

Salman Khurshid Moots Exchange to Deal in CSR Credits FICCI-Aditya Birla CSR Centre for Excellence Launched

NEW DELHI, February 17, 2010. Mr. Salman Khurshid, Union Minister for Corporate Affairs and Minority Affairs, today reiterated the idea of making Corporate Social Responsibility (CSR) quantifiable and urged corporates to debate the possibility of establishing a CSR exchange to deal in CSR credits.

Launching the FICCI-Aditya Birla CSR Centre for Excellence at Federation House, Mr. Khurshid said that through the CSR exchange mechanism, companies would be able to trade in CSR credits, akin to trading in carbon credits.

The Minister said that we would be doing justice to the next generation by trading in CSR credits if we are able to find a way of quantifying CSR.

Mr. Khurshid's suggestion would translate into a situation where a company that does not want to do a CSR activity would have to purchase CSR credits from companies that have earned them. This would be quite similar to carbon credits where the polluter gets the right to pollute by buying carbon credits from companies that have earned them through environment-friendly activities.

Responding to the observations by Mr. Harsh Pati Singhania, President, FICCI, the Minister said that there was a dire need to internalize CSR as an ethical way of doing business and making profits. "CSR was about the way we conduct our business not about keeping something apart for community welfare," he declared.

He urged corporates to ponder over the "conflict of interest" where a company produces consumer products that are deemed harmful to consumption and health. "If there is a business that is inherently destructive and unwholesome, a way has to be found to offset the negativity of that business," he said.

Ms. Ela Bhatt, Founder, SEWA (Self Employed Women's Association), in her special address, expressed the hope that the CSR Centre would recognize the vast workforce of the informal economy that is not covered by protective legislation as a part of commerce and industry.

She urged corporates to buy directly from the actual producers to make a direct impact in the lives and livelihoods of the working poor. By helping the local artisans and farmers by providing them the know-how and information to improve their products, the Centre would help in investing in local people, invest in their local economy and generate more income assets at the local level. "What they (the poor) need is steady work that brings them a decent living income," she said, adding that "It is our responsibility to ensure productive work on hands of all and enhance the dignity of work in this country."

Ms. Bhatt called upon corporations to invest in local initiatives that have the potential to grow, such as livelihood finance activities or skill development or marketing initiatives. He hoped that the FICCI-Aditya Birla CSR Centre for Excellence would help sharing of such information and some day make the poor partners in the real sense.

Ms. Rajashree Birla, Chairperson, FICCI Aditya Birla CSR Centre for Excellence, in her theme address, noted that the time had come to move CSR activities from the backburner of cheque book philanthropy to the front, to be main-streamed in the business. With the challenge of ushering in an inclusive society, the Aditya Birla Group chose to align with FICCI to make CSR a way of life among corporates.

Ms. Birla unveiled the vision of the Centre as "To incubate, nurture and accelerate a paradigm of sustainable and inclusive CSR in India and thereby raising the Human Development Index through poverty alleviation."

The four key goals of the Centre, she said, were to provide an enabling environment for business to get engaged in CSR activities; to create a resource pool that will help translate holistic CSR practices

into action and lead to sustainable development and sustainable livelihoods; to support the capacity building of enterprises, civil society organizations and other stakeholders through multiple partnerships and enlisting artisans, craft hubs, technical institutions, honing vocational skills to enable people to stand on their own feet.

She said the Centre would provide strategic and innovative solutions to CSR stakeholders by undertaking baseline studies, needs assessment, stakeholder engagement, programme design, project planning, monitoring and evaluation, CSR policy formulation and CSR reporting.

Mr. Harsh Pati Singhania, President, FICCI, said that India needs not just growth but inclusive growth and the Corporate Sector is increasingly concerned with and supportive of inclusive growth – as much an economic imperative as it is socially desirable. Growth that benefits all and not just a few also help to create a larger and stronger consumer base. This is essential for business to flourish. The FICCI Aditya Birla CSR Centre for Excellence will work as a catalyst in promoting CSR and provide direction in formulating the right strategy and effective deliverables, he said and appealed to all stakeholders to come forward and take the CSR agenda forward for building a robust nation.

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