

## **Corporate Sector and Human Rights**

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The evolution of the Indian Corporate Sector has been a story going back to the 19<sup>th</sup> century with the role model and standard setter being the House of Tatas with the Steel plant in Jamshedpur. Tatas have continued to be the benchmark for taking care of employees and their families in an enlightened manner and this example is now followed by thousands of companies across the country. At the same time it needs to be acknowledged that the implementation of proper rights for the human workforce has yet to reach the level where it should be, especially in the micro, small and midsize units which are resource-scarce.

History shows that the first issue which needed to be addressed was the question of Minimum Wages. Eventually, legislation had to be adopted to ensure a fair minimum wage but, in reality, the large companies and many midsize corporates pay their workers and employees far in excess of the minimum wage. There was a time, both in the developed economies, and in India, when this was not so. The employer focused on paying the lowest possible wage, in fact, far below what was reasonable and fair. Fortunately, this issue has been resolved but concern remains about the very small firms since their capacity to pay is constrained. The issue goes beyond the wage level. Other statutory dues are also essential such as PF, Gratuity, Pension, Superannuation etc. The corporate sector is adhering to these requirements.

In this day and age, the corporate sector cannot only follow the law which sets minimum standards. It has to go beyond, recognizing the aspirations of the employees to have a reasonable standard of living for themselves and, especially, good quality education for the children.

The exciting development is that many companies are now running schools for the children of employees and, also, for the community nearby. This is a growing practice and, even more than this, major companies have set up Foundations specifically designed to spread quality primary education. The Azim Premji Foundation is one example.

The other critical issue relates to provision of healthcare for the employees and their families. And, in today's world of new viruses and pandemics, this is a very important responsibility for corporates to fulfill.

The Government's Primary Health centres are, by and large, very inadequate in terms of infrastructure, medical professionals and drugs. Hence, reliance on these is not advised.

Fortunately, once again, corporates have set up hospitals, employed doctors, nurses, paramedics and broken new ground in providing quality healthcare not only to employees and their families but also to neighbouring communities. The Tata Main Hospital in Jamshedpur is a pioneering example of quality healthcare but the Bajaj Auto facility in Pune, the Godrej & Boyce Hospital in Vikhroli are a couple of other excellent models.

In fact, corporates in India have done something unprecedented in the world. As HIV/AIDS impact was spreading, select Indian corporates such as the Avantha Group, Bajaj, Godrej, ACC, Reliance Industries, etc. set up ART Centres which are for Care and Treatment in partnership with the Ministry of Health and Family Welfare, Government of India and the Global Fund for TB, Malaria and HIV/AIDS. This is a pioneering activity organized by the Confederation of Indian Industry (CII) which undertook this responsibility a few years ago.

Issues of Education and Health may not be seen as traditional "Human Rights" matters but, in India, with hundreds of millions of people living in deep poverty, the corporate sector needs to step forward and supplement the Government's programmes. Happily, it is doing so and HIV/AIDS Clinics and Corporate Hospitals are two such examples.

Health connects directly with the Environment. Air, water and noise pollution which, all, impact on health if proper standards are not maintained in offices and factories.

It was a sad tradition in the old mines, metals, textiles and other factories in the developed countries in the 19<sup>th</sup> and 20<sup>th</sup> centuries that all kinds of pollution and poor environment standards impacted seriously and adversely on the health of workers, leading especially to Tuberculosis as well as other diseases. This, too, prevailed in India and, perhaps, still does in some places.

But, by and large, there is corporate consciousness about the environment and “Sustainable Development” is a new Mission in the corporate sector in India. No organization is doing as much in this area as the CII-ITC Centre for Sustainable Development, New Delhi, working with the CII-Godrej Green Business Centre, Hyderabad for cleaner, greener environment for workers.

In the Human Rights area there is one important issue and this concerns children. Child Labour is as old as the world itself, often a family tradition of early training or an essential need of the poor. This is especially so where the work is done out of the home.

Gradually, almost invisibly, a process has been on for the last few decades to do away with child labour and to ensure that children got to school and get basic education. The Right to Education Act is a major step in this direction. However, corporates need to see this issue, also, as an extended responsibility even though child labour is not prevalent in corporations. Just as corporates have taken leadership in the field of Education, they are placed well to support the movement to do away with child labour.

There are some new issues which have emerged in recent times, requiring corporate attention and action on a scale hitherto unknown and unforeseen.

First, is the issue of equal opportunity for women. Not too long ago there were major Indian companies unwilling to employ women. Today, such companies are fewer but it is an issue whether women have equal opportunity to employment, promotion or leadership or, whether, it is still very much a “man’s world”.

Women in India normally have to undergo strict discipline at home, including helping the mother with work. The sons are generally freer of responsibility. The woman normally has an arranged marriage and takes on considerable responsibility. In this process, the evolution of Indian woman is quite unique both in terms of values as well as application and commitment.

Many organizations have, therefore, found that women are excellent workers, managers, leaders. But, the ratios are still skewed. And, it is therefore, important to focus on the need for women to be given equal opportunity for jobs and growth. This just cannot be assumed to be happening. It needs constant pushing, for example, the

Reservation for Women issue in Parliament. Or, the strong symbolic value of the President of India and The Speaker of the Lok Sabha being women.

A corollary to this is the issue of Sexual Harassment at the workplace or anywhere (e.g., buses, trains, planes, streets, etc). This is a growing phenomenon as the number of women in corporate and public life is on the rise.

It is not enough for corporates to deny that this problem exists. Denial is wrong. It is also essential for each corporate to have a policy framework relating to sexual harassment and a laid down process to deal with it. At this point of time, few companies are fully organized to deal with this sensitive issue.

It is extremely important to deal with this challenge transparently, efficiently and effectively so that its importance is diminished and the matter does not grow beyond all proportions. Women must be safe, and must feel safe, in any environment. Corporates must ensure this.

Just as the women's issue needs constant attention, so also the issue of minorities.

India is, and will always be, a strongly secular country. At the same time there are minority communities in varying numbers- large to small- who need attention, care and support. They must have a "place in the sun". India has set up structures, policies and systems to ensure this. For example, the Minorities Commission. But, much of the focus has been on the public Sector and government service. Probably, the corporate sector has not been deeply involved in this issue which it needs to be. Only then can India have a truly secular society. Corporate involvement is essential.

What applies to women and minorities, also, equally applies to the SC/ST population who have had disadvantaged positions in society. The Affirmative Action programme of the Confederation of Indian Industry (CII) is framed to address this issue on a voluntary basis. But, much more needs to be done across industry so that this section of the people of India feel enabled, empowered and engaged. Because of the large numbers, this is not the case at present and, therefore, represents a major challenge for the corporate sector in India.

One aspect of this process is Skills Development so that, over the next ten to twelve years, 500 million young people can be trained in different skills for suitable employment or self –employment. Many of these millions are from sections of society which have been disadvantaged through lack of proper opportunity for education and training. A highly successful Indian corporate sector can do much to address this challenge of the country. It is doing so but much more is needed.

While individual corporates and group companies are the “doers” and “players” the institutions of the corporate sector have a major role to play. First, to create awareness of human rights issues; second, to take on demonstration programmes and, third, to “persuade” corporates to do more in this whole challenging area.

Industry Institutions have traditionally been “lobbies” for business to get concessions, incentives and policies which foster industry and entrepreneurship. Gradually, their role has changed and evolved into developmental institutions connected to, and concerned with, the real issues of the day concerning human development and rights. A classic example is the Confederation of Indian Industry (CII) which has taken multiple initiatives and has sustained their efforts.

The need is more institutions to do likewise. To bring different aspects of Human Rights to the conference table so that, across the country, thousands and thousands of companies emulate and adopt best practices. In the words of C K Prahalad “next practices”. In fact, Prof. Prahalad is the person- the thought leader- who has influenced generations of corporate leaders to think and focus on society’s “Bottom of the Pyramid”. To consider their position, to understand their needs and resources, to develop products and services for them, to see them as an asset and a resource (not a liability). In this way, he connected corporates to another world- the world of the poor and disadvantaged, the world of the people with very limited resources and opportunities and to see them in a completely different light.

The C K Prahalad philosophy, which is the philosophy of this article, is that the people at the bottom of the pyramid must be treated with respect. They have dignity. They have capability. They have potential. So, it goes beyond Human Rights in the traditional sense. It is Human Dignity and Respect. It goes beyond laws and rules. It concerns behavior and conduct, not based on codes – though these are useful references and checking points.

The India of tomorrow has to be an India of equality of opportunity, of minimum inequality, prejudice and bias. A truly secular society filled with harmony and peace.

In all of this, the Indian corporate sector has a huge role to play.

This sector is led by educated, enlightened people. And, whilst profit is an important self- sustaining driver, it cannot, must not, be the only motivation. Corporates are creating wealth for all. The need is for improved distribution and sharing, not through government laws and rules, but, through enlightened practices of corporate leadership.

In a country of 600 million plus people living in poverty, corporates can set examples in terms of their own emoluments, their lifestyles, their policies and practices relating to equality and their leadership vis-a –vis women, minorities, disadvantaged communities, affirmative action and many other issues.

Corporates have transformed the economy of India to face globalization challenges with competitiveness and confidence. The same corporate can help transform the Indian society.