

Launch of the FICCI - Aditya Birla CSR Centre for Excellence New Delhi, February 17, 2010

Special address by Ela R. Bhatt, Founder, SEWA (Self Employed Women's Association)

It is a great and timely effort to set up the FICCI Birla Centre for Excellence. Thank you for inviting me at the inauguration and say a few words. I can see that CSR will be an integral part of the corporate culture particularly when FICCI and Birla are the founders. Congratulations and our best wishes for the Centre. Perhaps you know that SEWA is a Member of FICCI as well as CII.

Coming from a labour organization, my worldview begins with people. They are, as you know, none other than the people who grow the food we eat, who make the clothes we wear, who build the homes we live in, who teach our children. The work each of us does, impacts others in society-either directly or indirectly. This interconnectedness is the reason why we are gathered here today.

The corporate world of Industries and businesses with head offices in large cities, where employees are called professionals; who are well-educated and hard-working and efficient, who have computers and telephones and faxes that feed them the latest news and up-to-date information on markets in India-but they can, with the right alliances and proper market research, also tap into markets on continent half way across the globe...A world of networking and numbers, of information and access, of power and profits.

Also there are people all along the way-the corporation is the tip of an iceberg-the real mass is underneath, and it is invisible. It is made up of vendors and suppliers, and the suppliers' suppliers, the wholesalers, the retailers, the producers, the processors, the growers, the gatherers. As we go down this vast pyramid, we start to see poverty, we start to see illiteracy; we see diminishing returns and backbreaking labour; we see malnutrition and chronic illnesses, and in the end we begin to see an overburdened mass of women and men that barely holds on.

Here is where inclusive social responsibility in India comes in; when the top of the mountain can acknowledge that the base is part and parcel of its existence, and the base feels that the top is an extension of itself, there is dialogue and dynamism. The Centre of Excellence will play that role.

Today, our production system is changing rapidly; there are fewer direct employees. Increasingly, more and more work is being farmed out to home-based workers through contractual and sub-contractual arrangements. Corporations consider such outsourcing a way of keeping lean and light. But instead of disowning the workers and producers, and passing the responsibility down the line to someone else, I believe, this is where the scope of the responsibility widens. All those who have

contributed in the production and distribution of the product and to corporate's income and profit, are one's responsibility. As you know, this vast workforce of the informal economy is not covered by protective legislation. I am confident that the CSR Centre for Excellence will recognize them as part of the industry and commerce.

Secondly, as we know, corporations are major buyers of goods and services. Their buying patterns create a huge impact on the ground. If corporations were to insist on buying directly from the actual producers, a majority of whom are small and marginal farmers, there will be a sea change in the economic dynamic of our country. By buying directly from the actual producers, one can make a direct impact in the lives and livelihoods of the working poor. Let the local farmers and their groups grow nurseries and supply you wood! Let the local artisans and farmers collectively value-add the forest produce! If their product is inadequate, provide them the know-how and information so they can improve. The Centre will help investing in people, invest in their local economy, will generate more income assets at the local level.

Above all agendas of the CSR, I would urge you to recognize 'work' as central to the social responsibility if it has to be inclusive and sustainable. For the poor, work, that is, productive work is central to their lives. They are workers and producers and entrepreneurs in their own right, and they take financial risks every day of their lives. They work extremely hard to earn their living. What they need is steady work that brings them a decent living income. It is our responsibility to ensure productive work on hands of all and enhance the dignity of work in this country.

Third, invest in those local initiatives that have the potential to grow, such as livelihood finance initiatives or skill development or marketing initiatives. Having access to economic and informational resources allows small successes to grow to a viable scale where they can hold their own in a competitive environment. Help build the capacity of the poor, self-employed and their collectives to enter global markets. So often, producers do not know who buys their produce-the garments they make or the fruits they grow-- you may be one of them. The producers do not know the price their products fetch in global markets. The FICCI-Birla Centre of CSR will help sharing such information and some day make them partners in a real sense.

The forces of globalization have greater and greater influence on our lives and livelihoods. Often we are witnessing a clear conflict between local and global economic forces. We can come to terms with global forces if we have both strength and people on our side. Building local institutions and people will better enable us to walk at our own pace instead of being pushed by outside or unseen forces. How we devise ways of excellence in our local, self-managed community production processes, whether industrial or handmade, and make them an integral part of trade and industry of our country, is going to determine the future of our country. We need to build a multi-faceted local and national economy, where people are well-informed producers as well as consumers.

They say that a chain is only as strong as its weakest link. In a competitive world, every link in the chain of production and distribution matters. That means that unless the competitive capacity of the weak and poor is increased, a company or a nation's competitiveness will not improve. It is like a car running on four wheels, but three of the wheels are bicycle wheels! So, essentially you are 'trotting' on one motorized wheel! The private sector, the public sector and the vast people's sector can certainly work together, on an equal footing and share the risks of each other. The government can facilitate the process; it cannot take it on. But it can certainly play a positive role in creating a nationwide supportive environment of social responsibility.

In the end, even though the corporate world has a reputation for cut-throat competition and measuring success in numbers and digits, I believe that the corporate world has the gift of innovation. It believes in taking risks, stepping into uncharted territory and investing in the still unproven. I am convinced it is only a matter of time before the viability of the partnership between the people sector and the private sector is proven to be dynamic and equitable. Responsible partnership between the big and the small may be the answer to sustainability.

My hope in such partnerships of small and big, is based on my own SEWA experience over the last decade; SEWA Cooperatives partner with projects on solar energy, organic agribusiness, water harvesting, housing, crafts and rural marketing network. We are slow but do go ahead.

There is plenty of space for competition in cooperation, and for cooperation in competition. Corporate Social Responsibility - has the potential to become a major building block in removing poverty and achieving economic freedom by producing sustained wealth that can be shared by all.

Thank you.