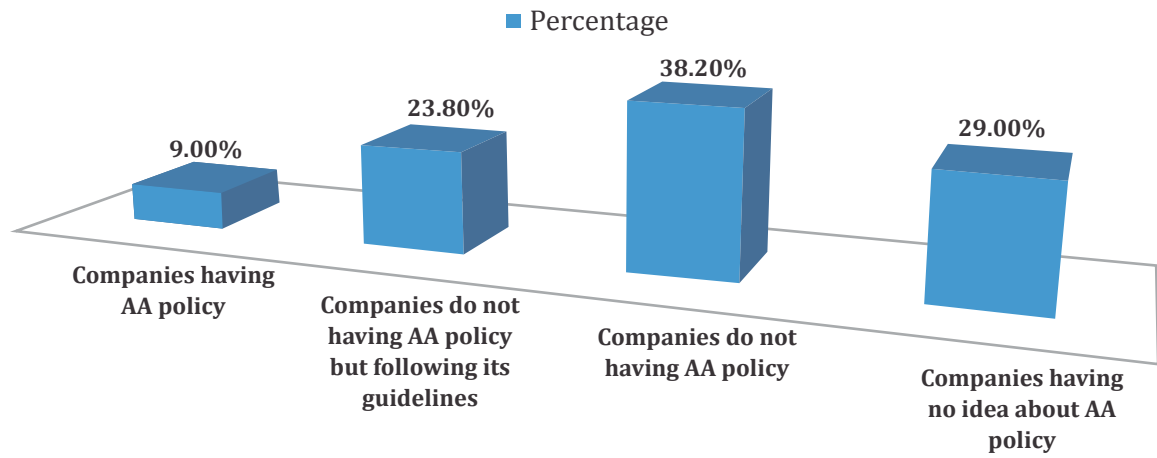
AA has rightly become a focal point which must be addressed within the private sector. Five years after the Prime Minister's call to action; it has become necessary to assess how well companies have taken on the challenge of a more inclusive workforce. Partners in Change (PiC) has set out to assess the status of AA in business in India today.

RELEVANCE & OBJECTIVES

OF THE PRESENT STUDY

Following the initiatives undertaken by the industry organizations and its members, PiC wanted to take the opportunity to understand, document and examine the initiatives undertaken by companies themselves with respect to the issue. A brief research survey conducted by PiC among 21 large and reputed private sector companies in Delhi / NCR in early 2011 found that only 9.5% of the companies interviewed have an Affirmative Action policy, 23.8% did not have an AA policy but were following guidelines in the community initiatives under CSR, while approximately 67% have no formalized policy and are not doing anything structured on the issue. After continuous dialogue, it was also observed that many companies are aware of affirmative action but still face challenges in the implementation of concrete efforts for the economic empowerment of SC/ST members.

Figure 1 Response of Private Sector on AA in Delhi/NCR region



Source: Status of AA in Delhi and NCR (21 companies) by Partners in Change, New Delhi in March 2011

The above-mentioned study and its results formed the foundation of the current study. If this was the situation of companies in the National Capital Region of the country, PiC wanted to understand how companies in other parts of the nation have been performing on Affirmative Action.

There have been few studies on the status of AA in the corporate sector, fewer still focusing on the top-listed companies. As a result, this study stands out in terms of the nature of questions asked, the amount and type of information sought and the various aspects it attempted to include.

As seen above, this study has also been conducted in an environment where important developments in the corporate responsibility policy area are occurring regularly. In a first instance, the release by the Ministry of Corporate Affairs of the NVGs provides a holistic framework of interconnected principles and core elements for companies to adopt, wherein Human Rights, stakeholder engagement and Inclusive Growth & Equitable Development have direct bearing on the subject under study. The Principles draw attention to core business issues, and mark a profound departure from the earlier dominant discourse on corporate community development and related philanthropic initiatives. The Human Rights component has been further supported by the release by the UN of the Guiding Principles for Business on Human Rights, as an integral part of which all companies are expected to conduct a due diligence on their human rights impact.

Additionally, and as significantly, is the recent notification by SEBI making it mandatory for listed companies to report on their social and environmental processes and performance as per the framework of the NVGs. In addition to the above is the positive trend in the development of instruments and tools applicable to

companies to understand and manage their human rights impact, and these include several specific to the issue of caste-based discrimination.

In summary, the above-mentioned developments are conducive to continuing to deepen the engagement with business on the issue of AA by companies in India.

Accordingly, the **objectives for the present study** have been:

- To analyze Affirmative Action initiatives in the workplace, market place, supply chain and at the community level both at policy and implementation level
- To examine the differences between companies which are signatories of Code of Conduct (COC) and/or those which are not
- To compare PSEs and private sector companies on AA
- To evaluate the challenges/risks of work on AA for SC and ST communities
- To document solutions and best practices

This report contains only consolidated information. The results of this study will be presented through two dissemination workshops – one with the companies and the other with a wider range of stakeholders including industry associations, community leaders and NGOs working in this field. The research will help establish trends of best practices by the industry that can be adopted / emulated by other companies to initiate the integration of marginalized sections with the mainstream.

The study covers:

- The history of AA, its emergence and importance in India, the need for AA in private sector;
- The status of AA initiatives at the workplace, supply chain, market place and community development special emphasis on SC/ST (the target group for our study)
- Overall observations and suggestions
- Affirmative Action in industry associations such as CII, FICCI and ASSOCHAM
- Best practices and case studies

The study report has attempted to examine and explore the AA initiative of almost 100 BSE-listed companies with special reference to four domains: their workplace, market place, and supply chain and at the community level. The full list of companies can be seen in Annexure 8. These companies were divided into four categories based on the ownership of the company:

- Public Sector Enterprises (PSEs)
- Family/Promoter-owned companies
- Companies with diffused ownership
- Multinational Companies (MNCs)

Research Design

1. Target of 50 top BSE listed companies: 11 from PSEs, 23 family-owned, 4 diffused and 12 MNCs
2. Focus on documenting AA in seven sections:
 - i. Policy at corporate / group level
 - ii. Workplace initiatives
 - iii. Supply chain initiatives
 - iv. Market place initiatives
 - v. Community initiatives
 - vi. Sectoral analysis
 - vii. Public policy
3. Seven parameters for each section:
 - I. Governance
 - ii. Awareness & Training
 - iii. Stakeholder Engagement
 - iv. Activities & Plans
 - v. Monitoring & Evaluation
 - vi. Reporting and Disclosure
 - vii. Issues and Challenges
4. Interviews with concerned personnel
5. Data collection, collation and analysis
6. Report writing

Data Collection Methodology

1. Secondary Data Collection: from sources available in public domain
2. Primary Data Collection:
 - Interview method (semi-structured interview schedule/guide)
 - Observation Method (*quasi-participant observation method*)
 - Case Study Method
 - Questionnaires (in cases where interview was not possible)

PiC aimed to conduct this study among 50 top-listed companies for which initially PiC took the sample size of the first 150 listed companies (targeting the companies with higher ranking) as per the BSE ranking on 31 March 2011. Subsequently, the companies were segregated on the basis of ownership. It was strategically decided that the sample size would be proportionately representative of PSEs and private companies. The total sample of 150 companies comprised 22% PSEs (33 companies), 43.33% family-owned (65 companies),

21.33 % Indian subsidiary of foreign companies (32 companies) and 13.33% diffused (20 companies) ownership. Thus the companies to be taken into account for the study had proportionate percentages of each of these four groups. It was also fixed before the study that a maximum of two companies from the same group will be interviewed; the exceptional case was the Tata group of which three companies were in the top 50 list taken into account.

To reach to proportionate breakdown of companies by ownership, we went down in the BSE list to 133. Of these 133 companies in the target group, 34 companies were not taken into account in this study either for strategic reason (26 companies were of the same group or of the wrong ownership profile) and the detailed contacts of eight companies were not available. Hence, the analysis of the study is done based on 99 companies from the original list of 150. Of these, 29 companies responded positively and shared detailed information. Ten companies categorically told us that they do not have any AA policies or initiatives are not in place or are not measured. Sixty companies either refused to participate or did not respond over the period of our research process, despite consistent follow-ups by way of phone calls and emails.

To better analyse the data gathered from these 99 companies, we segregated the data and the results based on the ownership pattern - PSEs, transnational companies, diffused and family-owned. This separation would allow us to assess whether ownership plays a role in how AA initiatives are implemented.

AFFIRMATIVE ACTION IN INDUSTRY ORGANISATIONS

Each of the prominent industry organizations in India, viz. CII, FICCI and ASSOCHAM, promised to carry out its own set of initiatives with the idea that they can lead with example. Before detailing the results of the recent study, it is important to appreciate what has been done by the corporate sector via its business chambers.

I. Initiatives by the Confederation of Indian Industry

The table below details initiatives by CII among its 8,054 members, of which 696 have signed the Voluntary Code of Conduct (VCC).

Table 1: Initiatives by the Confederation of Indian Industry (CII)

32,922 candidates have been trained from SC/ST community through training modules under Employability Development.							
Out of 600 ITIs offered for adoption, 249 ITIs have been adopted by member companies. Of these, 212 adopted ITIs have been approved by DGET and another 100 ITIs are in the pipeline).							
1,812 Scholarships have been provided and 166 Scholarships have been funded by CII, HSBC & Tata for bright but poor SC/ST students of ITIs/NIITs through Foundation for Academic Excellence & Access (FAEA.)							
2,709 candidates benefited under Entrepreneurship Development training and focused training provided to 270 youth through Entrepreneurship Development Institute (EDI) which has resulted in 100 youth setting up their own enterprise and also provided employment to 249 SC/ST youth.							
Work started in the adopted backward district of Nawashahar (Punjab) having over 40% SC/ST population on skill development. A Skill Development centre has been set up in Chhindwara (M.P.)							
Improvement of Government Primary Schools in 104 districts:							
Northern Region		Southern Region		Western Region			
MOU signed for adoption of 75 schools with 6,326 beneficiaries. 159 Satya Bharti School and 104 Bharti Libraries & Computer Centers are reaching out to 60,740 students, of whom over 50% are from SC/ST communities.		4 Schools with over 50% SC population adopted by member companies in TN and also working in 2 primary schools in Andhra Pradesh.		25 member companies have agreed to support 14,851 target beneficiaries.			
Mentoring /Financing Schemes for Bright SC/ST student trough School/College/Vocational Training:							
Northern		Southern		Eastern		Western	
16,607 beneficiaries targeted by member companies		Career guidance started in 2 Schools & 208 SC/ST students counseled. Scholarships to 210 PG students in Andhra Pradesh by a member company		14 beneficiaries under 1 year industrial training as per Apprenticeship requirement.		22 member companies agreed to support the Scheme for 722 target beneficiaries.	

Mid-Day Meal programmes in Backward Districts

<i>Northern</i>	<i>Southern</i>	<i>Eastern</i>	<i>Western</i>
1,15,000 children are provided mid-day meal by member companies and 3 schools to be supported by 2 companies.	650 children are provided mid-day meal by a member company in Tamil Nadu.	One member company has undertaken mid-day meal programme in 50 primary schools.	31 member companies have committed to the programme.

Source: Statement Indicating Action taken by Industry during the last 3 years on Affirmative Action in a written reply to a question in the Lok Sabha, on 03 December 2010

CII also conducted a study on the manpower mix (workplace- only in employment), a caste-census in other words, among CII member firms in Eastern, Western, Northern and Southern regions. The study was designed to provide details of employees, which would help initiate the skills development program. Its employee details primarily cover the following: White v/s Blue collar, Employees from different ethnic groups – SC/ST and other backward classes, Men v/s Women and differently-abled employees. Information was gathered from executives who are directly responsible for HR, Administration and the hiring of employees (Annexure 16). The manpower mix survey, the results of which are given below, includes only CII member companies. Also, there were no consolidated, all-India results for the survey.

Table 2: Manpower Mix 2010

<i>Sl. No</i>	<i>Zones (India)</i>	<i>Number of member companies</i>	<i>Number of companies participated (sample)</i>	<i>Employment of SC/ST</i>	<i>Grade/level of employment of SC/ST</i>
1	Eastern Region	916	185	24%	Highest in Blue collar - 33%
2	Western Region	1,864	300	16%	Highest in Blue collar job- aggregate % not mentioned
3	Northern Region	2,431	275	22%	Highest in Blue collar jobs - 10% at a senior management level, 33% at the blue collar level
4	Southern Region	3,036	270	16.2%	Highest in Blue collar job- aggregate % not mentioned

Source: Prepared and analyzed by PiC from the CII study report on manpower mix, 2010

Some Observations:

This study treated Scheduled Caste and Scheduled Tribes as a same category (homogenous) and all the data are taken jointly for both of them, ignoring the fact that the skills and issues/problems of SC and ST are very different in nature. The study provides the data only in percentage instead of number of SC/ST employed. It was found that the percentage of SC/ST is higher in junior management, blue collar categories and contractual jobs, which clearly indicated that both the number and level/grade of SC/ST must be studied and addressed under AA. One of the surprising findings of the study was that the companies which have not signed the code of conduct on AA are performing better than the companies which have signed the CII Code of Conduct. These signatories do not seem too concerned about ethnic groups of the employees (not measured since they do not feel its need) and it clearly shows that the percentage of SC/ST is lower than their proportionate population, the gap is ranging from 74% to 12% in 14 states, lowest in Madhya Pradesh followed with Maharashtra and Gujarat (details are given in Annexure 17).

Many of the initiatives under affirmative action seem philanthropic in nature instead of concrete actions on the quality of education, employability trainings with market linkage, entrepreneurs' development and employment. The term “adoption” used is self-explanatory about the approach of the private sector to date.

II. Initiatives by the Federation of Indian Chambers of Commerce and Industry (FICCI)

Table3: Initiatives by Federation of Indian Chambers of Commerce and Industry (FICCI)

Ombudsman: Mr. Y.K. Modi, Chairman of M/s Great Eastern Energy Corp. Ltd. and member of ILO Governing Body has been appointed as Ombudsman to oversee implementation of Affirmative Action.
11,000 SC/ST candidates have been imparted Skill Test training in various trades to enhance employability.
77 ITIs have been adopted by member companies.
Sonbhadra (U.P.) with over 40% SC/ST population has been chosen for the promotion of Skill.
Development and a Sonbhadra Skill Development & Livelihood Promotion council has been formed.
For the improvement of employability, five villages of Sonbhadra (U.P.) with the highest BPL index are to be identified from each of the five Blocks of Myorepur, Babhui, Dudhi, Chopan & Nagwa.
100 districts with more than 40% SC/ST population have been studied, out of which 27 districts have been identified as having the necessary infrastructure of power and water – conducive to industrialization. A Skill Development Programme will be undertaken in these 27 districts.
For the adoption of 'Coaching-cum-Guidance Centres', the identification of industry members is under process in various regions for providing coaching to SC/ST candidates for appearing in various competitive examinations.
Written letters for DGET and Principals of ITI's to give priority to the SCs/STs in admission under 20% discretionary quota of the Institute Management Committee.

Source: Statement Indicating Action taken by Industry during the last 3 years on Affirmative Action in a written reply to a question in the Lok Sabha, on 03-December 2010

III. Initiatives by the Associated Chambers of Commerce and Industry in India

Table4: Initiatives by the Associated Chambers of Commerce and Industry in India

An exclusive body “ <u>THE ASSOCHAM Foundation for Inclusive Growth for SC/STs</u> ” has been created to formulate, implement and monitor schemes for SC/ST youth. A “ <u>Task Force</u> ” has also been constituted to oversee initiative taken for Affirmative Action.
1,319 Middle Level and 1,190 Executive Level SCs/STs have been imparted Skill Development training.
1000 SC/ST Students benefited under Entrepreneurship Development Programme and another 260 SC/ST women of Pithoragarh (Uttarakhand) have been trained under the same programme.
230 SC/ST candidates benefited under Skill Training programme for the Middle Level Executives at Gurgaon and Delhi.
400 SC/ST candidates of Jharkand & Orissa have benefited under short-term courses for Skill Upgradation.
745 persons benefited under the Redeployment of Retrenched Workers Programme.
300 full free scholarships provided under Gifted Girls Scholarship Programme to orphan SC/ST girls to pursue Undergraduate and Postgraduate studies through Rai Foundation.
105 ITIs have been adopted by constituent Chambers for upgradation.
680 candidates belonging to SC/ST/OBC community have been trained under the Skill Upgradation & Entrepreneurship Development Programme in Kanpur (U.P.) and out of them, 250 have started their own ventures.
Industry partnered with NGOs to improve the level of primary education in 104 districts with pronounced population of SC/ST communities.

Initiative has been taken by multiple stakeholders for providing education to ST children in remote tribal belts and about 10 lakh ST children are benefiting under various educational schemes.
250 SC/ST girls have been extended free education with boarding & lodging facilities through Rai Foundation.
320 SC/ST students of Berhampur University (Orissa) benefited under the Sponsored Coaching Programme.
2,200 SC/ST candidates benefited through training under Coaching Centre Schemes and 1,100 candidates are undergoing training.
60 SC/ST women of Pithoragarh (Uttarakhand) have benefited under the Stitching Training Programme for hill-based women.
117 SC/ST students benefited under the sponsored English Learning & Computer Training Programme at Baba Bhimrao Ambedkar University (Lucknow).
14,750 candidates have been trained under the Skill Upgradation Programme by ASSOCHAM and its partners.
100 Scholarships for SC/ST students were provided for studying in prestigious institutions like IITs/IIMs etc.
10 Universities will be identified for programmes covering 10,000 SC/ST students with the objective of extending to 50 cities with a target of covering 50,000 SC/ST students.
<i>Source: Statement Indicating Action taken by Industry during the last 3 years on Affirmative Action in a written reply to a question in the Lok Sabha, as on 03-December 2010</i>

OBSERVATIONS CONCERNING THE CHAMBER INITIATIVES

During the period of this study, we were able to interact with each of the three chambers. Below, we have tried to highlight some of the key take-away messages from the meetings.

CII has a separate website and division for AA and hence there's a clear focus on AA. Literature and best practices in this field, by CII and their members, are updated on the website. Also, the range of activities in CII is much larger than those at FICCI and ASSOCHAM. Comparatively, FICCI and ASSOCHAM do not exhibit the same kind of commitment to AA as CII.

In our interaction with CII, issues and challenges in promoting AA in the private sector were raised. The movement on AA, which began with Mr. J.J. Irani, lost some of its momentum in the following years. However, under the leadership of Mr. Muthuraman, AA is back in focus, he says.

Also discussed was the differences between PSEs and other companies; hence there is a difference in focus on AA in PSEs as compared to the private sector. It was mentioned that the CEOs in private companies might be sensitive but for a better focus on AA, the entire management needs to be sensitized.

In our interaction with FICCI, we were not presented a historical perspective. The need today is to focus on skill development which is what the industry is looking for. It was mentioned that the government, CSOs and businesses should work together on this subject. FICCI works with business organizations and hence the sphere of influence is largely limited to industry organizations. It was also stated during the interview that the thrust on AA has seen renewed energy in the past one year which is a positive sign for the future of AA in India.

According to a known Dalit writer, the common problem is to use AA and CSR interchangeably. This necessitates a minimum intellectual understanding of the issue by the business classes in India. The business community should that it is their responsibility to expand capitalism beyond traditional barriers such as gender, religion, region and castes. This is important for the success of business and capitalism. The companies also need to understand that the environment is vastly segregated from the thought process and there is a dire need to remove this distinction. He takes the example of the Tata Group and how they have produced a good business model that furthers the case for AA in the private sector by identifying the business sense in it. They saw that Dalit entrepreneurs have far lower overheads, provide better products and respect business deals. The same is the case with Dalit employees. It has also been seen that Dalit employees do not jump jobs, as much as regular employees do.

Overall, the business chambers have begun addressing the issue of AA but there is room for more operational work to be done.

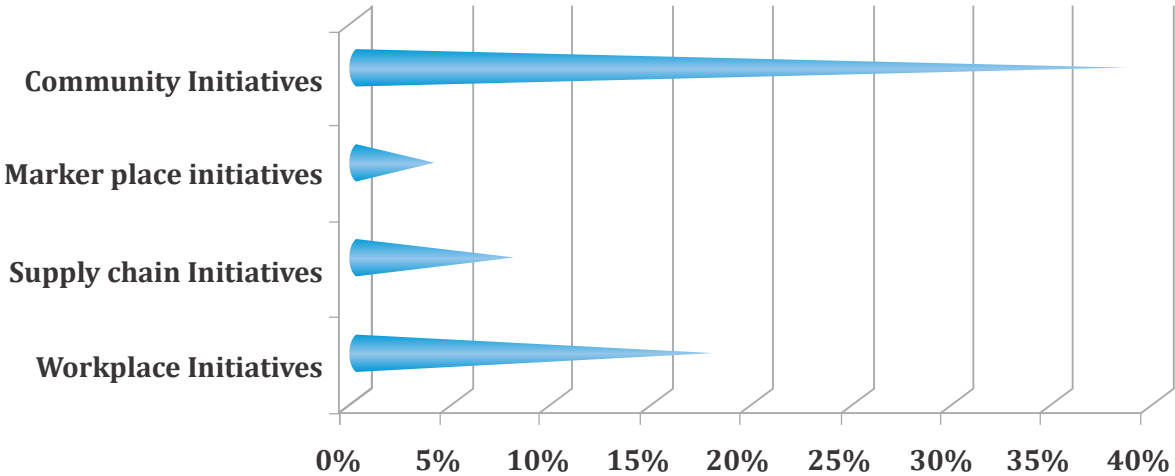
KEY FINDINGS OF THE STUDY

As part of our attempt to comprehensively understand not only the status of AA initiatives among the target companies, but to additionally analyse the company mindsets and their approach towards the concept, PiC created an exhaustive questionnaire that was divided into seven parts. These seven sections focused and sought information on a company's nature and degree of commitment to AA at various levels – managerial, departmental and intellectual.

Further, we sought information on the commitment to AA at the sectoral level and the company's position on public policy issues on the subject. Thus, the detailed questionnaire had a total of seven sections:

- 1. Company Information
- 2. Workplace
- 3. Supply Chain Initiatives
- 4. Market Place Initiatives
- 5. Community Initiatives
- 6. Sectoral Analysis
- 7. Public Policy

Figure 1: Data Provided by Companies on AA under Four Key Sections



The above figure, on data provided under sections 2-3-4-5, captures the responses from the companies. The response for community initiatives was highest (39%) with 39 companies, while it is lower in supply chain (8% - eight companies) and only three companies encouraged and shared the data of suppliers/dealers from SC/ST community while two have started this process recently. The response of the companies is remarkably lowest in market place (4% - four companies) while only one has concrete actions that look at the AA perspective. The response at the workplace is 18% of which companies having effective AA initiatives with segregated percentage of SC/ST were just five companies (1 PSE, 3 board-owned and 2 family-owned). Other companies refused to share data.

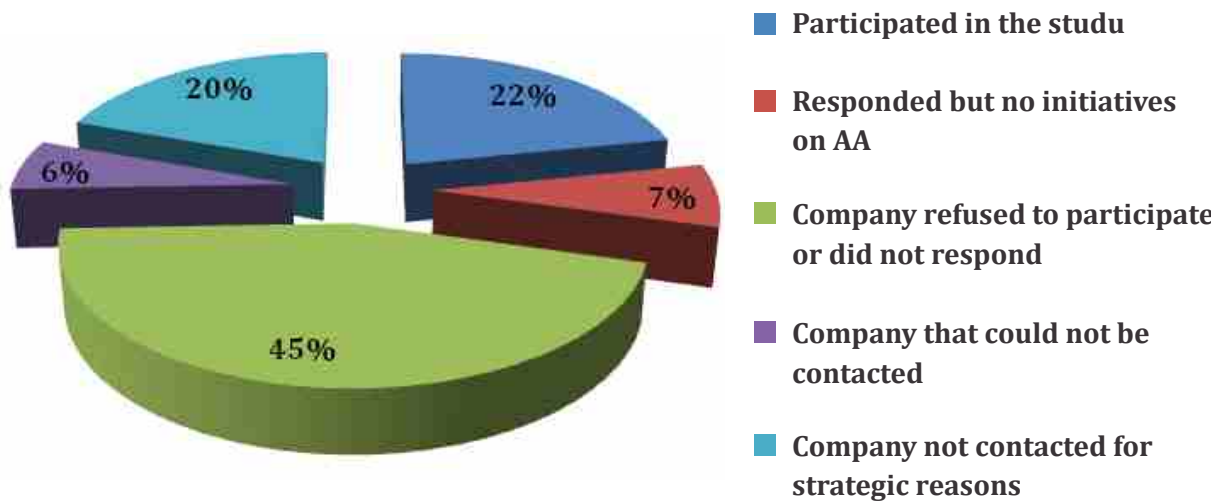
The consolidated percentages include both companies with activities as well as those having either no AA policy, no AA initiatives or they are not yet measured. Hence, a response from a company does not necessarily mean that they have AA initiatives under particular section. The figure shows clearly that how affirmative action is interchangeably used for CSR and both are seen from the perspective of only community initiatives instead of integral part of the company.

Following are the key results from the data provided to us by the companies in each of the aforementioned sections.

01. COMPANY INFORMATION

The first section of the questionnaire sought to gather key information from the company concerning a range of data including staff, turnover and profits. Below we have aggregated the data to present an understanding of the companies participating in the study.

Figure 2: Overall Participation (Sample of Study)



Only 29% of the companies contacted agreed to participate in the study, irrespective of their degree of commitment to AA. Ten percent of the companies expressed a lack or absence of proper AA policies or initiatives as part of their organizational processes and hence, conveyed their inability to answer the questions in our detailed questionnaire. Forty-five percent of the companies either refused to participate or did not respond at all. The latter category included those which did not reply to our continued follow-up attempts and also those who appeared interested in participating but kept us waiting. We extended the deadline a number of times in the hope of accommodating the “late” companies. Eventually, we closed the information collection process on 3 August 2012 after following up with PSEs for five months and four months with other groups.

The following table highlights some of the points raised by company representatives when we were collecting data for the questionnaire:

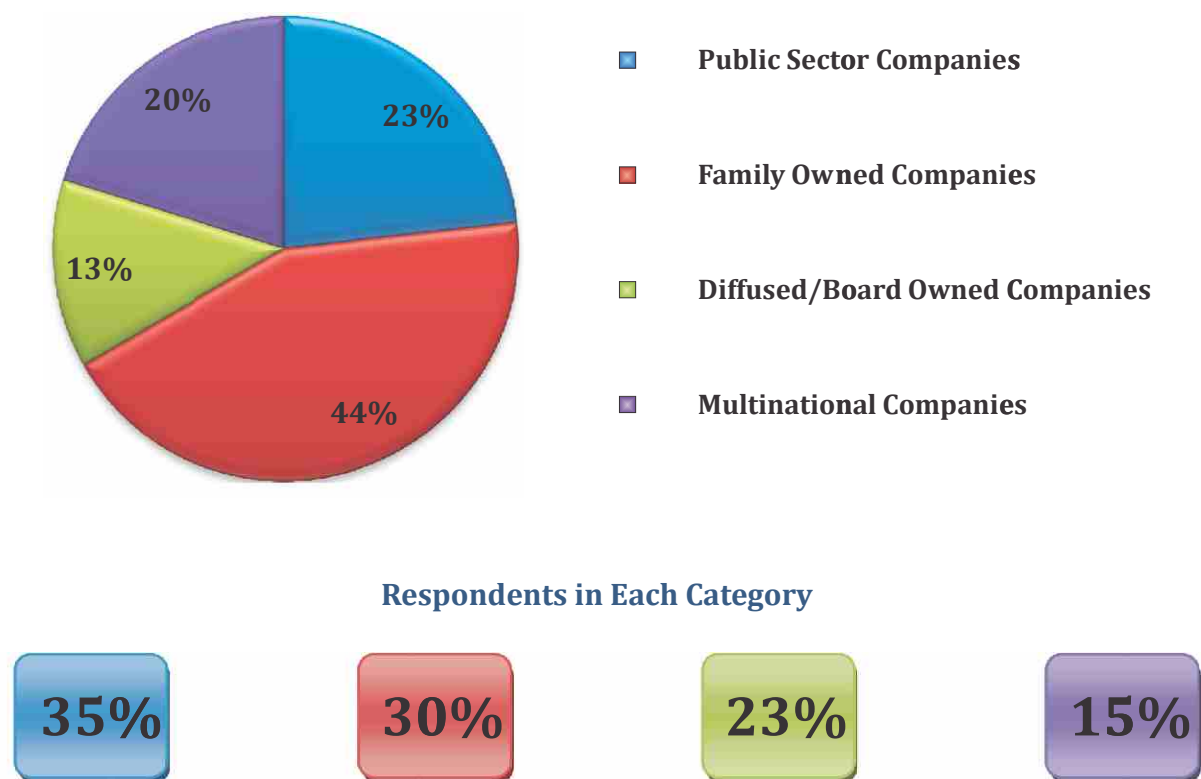
Table 3: Questions Raised by Companies

Some of the Reactions to our Communication
“Why only SC/STs? Why not include women and differently-abled as well?”
“These are too many questions! We won't be able/don't have time to answer all of them”
“Why should we share all this information with you?”
“We are signatories to the CII Code of Conduct and will share the information only with CII”
“Your survey questionnaire has given us a direction on capturing the data in future”

Source: Data from Fieldwork

Among the companies contacted for this study, 44% were family owned, 23% were public sector companies, 20% were multinational companies and 13% companies had diffused ownership or were driven by a board of directors chosen by company shareholders. Only 15% of the multinational companies contacted participated in our study. The figure was 35%, 30% and 23% for family owned companies, public sector units and board-run companies respectively. These figures include only those who participated and do not include those who said they do not have any AA policies in place.

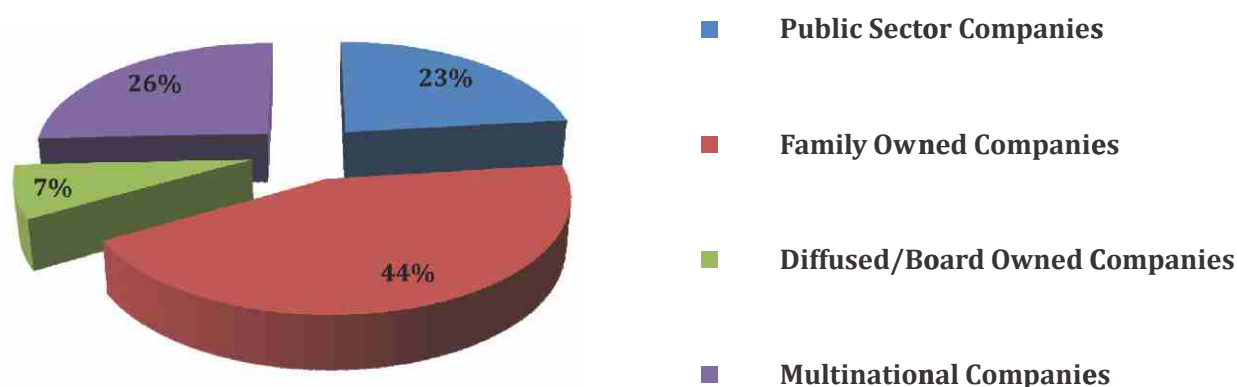
Figure 3: Company Categories on the Basis of Ownership



From the total number of 39 companies that actively participated in this study, 44% of the companies were family-owned (17 companies). 26% (10 companies) were multinational companies, 23% (9 companies) PSEs and 7% (3 companies) were board/diffused owned. The percentage of participating companies is almost proportionate with the percentage of companies (ownership basis) in the top 150 BSE listed (as mentioned above in methodology, wherein out of 150 companies PSEs are 22%, family-owned are 43%, MNCs are 21 and board-owned are 13%). There is slight variation in diffused/board-owned companies and MNCs. Among board-owned companies, only Tata group companies accepted to participate. Although amongst MNCs the response is proportionately better, there were only three companies out of 10 which had any policy and initiatives on AA for SC/ST. MNCs were reluctant to adopt the Indian context of caste and ethnicity, as their initiatives is guided by policies prepared abroad. Although they had affirmative action policies in terms of work force diversity for women and disabled, caste is assumed to be a South Asian connotation. It will probably take some time for MNCs originating outside Asia to manage. However, the issues affecting the tribes of India (also known as aboriginals or indigenous community in other parts of the world) should not less of a problem for MNCs to understand and evolve an affirmative action policy specifically for tribes.

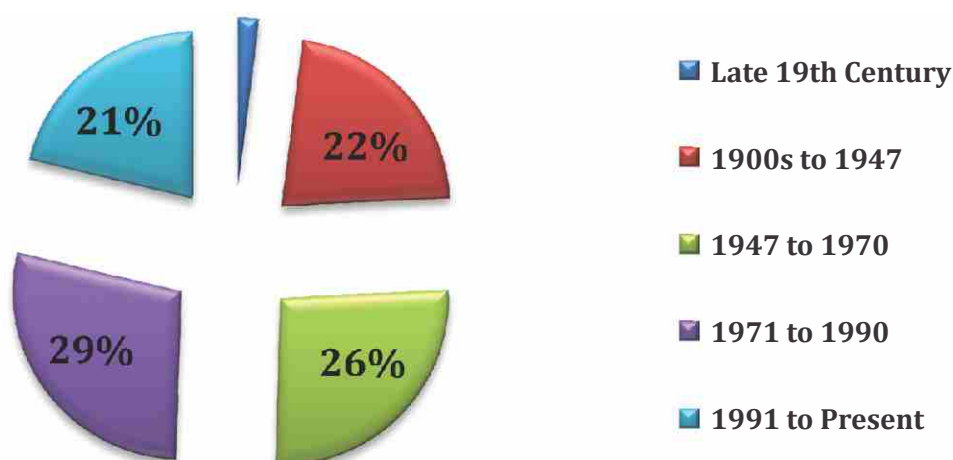
The below pie chart helps understand how long each of the companies targeted has been operating in India. Generally speaking, the public tends to put a considerable amount of faith in companies that have been in India for a long period of time. Oldies like ITC, Godrej, Hindustan Unilever (previously Hindustan Lever), Tata,

Figure 4: Ownership Pattern Among Participating Companies



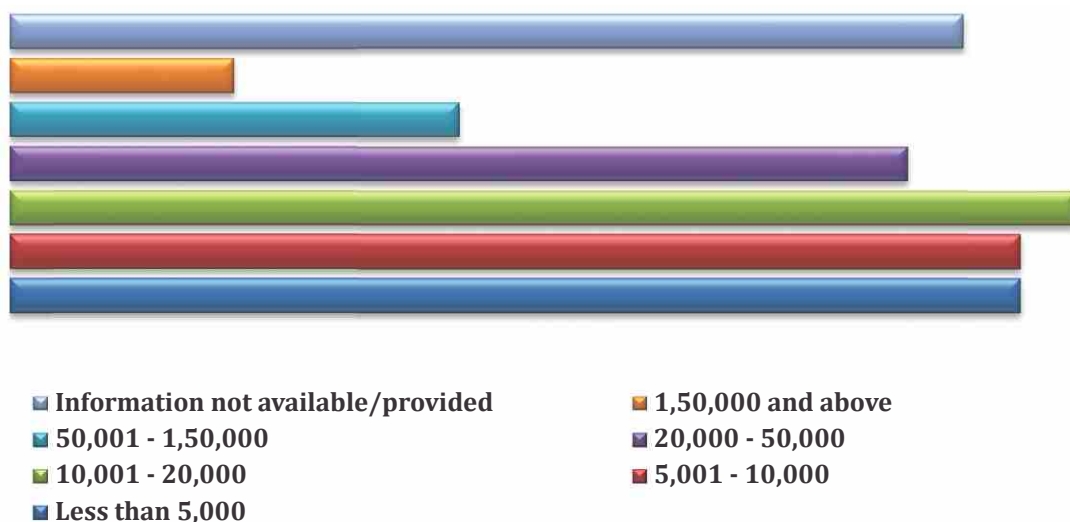
Reliance, Birla Groups, Mahindra & Mahindra, ONGC, Punjab National Bank etc. tend to inspire more confidence among the Indian public than the new breed of multinational and Indian companies. In that sense, these and other companies that have been operational in India for a long time should assume higher degrees of responsibility and address social issues such as caste, gender and regional bias by promotion AA extensively in their operations. Almost 50% of the companies contacted were incorporated before 1970.

Figure 5: Year of Incorporation



The following graph depicts the employee numbers for the companies covered in this study. The majority of companies, 19%, had employees in the range of 10,000-20,000. The figures could be higher because many companies do not include contractual employees while calculating their staff. If we look at the bigger picture, the top 100 companies on the list have at least 25 lakh employees on their rolls. And all of these companies are constantly expanding their footprints in the Indian subcontinent. If these companies collectively decide to put firm AA policies in place, it will not only help uplift the disadvantaged sections but also set standards which would in turn encourage other small and large companies to follow suit.

Figure 6: Number of Employees



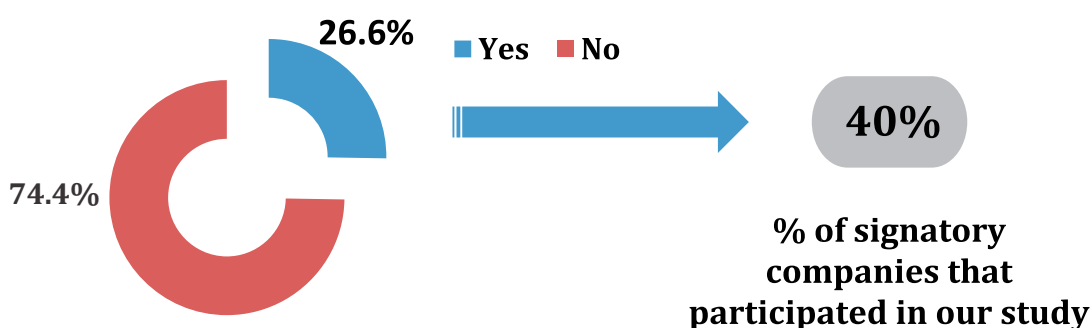
13%



Companies that provided us with the break-up of their manpower on the basis of women, differently-abled, managerial, non-managerial, contractual, permanent employees

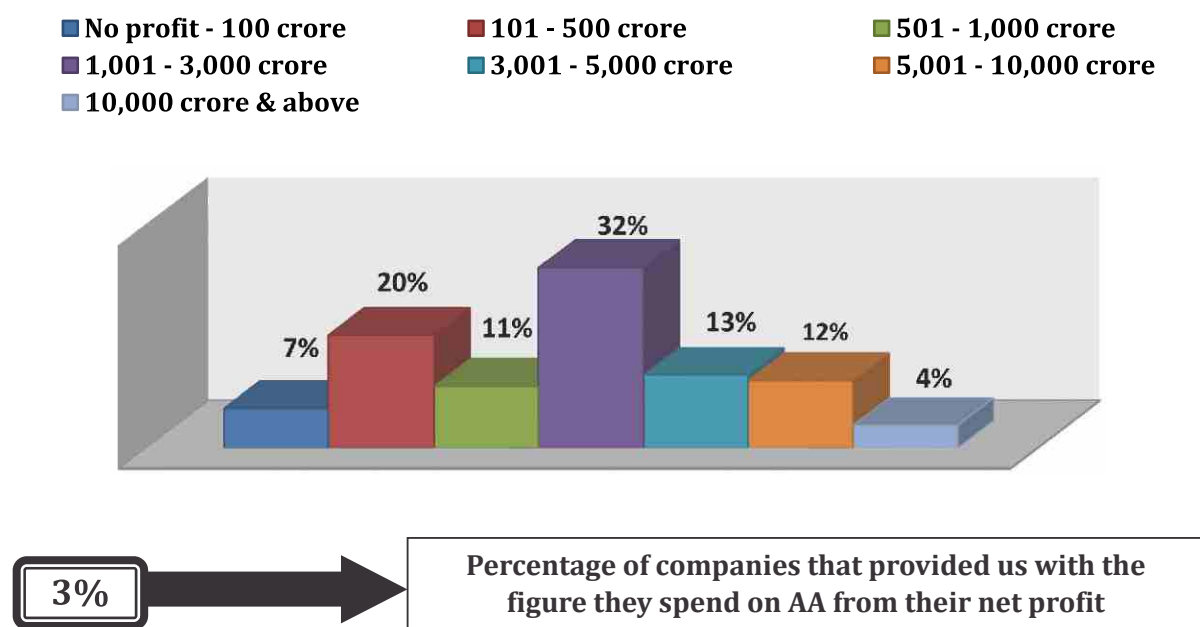
The signatory status of companies in our study was verified by PiC from the CII Affirmative Action website (<http://www.ciiaffirmativeaction.in/CodeOfConduct.aspx>). As per the information provided by the companies and PiC's verification, 26.6% (27 companies) of the companies contacted were signatories to the code of conduct. Many companies, despite being signatories, did not respond to our communication or refused to participate. Only 40.7% (11 companies) of the signatories contacted participated in our study or other way 60% signatories refused to participate.

Figure 7: Signatories to CII-Assocham Code of Conduct



The below graph shows the income distribution among the top-listed companies in India. This profit pattern is important to understand in the light of the dual realities that co-exist in India. Approximately 32% of the companies have annual net profit in the range of Rs 1,000 to 3,000 crore. The total net profit figure for the entire sample size of companies for this study is more than Rs 2,70,000 crore. Even a tiny fraction of this amount directed towards AA policies could change the way the marginalized population lives.

Figure 8: Annual Profit Pattern of Companies (in Rs.)



02. AFFIRMATIVE ACTION AT THE WORKPLACE

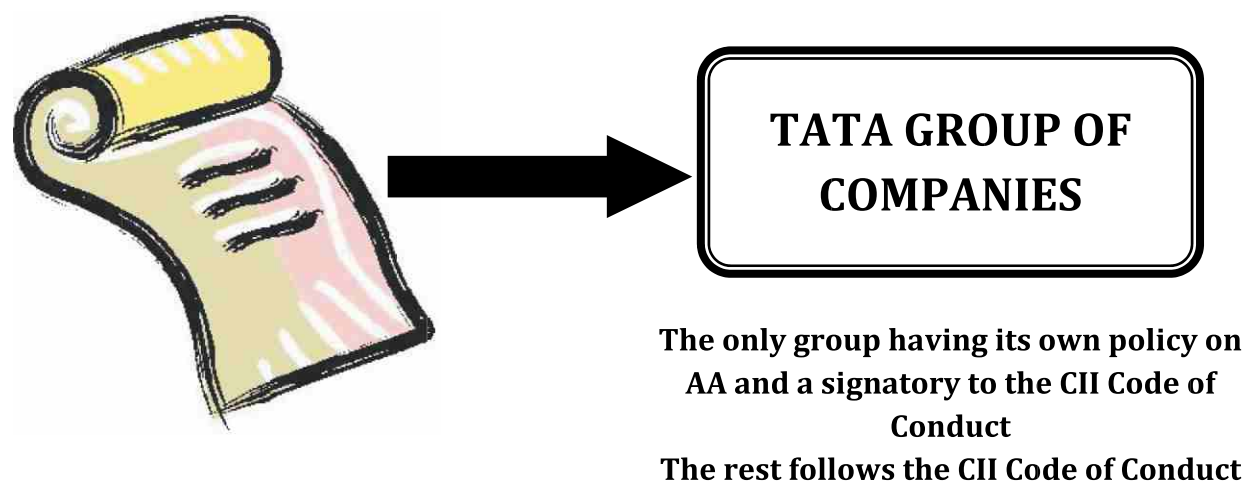
Undeniably, the most important component of an effective AA agenda is to have a strong policy at the workplace. The human resource management function in a company, as the nomenclature demands, is expected to assume the responsibility of maintaining and encouraging a workplace which is free of social encumbrances. The idea of having a diverse workplace should not be limited to the prospect of flaunting a tag of a “socially conscious” company, which has become or is slowly becoming the norm in the corporate sector around the globe.

However, looking at the history of AA around the globe, one important take-away is difficult to ignore. Be it the general public, the ruling elite classes or the corporate sector, AA elicits mixed responses. The idea of favouring a particular community does not go down well with stakeholders who emphasize that meritocracy itself removes all aspects of discrimination. The argument holds water but if a history of harsh discrimination is to be reversed, proactive measures should replace objective but passive actions. That was the idea that has driven AA policies of the government (as described in the above passages) which have benefitted countless members of the SC and ST communities. It is a different matter altogether that the concept of reservations in India is a quite a polarizing topic.

NATURE OF QUESTIONS ASKED

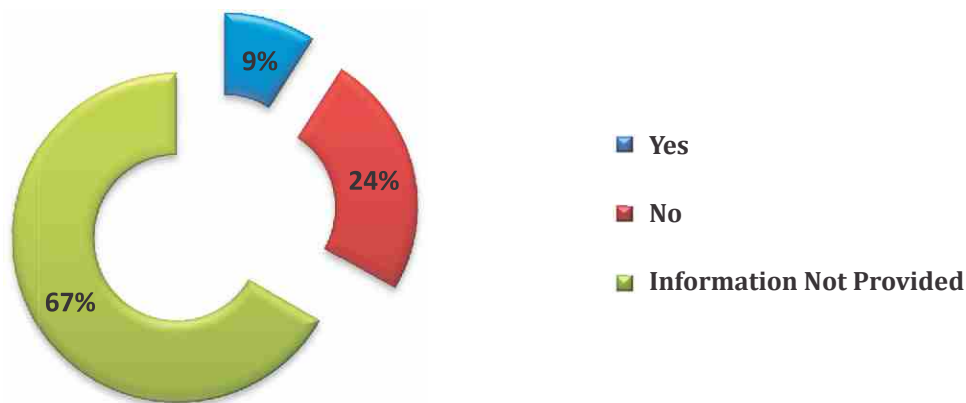
In order to obtain a thorough understanding of the scope and nature of the corporate sector's commitment to AA, PiC posed numerous questions to companies which participated in our study. The questions pertaining to governance focused on the HR policies in place, when they were developed, and the nature and scale of the policy making process. In the awareness section, the questions focused on the how and to whom the AA agenda was communicated within and beyond the workplace. In the section on stakeholder engagement, we asked the companies how they promoted the AA agenda among its key stakeholders. We posed a range of questions on the activities carried out under AA, the number of beneficiaries, the changes they have made to the policies and expectations over the years and best practices. In the section on monitoring, we sought information on how AA policies in the company are monitored and how and if stakeholder feedback is incorporated. The reporting and disclosure section focused on the reporting mechanisms that the companies have adopted to effectively report on their AA activities. Lastly, we asked the companies to tell us about the issues and challenges they faced while planning and implementing AA policies at the workplace.

Our first question to the companies in this section was related to the presence of a company policy, statement or guidelines in writing on AA at the workplace. While several companies use the CII Code of Conduct, only the Tata Group of companies has their own policy on AA. In addition, PSEs are mandated by the DPE to follow certain guidelines on AA. Hence, the Tata Group stands out with its one-of-a-kind approach of having a policy on AA which was created in-house and is not an extension of the codes of conducted designed by industry associations. Tata companies are required to follow the terms of the Tata Affirmative Action Programme (TAAP) which focus on exercising positive discrimination in employing personnel from historically disadvantaged communities and in engaging them as business partners, without sacrificing merit or quality (details are enclosed as Annexure 9).



Overall, only nine percent of the companies said they practice positive discrimination, favouring candidates from SC/ST communities, in their regular HR processes. A good 24% replied in the negative while 67% did not provide any information in this regard.

Figure 9: Does the Company Practice Positive Discrimination to Members of SC/ST Communities?

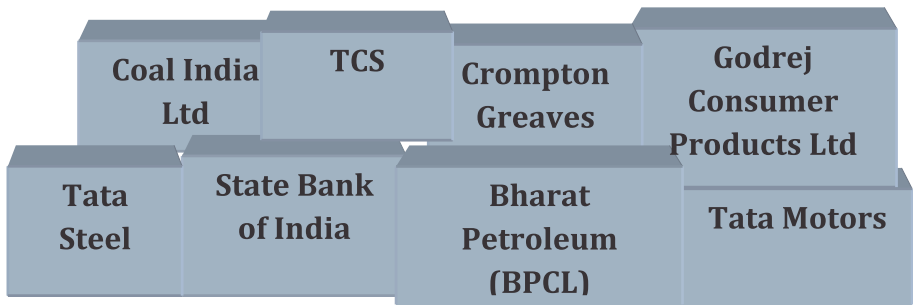


Crompton Greaves

While other companies cited numerous challenges ranging from potential employee unrest to lack of talent pool among the SC/ST communities, Crompton Greaves stood out because of an aura of resilience. To our questions on the challenges they face in planning and implementing AA policies, the company simply said “None. Effort and will required”. According to them, companies should first try and test AA and then talk about the issues and problems - but not before that.

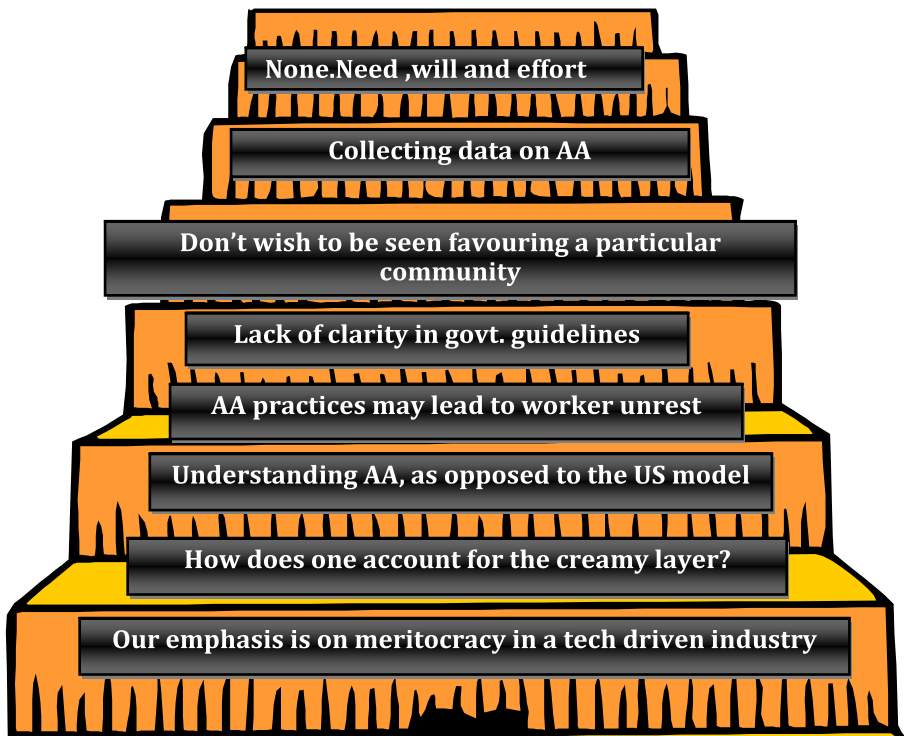
Of the total number of contacted companies that participated in our study, only the below seven companies appeared willing to provide the number of SC/STs on their rolls. **Coal India** and **State Bank of India** are Public Sector Enterprises (PSEs) and are mandated by the government to keep proper records of important details pertaining to its employees. PSEs,being public, should be open to sharing information with the general public. However, they stand out from among the other public sector enterprises we contacted which did not provide the information sought. **Tata Consultancy Services, Tata Motors, Tata Steel, Godrej Consumer Products Limited** and **Crompton Greaves** were most the most responsive companies among the non-PSE list (details are attached in Annexures 10, 11). The AA commitment is promoted from the top management and inculcated among all the employees from the inception.

Figure 10: Most Responsive Companies on AA



The below diagram illustrates the common replies that PiC received from companies when asked about the challenges in preparing and implementing AA policies at the workplace. The lower most two statements (How does one account for the creamy layer? and Our emphasis is on meritocracy in a tech driven industry)were quoted mostly by companies that do not have an AA policy in place. They contended that their hiring process in manufacturing or branch units in Tier II and III cities focuses on locals and thus, successfully addresses diversity at the work place. These companies also expressed concerns about the likelihood of employee unrest as a result of policies that favour a particular community. Companies with successful AA policies said that like any other intervention, AA policies might create challenges. However, will and commitment can successfully address such challenges. The collecting of AA-specific data was quoted as a challenge by most participating companies. Clarity on government guidelines was an issue raised by several PSEs.

Figure 11: Challenges in Implementing Affirmative Action



A few companies, especially MNCs, said that they practice a “don't ask, don't tell” policy. In the decade of Right to Information (RTI), disclosure in public domain, sustainability reporting (GRI-G3) etc. this kind of response from the MNCs raises many questions on the role of regulatory bodies, consumers and other stakeholders in promoting socially relevant issues.

KEY OBSERVATIONS – PUBLIC SECTOR VIS-À-VIS PRIVATE SECTOR

PSEs are mandated by the Department of Public Enterprises Guidelines on Human Resource Management to have proper AA policies at the workplace and spend a portion of their profits, depending on the amount, on community initiatives. It then becomes necessary to conduct a comparative analysis of the status of AA in PSEs vis-à-vis the private sector. Contrary to our assumption, most PSEs were not enthusiastic about sharing information or engaging in a conversation on the subject. It seemed that the policies were being followed in letter, but not in spirit. However, by virtue of the laws that govern PSEs, AA is part of the company policies, which puts them in a better light compared to companies in the private sector. Following are some of our observations.

PUBLIC SECTOR COMPANIES

- ❖ The PSE's approached were quite reserved to share information even with respect to the total number of SC/ST employees in the organization. Repeatedly, company representatives asked whether it is a mandatory exercise (which meant was it from the government), if not they saw no interest to part with the information.
- ❖ In a few cases (top oil & gas and power companies), we were able to meet either the HR representative or the CSR representative and were assured that the filled up questionnaire would be provided. Despite numerous follow-up attempts, we did not get an opportunity to meet all the officials.
- ❖ Only two companies provided us with the figures for the number of SC/ST employees in their organization. As government-controlled agencies, working for and answerable to the public, the companies should have been enthusiastic about sharing such vital information with a civil society organization.
- ❖ Since the Boards of the PSEs are responsible for the implementation of DPE guidelines on AA, most PSEs said that the AA activities in their organization are overseen by the board closely.
- ❖ Though the code of Conduct on AA is mainly for private sector companies still, 15% (5 companies out of 33 under top 145 list) PSEs are signatories.
- ❖ All PSEs have regional liaison officers and SC/ST cells which take care of issues of SC/ST employees. An SC/ST cell manager with a metal and mining PSE said that his organization conducts structured quarterly meetings. However, he admitted that quite often issues other than those related to AA were discussed which, in his opinion, defeated the purpose. “We have received only a few complaints since the time the cell started,” he added. All in all, the officials of the company were of the opinion that their organizations is doing very little in terms of AA.
- ❖ Companies that participated in our study said that as per the government guidelines, they are required to report to their governing ministries on their AA activities and they follow these guidelines. But there is a lack of understanding and empathy to the idea / concept of AA. In most cases the concept is being followed in letter but not in spirit.
- ❖ There is an inherent dissatisfaction among employees not belonging to the marginalized sections against any kind of reservation in recruitment or promotions. The question of why reservation after 60 years of independence is a repeated question being asked by many.
- ❖ The concept of AA in some cases is only a catch phrase to be used at opportune times to align with the legal parameters. The actual practice could be far different in some cases.

- ❖ As per several interviews, there is no thrust on AA in case of contractual workers in PSE's even at managerial levels.

PRIVATE SECTOR COMPANIES

I. Family Owned Companies

- ❖ By virtue of their Indian operations, the family-owned companies are expected to be acutely aware of the social issues of our country. Ideally, these companies should be leading the AA movement. However, only 19% of the top listed family-owned companies are signatories to the code of conduct on AA.
- ❖ Although only 10.76% (7 companies out of 65 family owned under list of top 145) of the top listed family-owned companies are signatories to code of conduct on AA, most of them - even if not have a policy - were positive about the concept about the Affirmative Action and have initiatives on AA.
- ❖ The response from the family-owned companies were mixed: some of them wanted to have initiatives on AA, some of them neutral to speak on a kind of political subject while some of the opinion that it is the historical concept and does not exist today. But being of Indian origin; these companies were well aware of the caste and ethnicity concept and related issues.

An HR manager with a top listed pharma company mentioned about his privileged upbringing and how he never asked or bothered about to which caste or creed an individual belonged. The same approach was adopted by the company too. "We go by merit and do not discriminate. Keeping our shareholders and employees happy and doing business in the most ethical manner is what drives our business," he concluded.

This response raises many vital unanswered questions like how do they know that they do not discriminate, what are the mechanism to measure it. To what extent is diversity in the workplace monitored in such a way as to reveal hidden, subconscious or institutional discrimination?

II. Board-Owned Companies

- ❖ The initial contact list included the heavyweights of industry. However, only three companies out of the 13 contacted, i.e. 23%, participated in the study. All these were Tata Group companies which have sturdy AA policies in place.
- ❖ Almost 35% (7 companies out of 20 board owned under list of top 145) of the companies are signatories to the code of conduct. Yet these companies, apart from the Tata companies, either did not respond to our communication or refused to participate.

III. Multinational Companies

- ❖ 25% (7 out of 32 MNCs under list of top 145) of the multinational companies contacted for the study are signatories to the code of conduct. Only one signatory company participated in the study. Another signatory said that they follow global standards and procedures and asserted that their recruitment is strictly based on merit. Five signatory companies refused to participate.
- ❖ A participating multinational FMCG giant, one of the quickest companies to respond to our request, said that they do not have a proper AA policy in place. However, their local hiring policy, according to the HR head, ensured that a sizeable chunk of their employees belonged to the SC/ST communities. At the same time, recruitment processes at the corporate offices spoke of unbiased hiring, without favouring a particular community. They acknowledged that they capture the data on the number of SC/ST employees in their organization, promised to provide the said data and later questioned our intention of seeking such minute details when they have already given us qualitative inputs. "If at all the government of India decides to make reservations for SC/STs mandatory in the private sector, I am sure our numbers would easily meet the requirements," said the HR head.

- ❖ Most multinational companies, those who participated in the study and others, were of the opinion that being private multinational organizations, they cannot be seen favoring a particular community. They emphasized the non-discriminatory nature of their processes, which for them, was equivalent to Affirmative Action.

OBSERVATIONS

Governance

- ❖ Clear cut guidelines on AA, especially for PSEs, is urgently required to generate awareness. These enterprises, with their widespread footprint and government patronage, should be leading the movement and setting the standard for other companies to follow. The senior management of these companies should be sensitized on the issue.

Awareness

- ❖ In terms of looking at the bigger picture, employee awareness is also an important area of intervention. Employees need to be made aware, not only of their employer's stand on AA, but also the larger issues of caste discrimination which continues to pull back sections of population from the mainstream.

Activities

- ❖ PSEs already measure the number of SC/ST employees. Companies in the private sector should also start this process. It could be through a routine Q&A session, questionnaire or studying their employees' background. The idea is not to know who's what but to understand the level of diversity. A structured intervention on this subject (for example, anonymous questionnaires) can also bring out issues that perhaps go unnoticed in large companies.
- ❖ "The regions where we work and the composition of the disadvantaged sections ensure that a good percentage of beneficiaries belong to SC/STs." Many companies PiC interacted with asserted this claim. However, a clear cut strategy of hiring from the SC/ST communities would better address the issues of livelihood, employability among these communities and diversity from the company's perspective.
- ❖ There are no numbers to prove so but it is a generally-held opinion that employees from the SC/ST communities and economically-backward sections value the employment opportunity made available to them as compared to their city-bred counterparts. In that sense, there's a critical need to push and popularize the business case for AA policies.

Monitoring and Evaluation (M&E)

- ❖ Companies might be able to initiate a pilot hiring process, either in the corporate offices or at regional units, and conduct an impact assessment to test whether it brings about a change in the employee morale and image of the company.

Reporting and Disclosure

- ❖ Companies with AA policies were of the opinion that if the higher management is committed to AA, then it will be accepted by all. Also these companies should create awareness regarding their AA policies and activities so that other companies can understand the issues and concepts better and strive for a better, diversified workplace.

03. AFFIRMATIVE ACTION AT THE SUPPLY CHAIN LEVEL

Small and medium enterprises contribute almost 45% to the country's total industrial output and almost 40% to the gross domestic product (GDP). From 2001-02 to 2010-11, the number of micro small and medium enterprises (MSMEs) nearly tripled from around 105.21 to 311.52 lakh. They are not only an important of India's growth engine; they employ almost five percent of India's population – around 595.66 lakh (MSME Ministry Data).

It is these enterprises which form the backbone of the supply chain of big companies, like the ones that were targeted for this study. Just by virtue of the large number of people this sector employs, it can be assumed that a significant chunk of the workforce would belong to SC/ST communities. The rise of Dalit entrepreneurs has also been attributed to the growth of this sector.

The Dalit Indian Chambers of Commerce and Industry is an important entity in this space with its commitment to creating business opportunities for its members who are mostly small and medium entrepreneurs. The network of suppliers that form the membership of DICCI is a pool of quality suppliers that companies should consider testing, promoting and empowering.

Affirmative Action has a role to play in supply chain management. However, the biggest challenge is to fight the belief held by a wide range of people is that AA is a part of HR processes. For many, reservations are the beginning and end of AA, from the government or corporate side. The idea that AA transcends the boundaries of HR processes and includes every activity that is aimed at the uplifting and betterment of particular groups, in India's case the SC/ST/OBCs, has been acknowledged by very few. Taking this reality in to consideration, the primary requirement is to generate awareness on AA and what all comes under it.

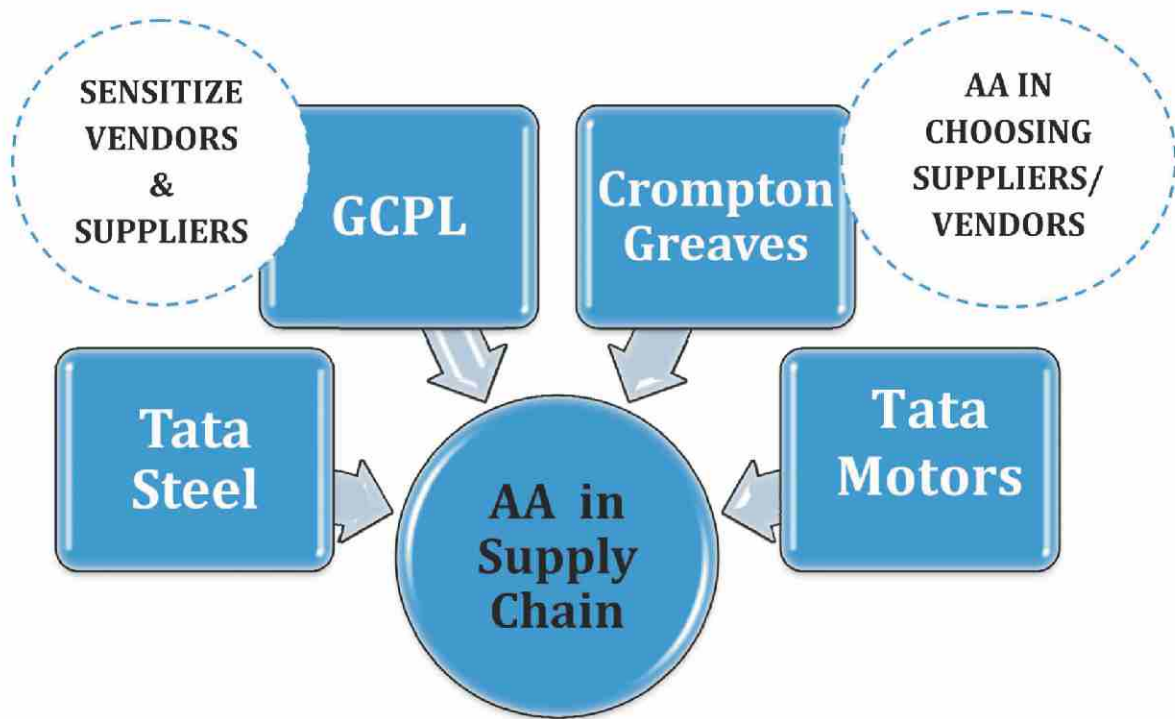
Many Dalit entrepreneurs and activists are of the opinion that AA in the supply chain goes beyond socially-conscious activities and has a definite business case. According to DICCI, entrepreneurs from SC/ST communities are more committed because they understand the importance of livelihood. Further, these entrepreneurs help other members of their communities which in turn initiate a cycle of benefits that will go a long way in helping these communities to bring themselves out of the cycle of poverty.

As is evident from the graphics below, only a handful of companies from India's corporate sector understand the concept and value of AA at the supply chain level. These and other companies point helplessly towards the lack of skilled vendors that can help them come up with a structured policy on procurement and supply chain management. There is a crying need for strategic interventions in this area: to help budding entrepreneurs from these communities, to handhold them through various processes and to train them for surviving the corporate world.

NATURE OF QUESTIONS ASKED

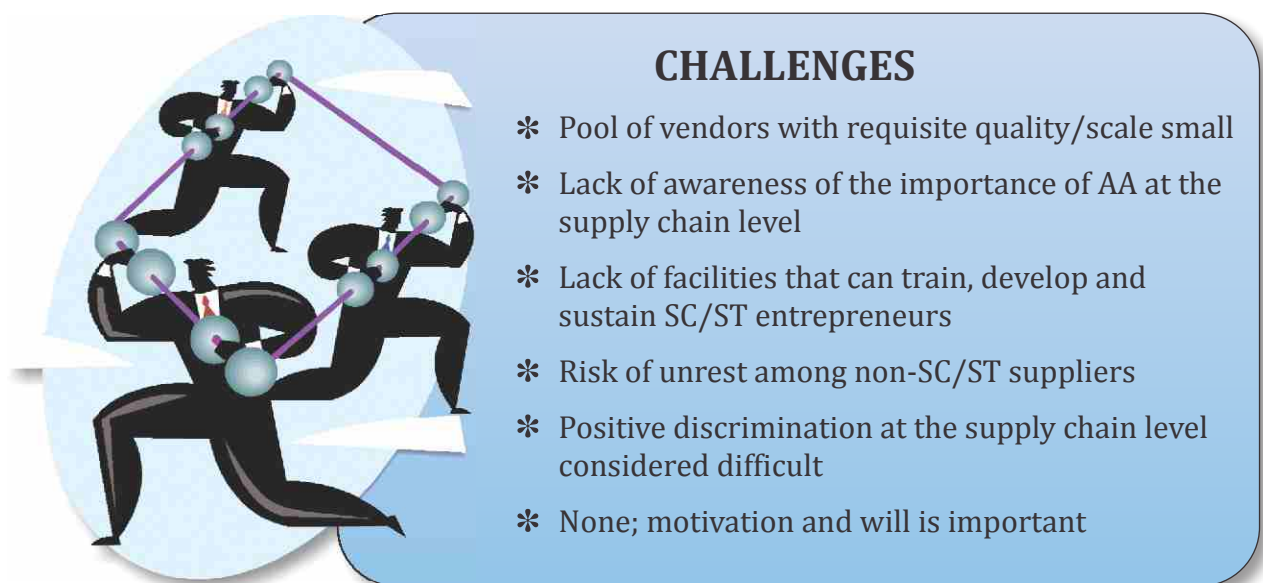
In order to obtain a thorough understanding of the scope and nature of the corporate sector's commitment to AA at the supply chain level, PiC posed numerous questions to companies which participated in our study. The questions pertaining to governance focused on the AA policies in place, when they were developed, and the nature and scale of the policy making process. In the awareness section, the questions focused on the how and to whom the AA agenda was communicated within the company and among vendors. In the section on stakeholder engagement, we asked the companies how they promoted the AA agenda among its key stakeholders. We posed a range of questions on the activities carried out under AA, the number of beneficiaries, the changes they have made to the policies and expectations over the years and best practices. In the section on monitoring, we sought information on how AA policies in the company are monitored and how and if stakeholder feedback is incorporated. The reporting and disclosure section focused on the reporting mechanisms that the companies have adopted to effectively report on their AA activities. Lastly, we asked the companies to tell us about the issues and challenges they faced while planning and implementing AA policies at the supply side. Overall, the questions focused on how the company interacts with vendors to sensitize them to AA issues and to promote SC/ST suppliers.

Figure12: Supply Chain Management



The above four companies – **Tata Steel, Godrej Consumer Products Limited, Crompton Greaves and Tata Motors** - are the most active in implementing AA policies at the supply chain level. These companies apply AA ideals while choosing their vendors, encourage their vendors to apply AA policies in their respective organizations and communicate their AA policies to vendors and suppliers to communicate their agenda clearly. These were the only companies, from among all the companies contacted, which answered as many questions in our exhaustive questionnaire for the supply chain sections (Annexure 12).

Figure 13: Challenges of Company: AA in Supply Chain



Our interactions with the companies that participated in our study threw up the above points as the most common challenges faced while planning or implementing AA policies at the supply chain level. The most pertinent problem, as per our analysis, was the lack of a pool of vendors from the SC/ST communities that meet the requirements. Another important challenge was the critical lack of awareness of how AA policies can be pursued at the supply chain level. One company with active AA policies in supply chain said that the “AA community does not have business experience, background, or training and hence, it is a challenge to develop entrepreneurs”.

Apart from the above mentioned companies, no other company had any AA policies at the supply chain level. In many cases, whenever PiC attempted to initiate a conversation with supply chain personnel on the AA policies in their domain, we were immediately directed to the HR manager. We were told that AA is the HR department's area. This displays a critical lack of awareness of AA and what it stands for. AA is not just a recruitment policy but at a larger level, it encompasses all activities that aim at benefitting the historically ignored and discriminated SC/ST communities.

OBSERVATIONS

Awareness

- ❖ Companies need to be made aware of the benefits of an inclusive supply chain. It will not only help budding entrepreneurs from the disadvantaged sections, it will also help the company test new waters.

Stakeholder Engagement

- ❖ The first step in the direction of proactive AA policies in the supply chain is continuous dialogue with vendors and suppliers. The companies, industry organizations and NGOs should initiate and sustain a conversation with agencies like DICCI in order to brainstorm and come up with effective policies. DICCI has many Dalit entrepreneurs as its members, some of whom have already tied up with various organizations, and can become a pool of resources as well as an awareness generator.

Activities

- ❖ Professional agencies which can train and develop entrepreneurs from these communities as suppliers with easy bank linkages could be set up by the government in coordination with industry organizations. The latter can push the case for AA among their members.
- ❖ A company with AA policies at the supply side with in-house development processes, reservations in certain services for AA suppliers, assistance in getting licenses and permission from government agencies and internal training sessions would go a long way in addressing the issue of lack of entrepreneurs from the AA community. The collection of best practices in this area would assist others to implement.

M&E

- ❖ A regular measurement and impact assessment process could be initiated with the help of the government, industry organizations and CSOs so as to ascertain the number of supplies from these communities and to assess the problems they face and measure the impact of proactive AA policies on the supply chain side on these entrepreneurs. This process can also be used to promote successful entrepreneurs.

Reporting and Disclosure

- ❖ Companies with successful AA practices in the supply chain should report the success stories through their annual reports or special reports. Based on our interaction, many companies were unaware how to go initiate AA practices in the supply chain. Documented best practices and case studies will lead to an exchange of ideas and information.

04. AFFIRMATIVE ACTION AT THE MARKET PLACE

The market place is yet to become an area of importance for AA activities. Except for one company, elaborated below, no participating company had any initiatives for consumers from SC/ST communities. PiC did not get to meet any marketing officials in any company and hence, was not able to hold conversations and seek answers and solutions on the subject. While many companies do not have AA policies at the market place by virtue of the nature of their products, others have not done anything.

Awareness is the most yawning and critical gap here. This is an area where there is much scope for brainstorming, information exchange and critical thinking. And it should not be restricted to the company adopting AA policies as part of their “good deeds”. Marketers need to crack the business code here.

NATURE OF QUESTIONS ASKED

In order to obtain a thorough understanding of the scope and nature of the corporate sector's commitment to AA at the marketplace, PiC posed numerous questions to companies which participated in our study. The questions pertaining to governance focused on the AA policies in place, when they were developed, and the nature and scale of the policy making process. In the awareness section, the questions focused on the how and to whom the AA agenda was communicated. In the section on stakeholder engagement, we asked the companies how they promoted the AA agenda among its key stakeholders. We posed a range of questions on the activities carried out under AA, the number of beneficiaries, the changes they have made to the policies and expectations over the years and best practices. In the section on monitoring, we sought information on how AA policies in the company are monitored and how and if stakeholder feedback is incorporated. The reporting and disclosure section focused on the reporting mechanisms that the companies have adopted to effectively report on their AA activities. Lastly, we asked the companies to tell us about the issues and challenges they faced while planning and implementing AA policies at the marketplace.



Only Crompton Greaves had affirmative action initiatives at the market place. The company has tied up with ITI where youth from SC communities are trained as electricians and also trained on awareness of safety norms. This training has a direct correlation to the company's nature of business and the products it sells. Along similar lines, CFL lamps were provided free of cost and awareness generations activities on saving electricity were conducted in Ambedkarnagar village, Baroda, Gujarat (Annexure 13).

OBSERVATIONS

- ❖ Based on our interaction with companies that participated in our study, there is a serious lack of understanding on how Affirmative Action can be extended to the market place. While best practices and information on the scope AA in other sections – workplace, supply chain and communities – is available (irrespective of the degree of acceptance), AA in the marketplace has no or negligible data or information supporting it.
- ❖ Many FMCG companies have been able to scale up their business by focusing on the bottom of the pyramid. If the companies put their hearts and brains to AA at the marketplace, this section of population can help them reap significant rewards beyond what is presently being done. As seen with the example of Crompton Greaves, the involvement of the company with their end market benefits all in the value chain. Further analysis is required.

05. AFFIRMATIVE ACTION IN COMMUNITY INITIATIVES

Some might say that the need for AA is much larger at the community level than the workplace. The nature and degree of discrimination these communities face, the level of poverty among their population and the saddening end results of the cycle of poverty and injustice is nowhere more evident than at the grassroots level. These harsh realities themselves make the case for strategic AA intervention at the community level. However, very few companies have risen to this challenge.

Most company CSR officials with whom PiC interacted said that their community initiatives focused purely on the economically disadvantaged sections. Also, many companies do not wish to create an image of favouring particular communities. They say that their AA is easily covered by their community initiatives.

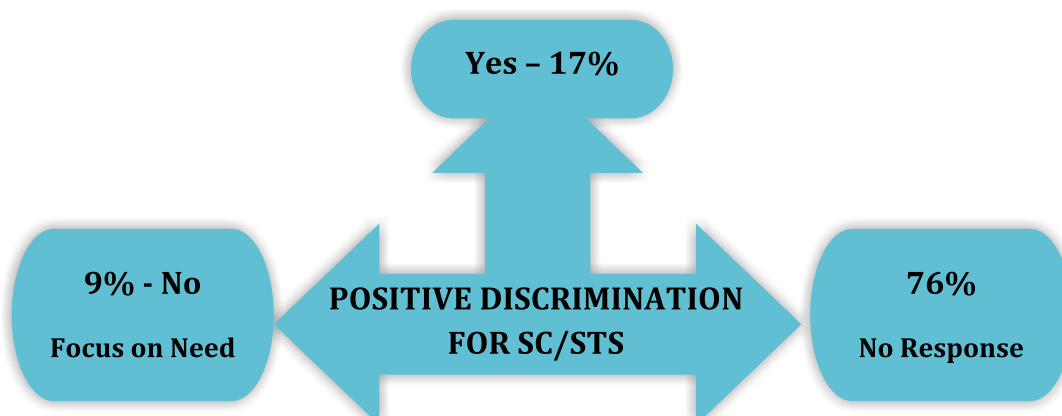
But these companies do not capture the data on the number of SC/ST beneficiaries. Without concrete numbers, either by capturing data or focusing activities specifically on SC/ST communities, the larger benefits of the community initiatives cannot be analysed. Hence, specific AA policy or not, collecting data on the SC/ST beneficiaries of company CSR initiatives becomes an important activity. And if a company is to focus on social and economic development, the caste and tribe equations cannot be ignored.

NATURE OF QUESTIONS ASKED

In order to obtain a thorough understanding of the scope and nature of the corporate sector's commitment to AA at the community level, PiC posed numerous questions to companies which participated in our study. The questions pertaining to governance focused on the AA policies in place, when they were developed, and the nature and scale of the policy making process. In the awareness section, the questions focused on the how and to whom the AA agenda was communicated. In the section on stakeholder engagement, we asked the companies how they promoted the AA agenda among their key stakeholders. We posed a range of questions on the activities carried out under AA, the number of beneficiaries, the changes they have made to the policies and expectations over the years and best practices. In the section on monitoring, we sought information on how AA policies in the company are monitored and how and if stakeholder feedback is incorporated. The reporting and disclosure section focused on the reporting mechanisms that the companies have adopted to effectively report on their AA activities. Lastly, we asked the companies to tell us about the issues and challenges they faced while planning and implementing AA policies in the communities.

Seventeen percent of the companies contacted for this study said that their CSR activities provide positive discrimination to members of SC/ST communities (Annexures 14, 15, 16). On the other hand, 9% said that they focus on the economically backward sections and hence do not focus on any community in particular.

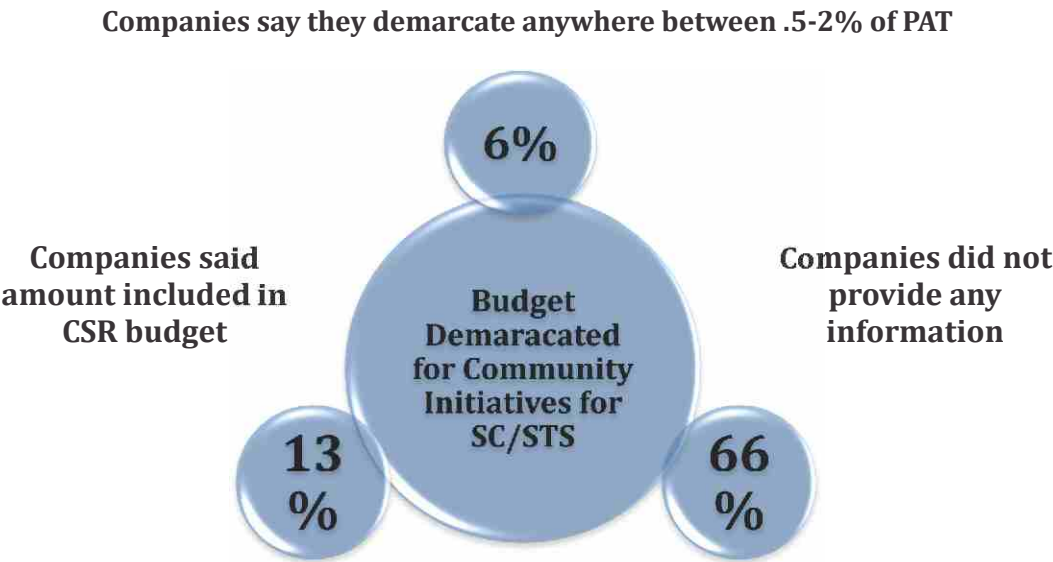
Figure 14: Positive Discrimination in Community Initiatives



⁸ Community is often defined by a company as the local people staying in the vicinity of their operations, who are key stakeholders in their business. These stakeholders can affect or are affected by the business activities as a whole. Generally for CSR initiatives companies target communities residing within a 5-10 km radius from their plant location.

Only 6% of the companies provided us with the figure for the budget allocated to AA-specific community initiatives. This ranged between 0.5 to 2% of the net profit of the companies. Thirteen percent of the companies said that the budget for AA is included in the budget and is as per the needs. Most of these companies focused on economically backward sections and did not have AA policies. Sixty-six percent of the companies did not provide any information.

Figure 15: Demarcation of Budget for AA



PSEs are mandated to have AA policies at the workplace but there are no such guidelines to follow in their community initiatives. Only 17% of the PSEs contacted provide positive discrimination to SC/ST population. In the case of familyowned and board-owned companies, the figures are 21% and 23% respectively. Only one MNC provided positive discrimination to these communities but did not have data to support.

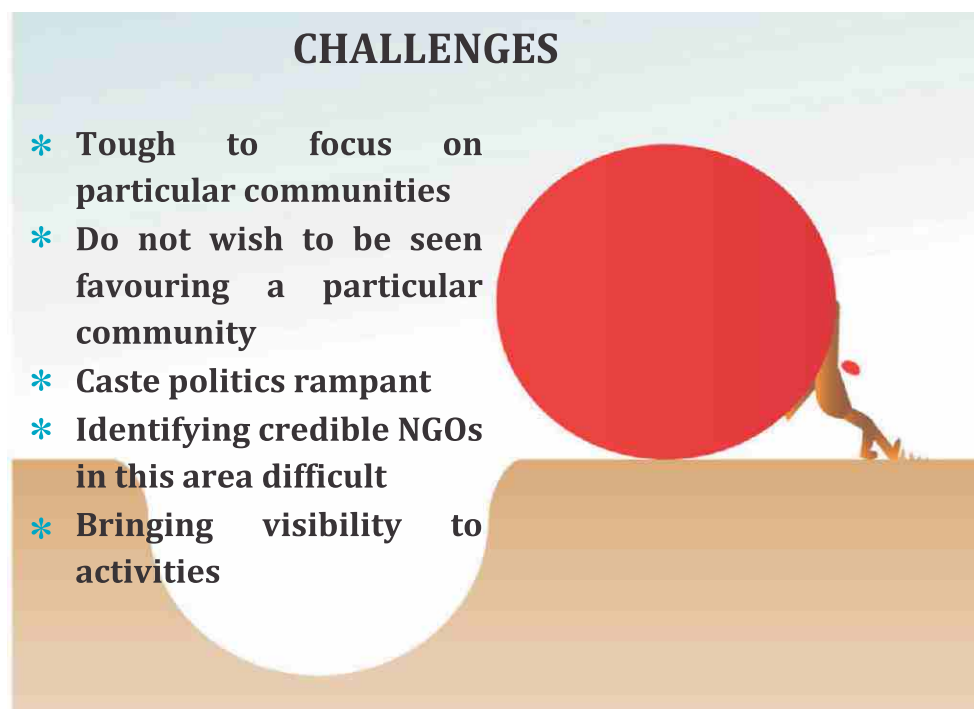
The non-signatory companies did not have specific AA initiatives at the community level. However, some of them did focus on areas with a high density of SC/ST population.

Signatory companies that have active AA policies in other departments – like the Tata Group, and Crompton Greaves - follow the principles of 4Es as defined by the code of conduct. Other signatories have active CSR initiatives but without a defined AA thrust.

None of the companies had a special reporting mechanism for AA-specific community initiatives. The reporting on these initiatives is usually clubbed with the CSR reporting framework. Companies that do not have AA-specific community initiatives unanimously expressed that their CSR initiatives focused on economically-backward sections. By virtue of their focus on the “disadvantaged sections”, they considered their CSR activities as an extension of AA. They believed that targeting these sections successfully addresses issues of the socially backward as well. “The emphasis should be education. Once the marginalized sections are educated, they will automatically assert themselves and seek their rights,” said a CSR representative of a big cement company.

Additionally, many companies also expressed scepticism or doubt with targeting specific groups as part of their community activities. While the sceptics did not prefer to be seen as companies that favour a particular segment of the population, the doubters said that the rampant caste politics at the grassroots dissuaded them from having AA policies at this level. A CSR official working with an oil & gas major shared a personal experience to elaborate his point. “In my previous job with an

NGO, I worked with high-altitude farmers on one of the projects. Most of these farmers belonged to scheduled tribes. The news spread to the areas nearby that our NGO working only with tribal communities, which clearly was not the case,” he said. In his present job, he works in regions like Rajasthan and Andhra Pradesh where the caste lines are very rigid. They chose not to use caste or tribe in their community initiatives. “When economic benefits are involved, caste ceases to matter. This is the company's belief system,” he added.



OBSERVATIONS

Governance

- ❖ Undoubtedly, there is a need for companies to start and/or sustain AA policies at the community level. For companies already active in this, the requirement is to scale up the activities and constantly measure the number of beneficiaries and the impact of their activities.

Awareness

- ❖ As part of a larger CSR agenda, companies can get actively involved in generating awareness on the issue of AA internally and externally. As a social entity, companies have the responsibility to first acknowledge the seriousness of the issue and sensitize its stakeholders.

Activities

- ❖ Companies that are against the idea or have doubts over how to have an AA policy at the community level can initiate the process of measuring how many members in the target area belong to SC/ST categories. Even if these companies decide not to have AA policies there, this data can help them understand the socio-cultural characteristics of their target population and devise better intervention strategies.
- ❖ Companies keen on AA policies at the community level but doubtful over the impacts on its image can start by selecting beneficiaries from SC/ST sections without revealing the criteria to the community.

06. SECTORAL ANALYSIS

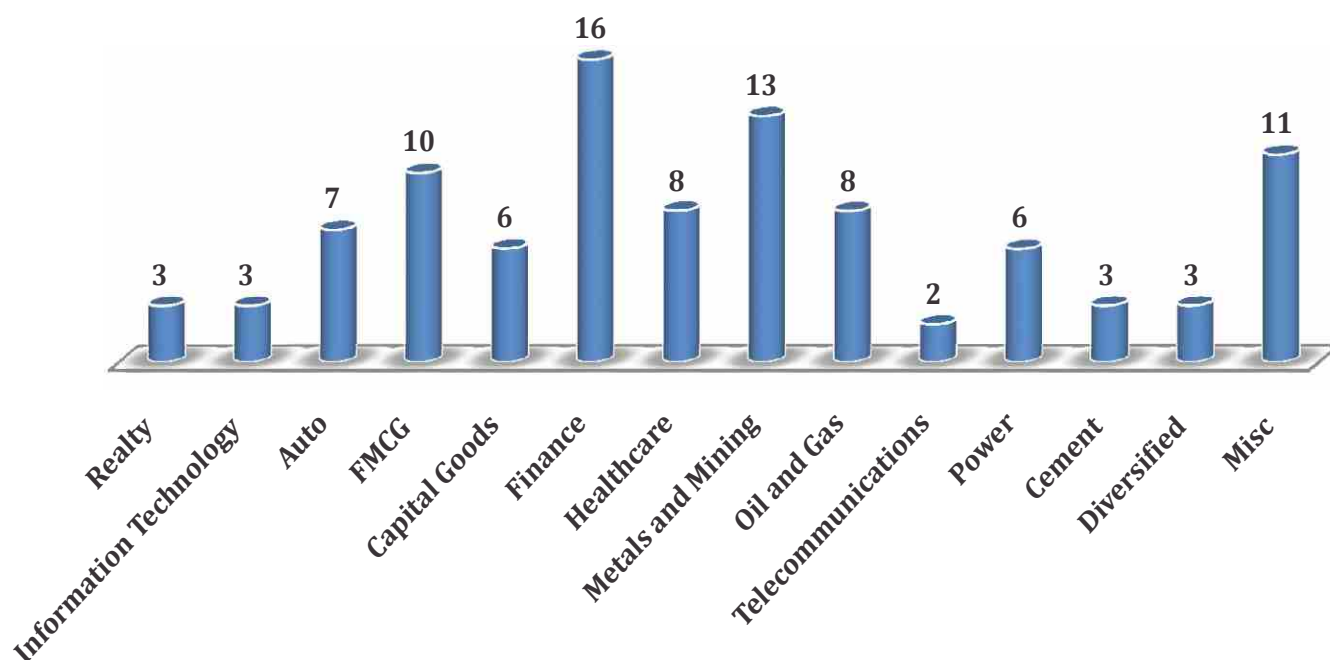
Over the years, industry organizations have played an important role in defining the way the corporate sector functions in India. Not only have they served their primary purpose of being a representative of their member organizations at the public policy level, they have also, at times, acted as their conscience. Industry organizations such as FICCI, CII and ASSOCHAM have facilitated collective movements, set up standards for their members to follow and provided an environment for the exchange of information. CII's code of conduct is

a good example of how critical issues like AA, largely ignored by the private sector, was pushed into the collective consciousness of the business community. Companies that wanted to have AA policies, but did not know how, found a direction. Many companies might have joined just for the sense of belonging. Regardless of the intention to become a signatory, the code of conduct initiated a necessary dialogue.

In the same manner, nowadays, sector-specific industry organizations are also becoming important agencies, even if among a smaller audience. The idea of seeking information from companies on the status of AA at the sectoral level was to understand if there are particular sectors that perform better at AA than others. Irrespective of the answers to the questions in this section, sectoral industry organizations can also push the case for AA among its member companies. Considering the fact that these organizations have smaller, tighter networks, a thrust on AA can yield positive results.

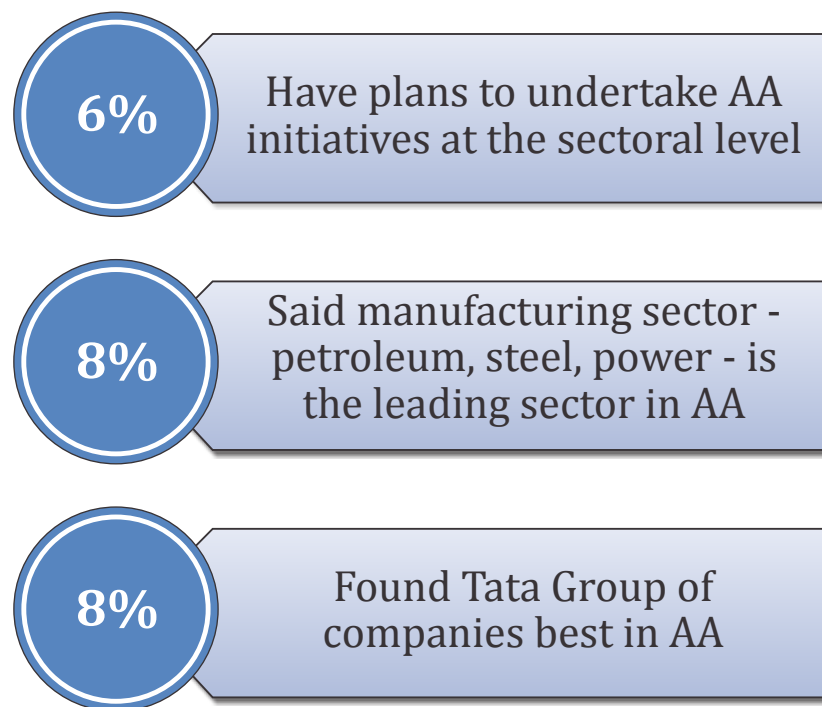
The below graph shows the sector-wise percentage distribution of companies targeted for our study. The majority of companies, 16%, fell in the Finance category which included banks and non-banking financial companies. The category named miscellaneous included sectors such as textiles, transport services, chemicals, education, gems and jewellery, agriculture and aviation.

Figure 16: Sector Wise Break Up



From our interaction with companies that participated in the study, the below results were obtained. Six percent (six companies) of the companies said that they have plans of taking AA activities and related communications to the sectoral level. Apart from the Tata group of companies, all others were family-owned companies. MNCs and PSEs did not offer any information. Eight percent (8 companies) of the companies thought the manufacturing sector is the leading sector in AA by virtue of its operations in the hinterlands, local hiring processes and community initiatives around their manufacturing units. Three companies said that the best AA policies belonged to the public sector companies and a few companies named their own sector as the best. Eight percent of the companies found the Tata Group of companies as the best in AA while a few other companies said that PSEs are the best at AA.

Figure17: Responses on Sector AA Initiatives



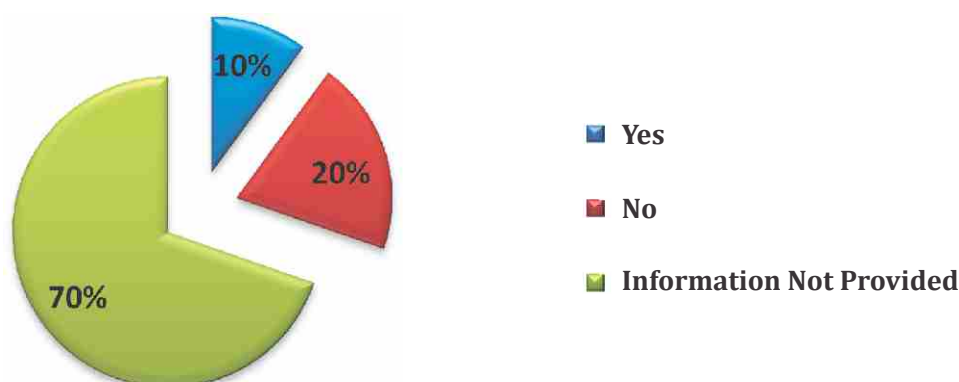
OBSERVATIONS

- ❖ As is clear from the above figures, very few companies have expressed a desire to take AA to the sectoral level. Companies intending to do so should seriously consider this alternative to scale up the reach and efficacy of AA in India. Sector-specific industry organizations can also lead this movement by tying up with a big company active in AA and then spreading the word in other companies in the sector. Nothing works better than the sense of competition to push the case for policy changes. Moreover, sectors can more specifically address the AA challenges faced in their business situations.
- ❖ Manufacturing came out at the top as the best sector in AA. This perception could be a result of companies in this sector having their manufacturing units in semi-urban, rural and backward areas. These companies hire locally, have community initiatives that intentionally or unintentionally benefit members of the SC/ST communities and effectively, change the socio-economic status in their areas of operation.
- ❖ With the only group among the top listed companies in India having a proactive AA policies among most of its group companies, Tata was favoured by many as the best in AA. The group's efforts in AA are not mere social interventions. It has come to understand the business case for AA in particular and diversity in general. The group already encourages AA among its stakeholders. However, it needs to take lessons of success in AA to a wider audience.

07. PUBLIC POLICY

Through this section, PiC attempted to understand the company's opinion and position on the public policies related to AA. Being a sensitive subject, most companies were either positively inclined or took a neutral stand on the subject.

Figure : Does the company work on AA with CII/ASSOCHAM/FICCI?



Only 10% of the organization contacted said they work with industry associations on AA, either in spirit or in terms of tangible interventions. Twenty percent of the companies responded in negative and 70% provided no information in this regard.

The left hand side of the table lists some positive responses we received from companies about their position on lobbying for AA. All Tata Group companies expressed their commitment towards the group's efforts in AA. A few signatory companies just stated their support for the CII code of conduct. The other two are individual company responses to AA.

The right side of the table lists some negative response we received from participating companies. The top most response is from one of the PSEs contacted. The remaining three were individual company responses on their lobbying position on AA.

Table 5: What is the company's lobbying position on AA?

<i>We are an active member in the Tata Group AA program</i>	<i>The company does not lobby. It follows the government-prepared guidelines.</i>
<i>In favor of CII code of conduct on AA</i>	<i>None, it should be based poverty not caste</i>
<i>Everyone has to do its part and every corporate is trying</i>	<i>We believe in merit and empowering poor, be it any caste.</i>
<i>It's something companies have to do. We are working on increasing our impact.</i>	<i>Nothing wrong with the initiative. But implementation is tardy and community participation is very low.</i>

A few companies expressed that AA should go beyond SC/STs and should include both economically and socially backward sections. A few were of the opinion that government's AA initiatives should have more teeth and be implemented properly.

Table 6: What's your company's position on the government's policy on AA?

We are supportive of the government policy on AA. We actively participate in the AA agenda thru focused programs in all the 4Es
It is a good initiative and our company will also look forward to measuring and promoting it in the future
It is not sufficient to just focus on SC/ST. The policy should be inclusive of all
It is not sufficient to just focus on SC/ST. The policy should be inclusive of alla
We work extensively with government agencies. The intention is good but the execution is poor
The company shall follow the government directives
The criteria should be economically deprived instead of on caste
It is all in compliance stage now. It needs to become proactive
Tighter implementation and accountability is important

Overall, feedback related to public policy was positive.

THE WAY AHEAD/NEED OF THE HOUR

The government, corporate sector, industry federations, civil society organizations will need to work together towards advancing the interest of the marginalized. There needs to be an understanding that the following steps would, in the long run, create a more inclusive society and reinforced economic growth. Based on the above analysis and results, a certain number recommendations to various stakeholders can be made. The challenge is to find the means to positively incentivize their roll-out.

SUGGESTIONS TO VARIOUS STAKEHOLDERS

CORPORATE SECTOR

- ❖ A positive approach and sensitivity toward the subject is lacking from the corporate sector. Acknowledging the kind of injustice to which SC/ST communities in India have been subjected, it is the collective responsibility of all stakeholders to act together. The corporate sector, which has at times reached where the government cannot, can bring about a radical change in this area. The corporate sector needs to understand this and **rise to the challenge**.
- ❖ Affirmative Action needs to be appreciated as a human rights issue. Accordingly, the initiatives and policies in the direction should have a **rights-based approach**.
- ❖ There is need of an **understanding amongst the top level management** that percolates to lower level that AA is not just a recruitment policy but at a larger level, **it encompasses all activities that aim at benefitting the historically-ignored and discriminated SC/ST communities**, be it supply chain, community and consumers.
- ❖ **Effective training programmes for understanding the concept of AA** and for bringing about **changes in attitudes** of employees to motivate them to implement AA policies in a spirit of fairness and justice need to be developed.
- ❖ The AA policies in companies should have a **business connect**. The corporate sector needs to understand that there is valid business logic in having a diverse and inclusive workforce. Contrary to popular perception, AA policies should not have a charity/philanthropy thrust.
- ❖ Companies with a sustained focus on Affirmative Action in its various activities should **keep the momentum going**. It's their activities and commitment that would sooner or later, in varying degrees, compel others to follow suit.
- ❖ Companies with no or negligible AA policies need to **understand the higher socio-economic logic behind adopting such policies**. Not only will such policies add on to the social identity of the company by making it appear aware and conscientious, it will also promote diversity within the organization. **Diversity is always positive for the organization and also makes business sense**.
- ❖ Companies that are inclined towards having an AA policy but do not know how and where to begin should **start by measuring the number of SC/STs among their employees, in their supply chain and in the communities where they operate**.
- ❖ There is a crying need for **strategic interventions in supply chain** to help budding entrepreneurs from SC and ST communities, to handhold them through various processes and to train them for surviving the corporate world.

- ❖ **Information on AA** at the workplace, supply chain, marketplace and community should be **readily made available in the public domain** once measurable progress has been made.

INDUSTRY ORGANISATIONS

- ❖ Industry organizations, primarily CII and DICCI, have been at the forefront of the AA movement. The primary requirement is to **keep the dialogue process going**. This can be done by preparing the means to operationally integrate AA initiatives. As seen in the study results, companies need tools as to how to go forward.
- ❖ Now that under the leadership of Mr.Muthuraman CII is again becoming active in AA, the organization should **renew its vigour and work more aggressively in AA**. The code of conduct has only a few signatories. Many of these follow the codes of conduct selectively. CII **needs to revitalize the conversation it started in 2006**.
- ❖ ASSOCHAM and FICCI might have their own set of initiatives but they need to work harder to **push the message across to their members**. If these organizations **collectively work** on the issue, the industry response could be much better.
- ❖ DICCI has significantly changed the dynamics of AA. It needs to **further strengthen its network of Dalit entrepreneurs**, establish practices to **promote such entrepreneurs** and bring them in contact with companies active or interested in AA. This would also address the companies' claim that the pool of SC/ST entrepreneurs is too small for them to associate with extensively.

CIVIL SOCIETY ORGANIZATIONS (CSOs)

- ❖ Civil society needs to understand that the issue of AA is considered sensitive by many companies in India. It should attempt to **engage with the corporate sector in a language that they understand**. Over and above the social need, the economic need and benefits of AA policies need to be conveyed to the corporate sector, especially private companies.
- ❖ The **role of civil society activity** in undertaking issues of AA in corporate sector or with the government in India **has serious limitations** which need to be enhanced and taken up by CSOs with Human Rights-based approach.
- ❖ Organisations working on behalf of SC/STs need to take the **intensity of their dialogue with the corporate sector to another level**. Civil society needs to **sell the idea of AA to the companies**, by advocacy and events, and explain not just the social but the economic benefits of an inclusive policy.
- ❖ Grassroots NGO working for SC/STs should **engage with the CSR division of companies or with NGOs** that are already working with companies activity in a particular area and **extend the idea of AA in community initiatives**, if it is not well entrenched.
- ❖ CSOs also need to **strengthen their relationships with industry organizations** as the latter can be a good access point to the companies. Facilitating and participating in advocacy and networking activities organized in associations like CII, FICCI, ASSOCHAM, DICCI etc., will keep the conversation going.

GOVERNMENT

- ❖ **Better reporting standards** – such as the new guidelines from SEBI that mandate inclusion of Business Responsibility Reports (“BR reports”) as part of the Annual Reports for listed entities – will go a long way in fixing some social and ethical responsibilities on companies. These guidelines can also act like the conscience of a company, demanding it to become **more transparent and sensitive**.
- ❖ PM Manmohan Singh's appeal for AA in the private sector initiated a conversation long ignored by the corporate sector. The government should **continue this conversation by consistent efforts in the**

direction. A mandatory law for reservation in the private sector might create a furor. However, discussion in that direction will sooner or later give rise to innovative answers from the corporate sector itself. And these answers could be stronger than the various codes of conduct.

- ❖ There's a need for the government to **establish a proper monitoring and reporting framework on Affirmative Action** to ensure that the companies have a standard to which to adhere.
- ❖ Additionally, a regulatory body should ask the companies to provide **information on AA in the public domain and annually assess the progress.**

As a means of beginning the process of operationalizing a more effective affirmative action approach within the business community, we have attempted to summarize the key observations from each of the six aspects of AA covered in the study. These points paint the way for pro-active and concrete steps to be taken in the near future:

1. **Workplace:** Increase awareness of business leaders and board members, who can take concrete action as to the business case for AA. The AA initiatives of the companies should also be incentivized by regulatory bodies, including the respective ministries of the companies (sector wise) and SEBI.
2. **Supply-chain:** Establish concrete processes to identify and promote SC/ST entrepreneurs for inclusive supply-chain management
3. **Marketplace:** Begin awareness-raising of the benefits of addressing AA in the marketplace, which in turn can increase the number and capacity of consumers from SC/ST communities.
4. **Community Initiatives:** Analyse the demographic profile of the community and ascertain the percentage of SC/ST. It is possible to assess their needs to assist these communities without revealing caste-based criteria.
5. **Sectoral level:** Collaborate (on sectoral basis) to identify ways and best practices that individual business sectors can best address AA.
6. **Public Policy:** Expand the government's role in legislating policies to promote equality of opportunity and also promoting transparent disclosure mechanism (at all the four pillars of workplace, supply chain, market place and community level) in the public domain about AA in the private and public sector both.

These findings are only the beginning of the dialogue. They can now be used to develop a toolkit on Affirmative Action that would assist companies in their understanding and implementation of AA in the years to come. Such a tool could offer an operational means of addressing what is both a social and business imperative.

This study provided a baseline data on affirmative action in top listed companies of the country; hence these market leader companies under this study could be revisited after an interval of a year or two to capture their changing processes and performances on affirmative action in years to come.

1. *Population and percentage of Total Population of SC/STS*
2. *Literacy Rate among the Three Categories of Population*
3. *Population of SC and ST living Below Poverty Line*
4. *Economic Indicators for Dalits 1999-2000*
5. *CII Code of Conduct - Affirmative Action*
6. *ASSOCHAM Code of Conduct*
7. *Voluntary Guidelines on CSR- FICCI*
8. *List Of Companies for the Study*
9. *Best Practices: Tata Affirmative Action Programme*
10. *Best Practice: TCS Case study*
11. *Best Practices: PSE Case studies*
12. *Best Practices: Supply Chain Initiatives in select companies*
13. *Best Practices: Crompton Greaves Case Study*
14. *Best Practices: Lupin Pharmaceuticals Case Study*
15. *Best Practices: Tata Motors Case Study*
16. *Best Practices: Tata Steel Case Study*
17. *CII Manpower Study*
18. *CII Manpower Study Analysis*

ANNEXURE 1: POPULATION AND PERCENTAGE OF TOTAL POPULATION OF SC/STS

<i>Category</i>	<i>Population</i>	<i>% of Total Population</i>
Scheduled Castes	166.67 million	16.2
Scheduled Tribes	84.32 million	8.2

ANNEXURE 2: LITERACY RATE AMONG THE THREE CATEGORIES OF POPULATION

<i>YEAR</i>	<i>SCHEDULED CASTE (%)</i>			<i>SCHEDULED TRIBE (%)</i>			<i>GENERAL (%)</i>		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1961	10.27	16.96	3.29	8.53	13.83	3.16	24.02	34.44	12.95
1971	14.67	22.36	6.44	11.30	17.63	4.85	29.45	39.45	18.70
1981	21.38	31.12	10.93	16.35	24.52	8.04	46.89	36.23	24.82
1991	37.41	49.91	23.76	29.60	40.65	18.19	52.2	64.1	39.3
2001	54.69	66.64	41.90	47.10	59.17	34.76	64.8	75.3	53.7

**Source: National Literacy Mission*

ANNEXURE 3: POPULATION OF SC AND ST LIVING BELOW POVERTY LINE

<i>Population Living Below Poverty Line (1993-94 and 2004-05) in %</i>				
Category	1993-94		2004-05	
	Rural	Urban	Rural	Urban
ALL	37.3	32.4	28.3	25.7
SCs	48.11	49.48	36.8	39.90
STs	51.94	41.14	47.30	33.30

Source: Perspective Planning Division, Planning Commission, New Delhi.

http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch6.pdf

ANNEXURE 4: ECONOMIC INDICATORS FOR DALITS 1999-2000

	<i>Rural Dalits (%)</i>	<i>Rural Non-Dalits (%)</i>	<i>Urban Dalits (%)</i>	<i>Urban Non-Dalits (%)</i>
Self-Employment in Agriculture	16.00	41.11	3.28	4.30
Self-Employment in Non-Agriculture	10.18	14.00	27.76	38.70
Wage Labour	61	29	64	15
Employment Rate	46	48.4	45.8	50
Unemployment Rate	5	3.5	5.2	3.5
Poverty Rate	35.4	20	39	21

Source: NSS Employment Survey, 1999-2000, CSO, Delhi.

ANNEXURE 5

CII Code of Conduct - Affirmative Action
The Company affirms the recognition that its competitiveness is interlinked with the well-being of all sections of the Indian society.
The Company believes that equal opportunity in employment for all sections of society is a component of its growth and competitiveness. It further believes that inclusive growth is a component of growth and development of the country.
The Company affirms the recognition that diversity to reflect socially disadvantaged sections of the society in the workplace has a positive impact on business.
The Company will not practice nor support conscious discrimination in any form.
The Company does not bias employment away from applicants belonging to disadvantaged sections of society if such applicants possess competitive skills and job credentials as made public.
The Company's selection of business partners is not based on any considerations other than normal business parameters. In case of equal business offers, the Company will select a business partner belonging to a socially disadvantaged section of society.
The Company has/ will have a written policy statement on Affirmative Action in the workplace.
The Company has/ will have an employment policy that is in the public domain. It may place such policies and employment opportunities on its website to encourage applications from socially disadvantaged sections of society.
The Company makes / will make all efforts for up-skilling and continual training of employees from socially disadvantaged sections of society in order to enhance their capabilities, and competitive skills.
The Company has / will have a partnership programme with educational institution/s to support and aid students from socially disadvantaged sections of society.
The Company has / will have a partnership programme with educational institution/s to support and aid students from socially disadvantaged sections of society.
The Company has / will have a senior executive accountable to the CEO to oversee and promote its Affirmative Action policies and programmes. The senior executive presents / will present a biannual report to the Board of the Company about such policies and programmes.
The Company further has a policy to maintain records on Affirmative Action.
The Company makes available its learning and experiences as a good corporate citizen in Affirmative Action to other companies desiring to incorporate such policies in their own business.

Source: CII Affirmative Action website

ANNEXURE 6

ASSOCHAM CODE OF CONDUCT
The Company affirms the recognition that its competitiveness is interlinked with the well being of the Indian society.
The Company believes that equal opportunity in employment for all sections of society is a component of its growth and competitiveness. It further believes that inclusive growth is a component of growth and development of the country.

The Company affirms the recognition that inclusion of socially and economically dis-advantaged SC and ST in the workplace has a positive impact on business.
The Company will not practice or support conscious discrimination in any form.
The Company does not bias employment away from applicants belonging to socially and economically backward SC & ST sections of society if such applicants possess competitive skills and job credentials as made public.
The Company's selection of business partners is not based on any considerations other than normal business parameters. In case of equal business offers, the Company will select a business partner belonging to socially and economically backward SC /ST communities.
The Company has/ will have a written policy statement on promotion of inclusiveness of SC & ST in private Sector employment.
The Company has/ will have an employment policy that is in the public domain. It may place such policies and employment opportunities on its website to encourage applications from socially and economically backward SC and ST communities.
The Company will make all efforts to the extent possible for upgrading the skills and continual training of employees from socially and economically SC and ST communities in order to enhance their capabilities and competitive skills.
The Company has / will have a partnership programme with educational institutions to support and aid students from socially and economically backward SC and ST communities.
The Company has / will have a senior executive accountable to the CEO to oversee and promote its inclusive employment policies and programmes for socially and economically backward SC and ST. The senior executive presents / will present a biannual report to the Board of the Company about such policies and programmes.
The Company further has a policy to maintain records on actions relating to the Concrete Steps.
The Company makes available its learning and experiences on promotion of social equality at work place to other companies desiring to incorporate such policies in their own business.
The Company is in agreement with the principles and the concrete steps outlined in the ASSOCHAM – CII Action Plan to promote inclusiveness of socially and economically backward Schedule Castes and Schedule Tribes at the workplace.
To this end, it shall extend its cooperation to the best of its abilities to the initiatives taken by other institutions, agencies and organization to implement the broader aspects of the Action Plan.

ANNEXURE 7

VOLUNTARY CSR GUIDELINES: FICCI
The company shall have CSR as an integral part of overall business policy driven by vision and philosophy that includes definition of CSR and how it aligns it with its business goals
The company shall have CSR as an integral part of overall business policy driven by vision and philosophy that includes definition of CSR and how it aligns it with its business goals
The company shall formulate a CSR policy to guide its strategic planning and providing a roadmap to its CSR initiatives

The policy may broadly cover caring for employees, community , climate & environment, (including skill development and livelihood, health, safety, education, minimizing carbon footprint, protection of environment, inclusion of disadvantaged & vulnerable sections of the society), non-discrimination, transparency, anti-corruption and human rights
The company may have a CSR Advisory Committee led by a CSR expert and endeavour to involve various levels of executive participation in formulation and integration of CSR Policy.
The company shall specify a time period after which the CSR policy shall be put up for strategic review and gauge the impact, relevance of its components and fine tune/augment it in tandem with the changing times/business/societal needs.
The company shall have a structure for the implementation of CSR policy and involvements of external partnerships.
The company shall earmark specified resources or a proportion of their Post-Tax Profit for activities related to corporate social responsibility initiatives.
To ensure optimum utilization of resources and maximum impact the company shall set measurable target, wherever possible and review the progress internally. Periodically the company may get external evaluation as may be considered appropriate by it.
The company shall be producing and disseminating information on CSR policy and activities, as well as progress to all their stakeholders and the public at large through their website, annual reports, and other communication media.
The company shall endeavour to create a spirit of volunteerism among the employees and encourage the employees to volunteer for community development initiatives
The company shall endeavour to influence the supply chain in adopting and adhering to best CSR practices
The company shall have an explicit strategy to focus on CSR issues of immediate concern in the areas that they operate in. The company may work through partnerships or leveraging Government's schemes to undertake CSR activities. The company shall endeavour to partner and network with civil society organizations to carry forward the agenda of CSR.
The company shall endeavour to build the image as a socially responsible company.
To share experiences and network with other organizations the company may engage with well-established and recognized programmes / platforms such as the FICCI-ADITYA BIRLA CSR CENTRE FOR EXCELLENCE,
UN Global Compact and the like, which encourage Responsible Business Practices and CSR activities

ANNEXURE 8: LIST OF COMPANIES FOR THE STUDY

	<i>Participated</i>	<i>Participated but no AA Policies/initiatives</i>	<i>Not Contacted Strategically</i>	<i>Declined/Refused to participate</i>
1.	Coal India Ltd.	Hindustan Zinc Ltd	Reliance Power Limited	Reliance Industries
2.	Tata Consultancy Services	Sun Pharma	Tata Power	ONGC Limited
3.	Bharti Airtel	Sterlite Industries	Grasim Industries	ITC Limited

4.	NTPC Limited	Bosch Limited	Titan Industries Limited	Infosys
5.	SBI Limited	ACC Limited	Adani Power Limited	HDFC Bank
6.	Bharat heavy Electricals Limited	Ranbaxy Labs	Nevyeli Lignite	ICICI Bank
7.	HUL Limited	Sesa Goa	Container Corporation	NMDC Limited
8.	Metals and Minerals Trading Corporation, India Limited (MMTC)	Shriram Transport Finance	Petronet LNG	Wipro Limited
9.	Tata Motors Limited	Essar Oil	IndusInd Bank	L and T
10.	Cairn India	GVK Power & Infrastructure	Bharat Electronics	Indian Oil Corporation Limited
11.	Adani Enterprises		Hindustan Petrol	GAIL India Limited
12.	Jindal Steel & Power Limited		Mangalore Refinery	Bajaj Auto Limited
13.	Mahindra and Mahindra		LIC Housing	Axis Bank
14.	Power Grid Corporation Limited		Reliance Infrastructure	SAIL Limited
15.	Tata Steel Limited		Aditya Birla Nuvo	Hero MotoCorp
16.	DLF Limited		Biocon	Nestle India Ltd.
17.	Mundra Port and SEZ		GMR Infrastructure Limited	Kotak Mahindra
18.	Ultratech Limited		IFCI Limited	Oil India Ltd.
19.	Hindalco (Aditya Birla Group)		Indian Hotels Co.	PNB Limited
20.	Ambuja Cements		McLeod Russel	Maruti Suzuki
21.	Bharat Petroleum Corporation Limited		Patni Computer Systems	Asian Paints Limited
22.	Lupin Pharmaceuticals		Opto Circuits India	Bank of Baroda Limited
23.	Power Finance Corporation Limited		Thermax Ltd	HCL Technologies
24.	Rural Electrification Limited		Unitech Ltd	Siemens Limited
25.	Godrej Consumer Products		Videocon Industries	Dr. Reddy's Labs
26.	United Breweries Limited		Voltas Ltd	Cipla Limited

27.	Crompton Greaves Limited			Hind. Copper Limited
28.	TVS Motor Corp Limited			Canara Bank Limited
29.	Godrej Industries			Bank of India Limited
30.				IDFC Limited
31.				Glaxo Smith kline
32.				Oracle Financial Services
33.				Dabur India
34.				NALCO Limited
35.				Union Bank of India Limited
36.				NHPC Limited
37.				Cadila Healthcare
38.				Reliance Communication Limited
39.				Jaiprakash Associates (Jaypee)
40.				ABB Limited
41.				Colgate Palmolive
42.				JSW Steel
43.				Castrol India
44.				Exide Industries
45.				United Spirits
46.				Torrent Power
47.				Apollo Hospitals
48.				Ashok Leyland
49.				Bata Limited
50.				Cummins Limited
51.				Educomp Services
52.				Gitanjali Gems
53.				Jain Irrigation
54.				JaypeeInfratech
55.				Jet Airways
56.				Manappuram Finance
57.				Punj Lloyd
58.				Shree Renuka Sugars
59.				Sintex Industries
60.				Sintex Industries

ANNEXURE 9: BEST PRACTICES: TATA AFFIRMATIVE ACTION PROGRAMME

THE TATA GROUP

Affirmative Action Initiatives

EMPLOYMENT

- ❖ Tata companies are creating livelihood opportunities for SC/ST candidates and focusing on increasing their representation in management cadres.
- ❖ Nine percent of employees in 47 Tata companies' India operations are from the SC/ST communities.
- ❖ Companies are embedding a policy of boosting numbers of SC/ST employees in their growth strategy, leading to a significant increase in their rolls.
 - Tata Consultancy Services has employed some 650 youth in the last year in its BPO operations.
 - Trent has added nearly 650 youth to its rolls in the last two years.
- ❖ Nearly a dozen companies have embedded the spirit of positive discrimination, without diluting merit, for increasing the number of candidates from the SC/ST communities into their recruitment pool.
 - Tata Steel lowers qualifying marks by 5 percent in written tests, before the interview for the final selection, for recruitment of trade apprentices and junior engineers.
 - Tata Power Delhi Distribution relaxes age norms and qualifying marks in recruitment at entry level and, where needed, provides additional training before candidates come on to its rolls.
 - For candidates to qualify to appear for the selection process in campus placements, Tata Power relaxes its eligibility cut off threshold by 5 percent marks for SC/ST students.

EMPLOYABILITY

- ❖ Close to 12,500 youth were skilled in FY 2011 by 26 Tata companies in marketable trades.
- ❖ Companies are partnering nearly three dozen ITIs to make them into Centres of Excellence.
- ❖ A variety of training programmes are run by companies: proprietary and in partnerships with NGOs
 - TCS has provided 2,109 SC/ST youth with skills for the BPO industry in proprietary programmes in 78 locations in nine states
 - TRL-Krosaki has trained over 500 SC/ST youth at its proprietary Rural Self Employment Training Institute, run in partnership with the State Bank of India, at Belpahar, Jharsuguda district in Odisha.
 - Tata Motors has trained over 2,000 through the 'Kaushalya' scheme at 21 ITIs, five motor mechanic training institutes, driver training institute and trade apprentices at its five plants.

ENTREPRENEURSHIP

- ❖ Eight Tata companies have enlisted close to 50 SC/ST vendors in their value chain, giving business worth Rs14.5 crore in FY 2011.
- ❖ Titan outsourced business worth approximately Rs5 crore to 325 SC/ST *karigars* (craftsmen).
- ❖ Tata Motors has enlisted four Dalit Indian Chamber of Commerce (DICC) members as second tier vendors.
- ❖ Tata Steel has raised its target of business to be given to SC/ST entrepreneurs from Rs5 crore in FY 11 to Rs.30 crore in FY 12.
- ❖ Creation of entrepreneurship development programmes:
 - Tata Communications has partnered with the Entrepreneurship Development Institute, Ahmedabad, to train nearly 400 SC/ST youth in entrepreneurship, of whom over 150 have either become self-employed or entrepreneurs.

EDUCATION

- ❖ The emphasis is on long-term scholarship schemes with significant engagement by company volunteers, in partnership with proven NGOs, particularly among government schools. Also, companies are encouraged to measure the impact of the scholarships.
- ❖ 2,185 scholarships worth Rs1.18 crore were given by 22 companies in FY 2011.
- ❖ Some notable examples:
 - Tata Power's partnership with Pratham to improve the math and language skills of over 3,500 primary school children in Maithon (Jharkhand).
 - Tata Power Delhi Distribution's partnership with 26 government schools in Delhi to assist and mentor 150 students through their high school years.
 - Tata Motors' Vidyadhanam scheme to provide holistic education assistance to nearly 300 children in 20 schools around Pune (Maharashtra).
- ❖ 33 companies contribute to the group pool to finance 100 scholarships worth Rs70 lakh per annum for college students in professional courses. These scholarships are administered by the Delhi-based Foundation for Academic Access & Excellence (FAEA), that has a robust metric for identifying poor but academically bright SC/ST youth.

(SOURCE: <http://www.tata.com/ourcommitment/articles/inside.aspx?artid=HchoeNSAzOM=>)

ANNEXURE 10: BEST PRACTICE: TATA CONSULTANCY SERVICES (TCS) CASE STUDY

TATA CONSULTANCY SERVICES

TCS was the only company from among the entire list of participant companies that sent us the filled up questionnaire. This enthusiasm spoke volumes about the company's enthusiasm and its steadfast commitment to the AA agenda.

The AA policies are aligned with the framework devised by CII focusing on employment, employability, entrepreneurship and education.

As part of this agenda, an Affirmative Action Working Group has been set up that reports to the Global CSR council headed by the CEO of the company. Group AA review workshops, TCS AA working group review and Tata Group's annual assessment ensure proper implementation, monitoring and evaluation of AA activities within the company. The company seeks According to the information provided; the company doesn't disclose the amount spent on AA in the public domain.

EMPLOYABILITY & EMPLOYMENT

As part of its employability programme, almost 3008 persons were trained under their TCS HR BPO initiative for Employability and Employment in 2011-12. Of these, 266 have been employed in TCS itself. The company has set a target of training 7,000 and employing around 1,500 individuals in the coming years.

EDUCATION

As part of its education programme, the company provides support for education, boarding and lodging to select SC/ST students. In the year 2011-12, around 40 students were given full support for education, boarding and lodging while 2,000 students were given partial support through employee volunteering. The company has set a target of educating around 2,500 students in the coming years

ENTREPRENEURSHIP

As part of its entrepreneurship initiatives, the company is trying to support SC/ST entrepreneurs with IT competency and make them business partners. One IT solution support Initiative has been set up and the company plans to come up with two more in the near future.

The company cites a few challenges in the planning and implementation of AA policies. Primary among them is the challenge to develop initiatives for entrepreneurs. It sees the small scale and size of the pool of vendors available as a significant hurdle in promoting AA in the supply chain. Over and above these, the company finds it slightly tough to promote AA when meritocracy has historically been the norm in the info-tech sector. They suggest and practice sustained awareness programmes with employees and dialogue with vendors to overcome these challenges and keep the process going for a far more inclusive society.

ANNEXURE 11: BEST PRACTICES: PSE CASE STUDIES

AFFIRMATIVE ACTION IN PUBLIC SECTOR ENTERPRISES IN INDIA

STATE BANK OF INDIA

State Bank is the country's largest central bank with about 15,000 branches of its own and its associate banks. The bank having reach in rural, urban areas with cutting edge technology and innovative new banking models to expand its customer base.

The bank follows the DPE guidelines for recruitment, functioning and performance of PSE's. The Bank follows the policy of reservation of posts for SC/ST and OBC candidates. At the same time the bank also provides post recruitment training and counseling to SC/ST and OBC candidates to build capacity and give them training over the DPE Guidelines.

The Special Component Plan of the State Bank of India exclusively focuses on the SC/ST. The component plan is strategized and implemented by the HR department. In State Bank of India the component plan is part of the larger business plan which addresses budgetary needs at various levels of functioning in the organization such as pre-post recruitment and promotion training for employees in the organization, capacity building of employees, etc, in the workplace.

In the workplace the bank follows the DPE guidelines for promotions. The bank also undertakes on job trainings for SC/ST candidates and liaison officers on various areas of job refinement. The bank promotes stakeholder engagement through discussions, structural meetings with in unions, feedback from liaison officers during quarterly meetings. The State Bank of India proactively engages its employees across grades to for job refinement at regional and corporate office. Special emphasis is accorded to personality development and building capacities of employees and candidates from SC/ST category. According, to the officials of SBI there is gradual change in attitudes and increase in confidence level of SC/ST employees since joining SBI. The bank endeavors to abolish any bias or segmentation at various levels in its processes. The Liaison officer at the corporate and regional and branch levels monitors and addresses any grievances or issues that SC/ST employees face.

In its community initiatives, the company does not have an Affirmative Action policy. The CSR policy in SBI was formally implemented in 2009. Prior to this the bank undertook CSR activities under the corporate banner as 'Innovative Banking' since 1973. The activities were mostly focused on the group guarantee schemes and financing for micro enterprises.

CSR thinking percolates down as an integral part of business in various processes in the bank. Stakeholder engagement activities are being undertaken since 1983 while a separate team was formed to work exclusively on CSR only in 2009. The bank with its several branches (close to 13,600) runs the CSR

activities with a decentralised CSR policy where the activities are identified and suggested by the branches. State Bank through its various branches implements its CSR activities. The corporate strategy outlays the budget and overall strategy to be implemented in the 14 circles across the country. CSR thrust areas include education, health and welfare, infrastructure development, livelihood opportunities which are spread across the country. The activities are need-based identified in consultation with the communities.

CSR activities are undertaken in SBI at three levels

- Corporate Philanthropy - It includes a number of broad based activities which are undertaken at the national level creating infrastructure in schools, hospitals and welfare measures to benefit the general populace.
- CSR in business focuses on financial inclusion of the beneficiaries through entrepreneurship development. State Bank has a tie-up with NABARD, DRDA Rural Employment Training Institutes to provide vocational training and capacity building of rural and urban youth in SME and micro enterprises. The bank targets 500 candidates per year for the trainings.
- CSR projects and Stakeholder engagement - The engagement process is undertaken at the local level by the branches creating requirements with respect to needs of the local communities.. The dissemination of projects is undertaken through the panchayats. The State bank has a network of Farmer's clubs in rural areas that provide the base for different initiatives including the Farmer's literacy campaign. In semi-urban areas and tier II cities the EDP program has yielded successful results.

BHARAT PETROLEUM CORPORATION LIMITED

Bharat Petroleum with total assets of Rs. 34,037 crores ranks 53 in the BSE list and 272 in the Fortune 500 ranking (2011). The company operates in 7 different segments including refineries in India. The government of India is the largest shareholder in the company.

Bharat Petroleum reports to the Ministry of Petroleum and Natural Gas and follows the DPE guidelines in recruitment. The implementation of initiatives is monitored by the Board of Director of the company. The HR director in the board reviews and monitors recruitment, composition of SC/ST in the company through quarterly reviews. In order to generate awareness among employees the company provides training and general dissemination of policies. BPCL provides opportunities to employees to enhance capacities by providing in-house as well as external conducted management development programs in coordination with IIMs. The candidates are chosen on their aptitude and performance. SC/ST candidates are selected as a percentage of the total number of students every year for the purpose. The company also provides scholarships to meritorious candidates of SC/ST employees. Under the component plan the company adopts tribal villages undertaking welfare and infrastructure activities in the village.

Since BPCL is a PSE, any stricture by the government on AA would make it mandatory for PSEs to implement AA. The company maintains transparency with respect to promotions and appraisals. The grievance cell is headed by a Liaison officer at the corporate office. In the regional offices the Regional head is the Liaison officer who addresses the issues and grievances of the employees. The company engages with employees through survey and appraisals, but no specific feedback or survey among SC/ST employees has been undertaken so far.

BPCL reports directly to the ministry of Petroleum and Natural Gas as per the MoU. Internal reporting is made to the Board of Directors while external reporting is made to the SC/ST Commission, to the Parliamentary committees and the ministry when asked for. Quarterly internal reporting is made to the CMD of the company on initiatives for SC/ST employees.

The CSR department in BPCL functions under the HR. The CSR policy came into effect in 2010. The CSR policy does not specify AA. In BPCL the CSR team implements the 'Component Plan' to conduct welfare activities for the Scheduled Castes and Scheduled Tribes in different parts of the country. The Plan has a fixed budget of One crore each year. The plan implements various welfare and infrastructural activities in tribal villages. The company in a sense adopts a village undertaking educational and water conservation activities through the years. The selection of activities and beneficiaries follow the similar procedures as the CSR. The CSR budget amounts to 5-2% of PAT which is fixed every year activities are related to:

- Education
- Water Conservation
- Women's Empowerment and
- Community Development through agricultural projects and promotion of indigenous arts and crafts

COAL INDIA LIMITED

Coal India a Schedule 'A' Maharatna CPSE has its presence in 8 provincial states of the country. The nature of its business makes CIL a labour-intensive industry with operations in far flung interior regions of the country. CIL follows reservation in recruitment of employees SC (15%) & STs (7 ½ %) for executive positions selected at the headquarters.

Recruitment for non-executive positions is done at subsidiary level on Regional basis particularly in Group "C & D" posts, where the percentage varies from company to company as per the percentage laid down by the concerned states. CIL follows percentage of reservation in respect of promotion at 15% & 7½% for SC & ST respectively in all the posts and grades where reservation applies. Relaxation is adopted in promotion for SC/ST candidates in the various functions of the company.

CIL provides training on capacity building and job refinement for posts in subsidiary companies. The company also provides training and learning experiences for SC/ST employees and their wards appearing in statutory exams, etc. the company appoints Liaison officers of middle management level have been appointed to ensure due compliance of various orders and instructions pertaining to reservation of policies and other admissible concessions/relaxation to SC employees. CIL's subsidiary companies follow the directives of the parent company in reservation in recruitment and addressing grievances.

The SC/ST cell at CIL implements the reservation policy at corporate office as well as units directly attached to the Apex Organization. This Cell also collects the details from the subsidiaries and takes measures for implementation of guidelines. Coal India being a corporate body, circulates instructions and guidelines to its subsidiary companies for proper implementation of reservation policy. The grievances of SC/ST employees are addressed by the Liaison officer, depending upon the nature of grievances, takes up the matter with the concerned officers for speedy redressal.

Coal India's CSR initiatives principally focus on project affected persons and persons living within a radius of 15 kms of project sites as well as provides welfare measure based on immediate and long term social and community development programs. The poor and needy sections of society living in and around coalfields and different parts of India are covered under CSR activities.

The CSR programme also covers the existing components of Special Component Plan (SCP) and Tribal Sub Plan (TSP) for development of SC and ST population besides development components of entire population. Out of total CSR budget 15% and 8% are allocated separately and exclusively in the Annual Plan for undertaking Welfare activities under CSR for development of SC and ST populations respectively and balance 75% is utilized for implementation of CSR Activities for the entire population including SCs and STs. CIL grants merit as well as general scholarship to wards of its employees both executives and non-executives across grades. The company undertakes infrastructural activities in affected villages which include:

- Installation/Repair of Hand Pumps
- Digging/Renovation of Wells

- Construction/Extension/Repair of school Building
- Construction/Repair of Rest Shelter and Community Centre
- Construction/Repair of Roads
- Solar Electrification of Houses in the village.
- Fish seeds supply in the Dam to Generate Income to the Villagers

ANNEXURE 12: BEST PRACTICES: SUPPLY CHAIN INITIATIVES IN SELECT COMPANIES

SUPPLY CHAIN INITIATIVES IN SELECT COMPANIES

Godrej Consumer Products Limited

- Four suppliers from the SC category and according to the officials, they are doing their best to promote and support them.
- Provide financial support to DICCI, which has a network of entrepreneurs from the SC/ST categories and duly participates in all its business and networking programmes.
- Promote women suppliers at the manufacturing sites and recently hired a courier company consisting only of deaf and mute persons.

Crompton Greaves

- Promote SC/ST employees within the enterprise and with their suppliers too. 24 women suppliers and two other vendors are from SC communities
- Started measuring, promoting and consciously choosing vendors from among SC/ST/women. Started a relationship with DICCI

Tata Motors

- Contracts to ST contractors in Maithon, Jharkhand.
- 8 suppliers for gloves and motor parts from SC/ST.
- Enlisted four DICCI members as second tier vendors.

Tata Steel

- The procurement division of the company has identified certain services and businesses that can be given to AA entrepreneurs and organizations.
- Vendor organizations with 50% or more SC/ST ownership or 75% or more workforce comprising SC/ST workforce is already in place.
- The company supports in marketing of products produced by women SHG groups of AA communities. They either purchase them as corporate gifts or through Gram Shree Melas

ANNEXURE 13: BEST PRACTICES: CROMPTON GREAVES CASE STUDY

CROMPTON GREAVES

While other companies cited numerous challenges ranging from potential employee unrest to lack of talent pool among the SC/ST communities, CG stood out because of an aura of resilience. To our questions on the challenges they face in planning and implementing AA policies, the company simply said “None. Effort and will required”.

Signatory to CII's code of conduct, the company has AA activities at the workplace, supply chain, market place and community. They spend around 0.5% of their profit on AA activities.

WORKPLACE

At the shop floor all the workers are from SC/ST community.

Apprenticeship in the company for SC/ST candidates is organized every year.

SC/ST youths are selected from it is, trained in the company and then employment in the company or at their suppliers' company.

7 to 8 % of the workforce belong to SC/ST communities, majority of them Grade IV employees

Employee volunteering as a policy wherein assessment is also given weightage. Each employee is required to do a perception study and then provide a report and feedback.

Measuring the data and number of SC/STs among company employees and planning for promotion of SC/STs at the workplace. Absorption of more and more SC/ST as apprentices and employees.

SUPPLY CHAIN

Promote SC/ST employees within the enterprise and with their suppliers too.

24 women suppliers and two other vendors are from SC communities

Started measuring, promoting and consciously choosing vendors from among SC/ST/women

Started a relationship with DICCI

MARKETPLACE

Started AA policies recently in their power plants.

Tied up with ITI where youth from SC communities are trained as electricians and also trained on awareness of safety norms.

CFL lamps were provided free of cost and awareness generations activities on saving electricity in Ambedkarnagar village, Baroda.

COMMUNITY

"Samyak CG Educational Sponsorship Programme" that benefitted 108 SC/ST students.

Scholarship to youths/girls of local community belonging to SC/ST for diplomas, technical education

10 youths to be trained in NIIT every year

ANNEXURE 14: BEST PRACTICES: LUPIN PHARMACEUTICALS CASE STUDY

LUPIN PHARMACEUTICALS

The company doesn't have a pronounced AA agenda. It is neither a signatory to the code of conduct nor does it work with any of the industry associations on AA. The company doesn't practice any form of discrimination, positive or negative, and the recruitments are based solely on merit. "Don't ask, don't tell" is the clear policy that practice and preach.

In contrast, Lupin Foundation actively works in the area of socio-economic development of SC/ST communities, albeit without the AA tag. Considering the company is not a signatory, the AA initiatives do not follow the 4E pattern. However, the foundation has a number of initiatives that can put to shame its CSR/philanthropy counterparts in both public and private companies.

Renewable Energy For Rural Livelihood Project For SC/ST Villages of Bharatpur & Dholpur District

To bring in social changes to the economically weaker sections of the society of SC/ST by way of intervention through Science and Technology. Lupin Human Welfare & Research Foundation, Bharatpur along with the MNRE, UNDP and CII collaborated for the project and selected five villages without electricity.

Benefits Provided:-

- (a) Installation of Solar Home Lights and Street Lights: All the 195 households provided Solar Home Lights. In addition to this all the villages were provided 3 Solar Street Lights each at a common point to illuminate the village.
- (b) Biogas: 20 biogas plants constructed. In total 58 families were benefited.
- (c) Gasifier: To start economic activities like Flour mill, Masala Grinding Machine and also to lift water through bore wells. Gasifiers were provided with 10 KW power generation at village Shrinagar and Nagla Ramoli.

SGSY – Special Project (Kaushal Institute)

Lupin Foundation implemented SGSY Special Project Kaushal Institute in partnership with Government of India (Ministry of Rural Development) for providing skill development training for BPL rural youths in the trades like - Security Guards, Housekeeping and Beauty Assistance/Sewing & Embroidery. This project was implemented in six districts of Eastern Rajasthan. 12,000 BPL rural youths which included 50% SC/ST were trained and provided placement in various companies.

They have successfully trained 2852 SC/ST youths including 103 women. 1756 SC/ST youths have already been employed by reputed private security agencies and facility management companies like ISS Facility Services and posted pan India.

Lupin Foundation ensured the following:-

- 100% placement guarantee to SC/ST in the age bracket of 18-35 years. The beneficiary post training & placement are now earning more than the minimum wage plus statutory benefits like PF, ESI, Bonus, Gratuity etc. as applicable.
- The beneficiaries are currently employed in the salary range of Rs.5000/- to Rs.11,000/-.

Interventions In 100% SC Villages

Lupin Foundation has adopted 36 villages (List of village is attached) in the District of Bharatpur, Dholpur and Alwar of Rajasthan which are 100% SC/ST Population. The total population in these villages are 29,926.

The interventions carried out in these villages are Holistic in nature and encompasses the following:-

ECONOMIC DEVELOPMENT

- (a) Agriculture:
 - Beekeeping, Soil Reclamation, Vermi-compost, Horticulture promotion like Vegetable cultivation, Floriculture, fruit cultivation and fruit/vegetable processing.
- (b) Animal Husbandry:
 - Dairy, Poultry, Goat farming, fish farming and Breed Improvement through Artificial Insemination/ Natural Insemination.
- (c) Rural Industries:
 - Skill development training
 - Financial Inclusion
 - Microfinance

SOCIAL DEVELOPMENT

(d) Health:

- Medical Mobile Unit, Mobile Medical Vans, Special Health Camps, Immunization/Vaccination Camp, Integrated Child Development Services (ICDS) & Village Health and Sanitation.

(e) Education:

- Computer education, Career Counseling targeting the vulnerable sections of the society, Social Security and eradication of social evil.

(f) Women Empowerment & Girl Child Protection

- Formation of Self Help Group linked to economic activities.
- Providing loan for self-employment to women
- Legal awareness regarding their rights

Civil Infrastructure

- Low Cost Housing
- Physical facilities in schools
- Sanitation Units Development
- Water Conservation including Rain Water Harvesting Structures.

Future Plans

Lupin Foundation has commenced 100% BPL eradication plan w.e.f. 01 June 2012 wherein all villages having BPL population including SC/ST will be targeted for skill development programs and then linked to various income generation activities pertaining to Agriculture, Animal Husbandry & Rural Industries etc.

In addition, strategies for implementing social development initiatives in this villages is also in place like Health service through Mobile Medical Units, Mobile Medical Vans, Special Health Camps, Mobile Surgical Units; Education – ensuring 100% enrolment of children to primary schools, eradication of social evils; Women Empowerment by formation of Women SHG and Civil & Infrastructure development programmes.

ANNEXURE 15: BEST PRACTICES: TATA MOTORS CASE STUDY

TATA MOTORS

Similar to TCS, Tata Motors also follows the terms of the Tata Affirmative Action Programme (TAAP) and the AA policies are aligned with the framework devised by CII focusing on employment, employability, entrepreneurship and education.

As part of this agenda, an Affirmative Action Working Group has been set up that reports to the Global CSR council headed by the CEO of the company. Group AA review workshops, Tata Motor's AA working group review and Tata Group's annual assessment ensure proper implementation, monitoring and evaluation of AA activities within the company. The company spends around .8% of its profits – around Rs 7-8 crores – on its AA activities.

EDUCATION

- Awarding scholarships to needy and deserving SC/ST students (with special attention to ST girl students) To enable the students from the reserved categories to seek higher education. In 2006-07, 100 students, including 15 ST girl students received the scholarships. Providing supplementary snacks to children from Tribal anganwadies in the project areas of Pune location, which are not supported by ICDS.
- To combat malnutrition amongst the tribal children and to promote their retention in school 100 children, are provided supplementary snacks every day.

EMPLOYABILITY

- Training carried out through Self Help Groups and Mahila Mandals for empowering women by promoting their economic self-dependence. Training for 10 Self Help Groups (150 women) whose members belong to the SC/ST category in Pune alone.
- Full Time Apprenticeship Programme (FTA), Job Trainee Apprenticeship Programme (JTA) and Technician Vocational Apprenticeship Programme (TVA) Seats are reserved for SC/ST and OBC candidates in these programmes as per the Apprentice Act of 1995. Programmes raise the employability of the students from the reserved category. In the last three years alone, 492 boys from the reserved category have been trained in Pune, 112 in Jamshedpur and 185 boys in Lucknow.
- To ensure access to education through infrastructural support and improve quality of education through upgrading existing facilities in the primary and secondary schools and through upgrading skills of the teachers in order to promote education among the SC/ST populations These initiatives were started in 1977 and so far have benefited 1700 children from the rural poor Global Compact – Communication on Progress, 2006-2007.
- Partnering with ITIs to create Centres for Excellence in Pune, Uttarakhand and West Bengal To improve the quality of ITIs SC/ST students to receive better technical training, thereby enhancing their skill base and employability.

EMPLOYMENT

- 2 years age relaxation for apprenticeship for SC/ST candidates.
- 5% relaxation on eligibility criteria during recruitment.
- Embedded spirit of positive discrimination into recruitment policies.
- Incentivized recruiters to boost SC/ST numbers.
- Made voluntary quantified commitment to increase numbers at recruitment and even promotions.

ENTREPRENEURSHIP

- Contracts to ST contractors in Maithon, Jharkhand.
- 8 suppliers for gloves and motor parts from SC/ST.
- Enlisted four DICCI members as second tier vendors.

The company did not cite any challenges in promoting and sustaining its AA policies and was of the opinion that continued awareness programmes and dialogues will gradually make the journey easy and worthwhile.

ANNEXURE 16: BEST PRACTICES: TATA STEEL CASE STUDY

TATA STEEL

The company's operational areas are spread across Jharkhand, Odisha and Chattisgarh which traditionally have been socially backward and are impacted by extremist activities. Apart from the nearly non-existent infrastructure in terms of education, health, connectivity, electricity and other basic amenities, a major concern in these states is the socio-economic development of SC/ST communities. These constitute a significant percentage of the total population, over and above the national averages.

The company has recognized AA centric activities as the “right thing to do” considering their operations are largely confined to areas with a sizeable SC/ST population. These strategies are driven through the annual business plans of each department and division. Other than its emphasis on the 4Es, the company also has thorough communication, engagement and review mechanisms to keep the AA machinery well-oiled and proactive.

EMPLOYMENT

- Active consideration is accorded to SC/ST applicants also recognizing the fact that diversity at the workplace contributes to production and productivity.
- The company collects data on the numbers and percentages of employees under different categories.
- For trade apprentices, SC/ST candidates are given eligibility relaxation with respect to age by one year and lower cut off marks in written tests.
- In alignment with Tata Steel's AA policy – an obligation under the clause of Tata Steel supplier relationship – IBM has started employing the local tribe the local tribal population.
- More than 80% of beneficiaries of project Tejaswini – an initiative wherein women employees in unskilled jobs are trained in operating locomotives, heavy earth moving equipment, driving, welding etc – are from the SC/ST communities. This initiative has also been recognized by the president of India.

EMPLOYABILITY

- The programmes under employability aim at imparting skills and knowledge to the youth through training and coaching. The major coaching and training programme in the last three years include coaching for nursing school and professional course entrances and government service exams in association with recognized institutions and vocational training on computers, security guard, motor driving and other skills in association with recognized agencies.
- The future plans include setting up a rural BPO, site safety supervisor training at Sukinda and Noamundi and programme called E-junction which aims at computer skills and spoken English.

ENTREPRENEURSHIP

- The procurement division of the company has identified certain services and businesses that can be given to AA entrepreneurs and organizations.
- Vendor organizations with 50% or more SC/ST ownership or 75% or more workforce comprising SC/ST workforce is already in place.
- The company supports in marketing of products produced by women SHG groups of AA communities. They either purchase them as corporate gifts or through Gram Shree Melas.

ANNEXURE 17: CII MANPOWER STUDY

<i>STATE</i>	<i>SC/ST in INDUSTRY*</i>	<i>SC/ST in POPULATION**</i>	<i>GAP</i>
Tamil Nadu	17.9	20	2.1
Maharashtra	5	19.1	14.1
Andhra Pradesh	17.1	22.8	5.7
Gujarat	9	21.9	12.9
Uttar Pradesh	17	21.2	4.2
Punjab	21	28.9	7.9
Karnataka	8.9	22.8	13.9
Rajasthan	14	29.8	15.8
West Bengal	20	28.5	8.5

Kerala	14.2	10.94	-3.26
Haryana	19	19.3	.3
Madhya Pradesh	11	35.5	24.5
Delhi	15	16.9	1.9
Uttarakhand	22	20.9	-1.1
Himachal Pradesh	12	28.7	16.7
Puducherry	13.2	16.2	3

Source: <http://www.financialexpress.com/news/india-incs-caste-census-finds-st-scs-missing/739803/0>

*Share in % of workforce, based on CII Study

**Share in % of population, based on Census of India 2001

ANNEXURE 18: CII MANPOWER STUDY ANALYSIS

AN ANALYSIS BY PARTNERS IN CHANGE (PiC), New Delhi:

A Study Report on AA: Chairman Sub-Committee on Inclusiveness and Affirmative Action 2010-2011

The study conducted by Confederation of Indian Industry (CII) on manpower mix among CII member firms by CII in Eastern, Western, Northern and Southern region clearly indicates:

Eastern Region (West Bengal, Odisha, Jharkhand, Chhattisgarh, and Bihar):

- Of the 916 member companies in Eastern India, 158 firms were covered for the survey.
- Employment of SC, ST personnel across firms in the Eastern states is at an average of 24%, which is relatively higher compared to Southern and Western regions
- Across the various sectors, the percentage of SC&ST employees is the highest in the 'blue collar' category, which is estimated at 33%

Sector Analysis:

- The manufacturing sector concentrated in West Bengal employs a high percentage of blue collar workers.
- The metal sector accounts for nearly 41% of the employment in the Eastern states, with the blue collar workforce accounting for 70% of the employment in this sector.
- Among the surveyed organizations, large manufacturing units had a higher percentage of SC&ST employment. The average share across the states of interest stands at 15%.
- While the average SC&ST employment at an overall level is at 24%, food sector accounts for about 51% share of SC/ST.
- Share of SC/ST appears to be higher across categories in the food sector
- Women employment appears to be low in the East compared to South and West
- The highest number of women employees is seen in textiles sector where 40% are women employees, which is far higher than that of the overall east average (9%), followed pharma and services sector with 30% and 27% women employees respectively
- The job profile in both these sectors is considered to be best suited for women employees. A higher proportion of women are found in smaller organizations, primarily because most of the service units are small

Western Region (Maharashtra, Gujarat, MP, and Goa):

- Of the 1864 member companies in Northern India, 300 firms were covered for the survey through face to face and telephonic interviews.

- 16% of the member companies considered as the sample for conducting the market research
- Employment of SC, ST personnel across firms in the Western States is at an average of 16%, which
- is in line with the reservation specified by the various state government policies.

Sector Analysis:

- Employment is higher in the Manufacturing, Services and Automotive sectors with the larger firms employing >2000 personnel on an average.
- The Manufacturing sector employs a high percentage of blue collar workers.
- High women population in the Services and Bank sectors, more than the national average
- The highest number of women employees is seen in IT and select Service sectors, where 33% are women employees, which is more than that of the Western average (19%), followed by Banking and Financial sector, where nearly 24% of the total employees are women.

Northern region (Delhi, Haryana, UP, Punjab, Rajasthan, Chandigarh, HP, Uttarakhand):

- Of the 2,431 member companies in Northern India, 275 firms were covered for the survey through face to face and telephonic interviews
- According to report Employment of SC, ST personnel across firms in the Northern states are at an average of 22%, which is higher than other regions. Employment of SC, ST personnel across firms in the Northern states is at an average of 22%, which is higher than other regions.
- SC&ST employment across the surveyed firms from this sector stands at 26% (10% at a senior management level, 33% at the blue collar level)

Sector Analysis:

- Employment is higher in the manufacturing, automotive and services sectors
- The manufacturing sector concentrated in Delhi, Haryana and UP, employs a high percentage of blue collar workers.
- Automobile companies, accounting for about 9% of the universe of firms, employ about 18% of the SC/ST population, which is slightly lower than the regional average
- High women population in the consultancy and services sectors, close to the national mix.
- The highest number of women employees is seen in consultancy and services sectors, where 30% and 29% are women employees, which is higher than the North average (15%), followed by IT sector, where nearly 22% of the total employees are women.

Southern Region (Tamil Nadu, Andhra Pradesh, Kerala, Karnataka, Pondicherry):

- Of the 3036 member companies in Southern India, 270 firms were covered for the survey through face to face and telephonic interviews
- Employment of SC, ST personnel across firms in the Southern states is at an average of 16.2%, which is in line with the reservation specified by the various state government policies.
- 10% of the member companies considered as the sample for conducting the market research

Sector Analysis

- Employment is higher in the automotive, manufacturing and engineering sectors with the larger firms employing > 2000 personnel on an average
- Tamil Nadu appears to employ a higher number of SC&ST personnel, owing to the presence of a large base of textile & apparel manufacturing units in the state
- The automotive sector (including auto component manufacturers) concentrated in Tamil Nadu, employs a high percentage of blue collar workers
- In addition, these firms tend to have a large contract labour workforce, which accounts for an additional 54%.
- Engineering sector accounts for nearly 11% of the employment in the southern states, with the blue collar workforce accounting for 16.3% of the employment in this sector
- Large engineering firms accounting for <8% in numbers, contribute to nearly 42% of the employment

- Textile: Concentrated in Tamil Nadu, this sector is the largest employer of women and by far, the largest employer of SC&ST personnel at 31.9%
- High presence of women population, about 33%, is seen in IT/ITeS sector, followed by textile and apparel sector.
- The share of SC, ST and OBC, MBC category in blue collar jobs is relatively higher. Textiles & Apparel segment has the highest level with about 37.5% of SC/ST category employees and manufacturing with 70.5% of OBC and MBC.

<i>Sl. no</i>	<i>Zones (India)</i>	<i>Number of member companies</i>	<i>Number of companies participated (sample size)</i>	<i>Employment of SC/ST</i>	<i>Grade/level of employment of SC/ST</i>
1.	<i>Eastern Region</i>	916	158	24%	<i>Highest in Blue collar-33%</i>
2.	<i>Western Region</i>	1,864	300	16%	<i>Highest in Blue collar job-aggregate % not mentioned</i>
3.	<i>Northern Region</i>	2,431	275	22%	<i>Highest in Blue collar jobs - 10% at a senior management level, 33% at the blue collar level</i>
4.	<i>Southern Region</i>	3,036	270	16.2%	<i>Highest in Blue collar job-aggregate % not mentioned</i>

Source: Prepared and analyzed by PiC from the CII study report on manpower mix, 2010

This study treated Scheduled Caste and Scheduled Tribes as same category (homogenous) and all the data are taken jointly for both of them ignoring the fact that the skills and issues/problems of SC and ST are very different in nature. The study provides the data only in percentage instead of number of SC/ST employed. The design of the research study was very limited (considered / sampled only few sectors treated SC/ST as one category, limited analysis). It was found that the percentage of SC/ST is higher in junior management, blue collar category and contractual jobs, which clearly indicated that both number and level/grade of SC/ST is required to study and to be addressed under Affirmative Action. One of the surprising findings of the study was that the companies which have not signed the code of conduct on AA are performing better than the companies who have signed the CII Code of Conduct. These signatories do not seem too concerned about ethnic groups of the employees (not measured since they do not feel its need) and it clearly shows that the percentage of SC/ST is lower than their proportionate population.

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WE HAVE A VISION of a world where improving the quality of life of disadvantaged people, marginalized communities and the environment is recognized and practiced as an essential part of doing business.

Partners in Change was established as a not-for-profit organization in 1995 specifically to promote CSR in India and since then we have remained a pioneer in building awareness and capacity. We assist companies in becoming partners in development by promoting partnerships among business, disadvantaged communities, development initiatives and the government.

We collaborate with the donor community, national and international civil society organizations and NGOs as well as with companies, business associations and the government on a wide range of innovative programmes and projects for promoting the practice of CSR for the all-round sustainable development of the society.

Our team also works with advocacy groups, management institutions and student bodies for promoting and integrating CSR education and research among the business leaders of tomorrow.

OUR CORE STRENGTHS

As a not-for-profit consultancy, we work in:

- Assisting businesses in strengthening their work in CSR
 - We carry out consulting missions that include need assessments, stakeholder mapping, impact assessments, capacity building, baseline studies and CSR strategizing.
 - We conduct research that advances an understanding of weak points in CSR policy and lack of traction within business.
- Promoting partnerships between NGOs and business to improve the economic situation of NGO members sustainably (ensuring both entities benefit)
 - We work with donors to support market linkages and other economic development projects between NGOs and companies.
 - We work with companies to expand their work with grassroots-level organizations promoting local development.
- Contributing to the promotion of CSR
 - We participate in national and international level fora, strengthening CSR and sustainability.
 - We work with business associations and international agencies in India to promote awareness and understanding
 - We promote the understanding of CSR to future business leaders during their studies
 - We nurture and manage our knowledge capital concerning CSR. Staying abreast of evolving trends is directly correlated to our impact as consultants.

OUR MISSION is to partner with business communities and those impacted by business to enable responsible business practices and to remove obstacles that limit sustainability and inclusive growth in the society.



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