

ROLE OF THE CORPORATE SECTOR IN PROMOTING FAMILY HEALTH IN UTTAR PRADESH

RAMNIK AHUJA, DEBASIS BHATTACHARYA, ROOPALI BHARGAVA AND DEEPIKA GANJU

BACKGROUND

Corporate social responsibility (CSR) implies that companies go beyond commercial obligations and invest in human capital-employees, communities, other stakeholders-and the environment. The Government of India has recommended that the corporate sector should play a proactive role in promoting inclusive growth and social and economic development. The Ministry of Corporate Affairs and the Department of Public Enterprises, Government of India have recently issued guidelines for CSR for the corporate sector and public sector enterprises (PSUs), respectively.^{1,2} To ensure wider coverage of health services, particularly in rural areas, the Government of India has been encouraging the participation of the corporate sector

in these efforts. Indeed, the Eleventh Plan specifically recognizes the contribution of the private sector in providing all levels of health care through partnerships with the government.³

In Uttar Pradesh (UP), the corporate sector has been recognized as a potential partner in complementing a behavior change communication (BCC) strategy to improve family health outcomes in rural settings for several reasons. A number of industries are located in UP that have a huge captive workforce; many of these workers are relatively better educated and can be easily reached under a single umbrella of management with focused messages. Many workers are migrants from villages or small towns; as they continue to have a strong links with rural areas, they could be effective channels

Ramnik Ahuja, Head, Public Health, Debasis Bhattacharya, Advisor, Development Initiatives, Roopali Bhargava, Research Associate, Public Health, Confederation of Indian Industry, 249F Sector 18, Udyog Vihar Phase IV, Gurgaon 122015, Haryana, Deepika Ganju, Senior Program Officer, Population Council, Zone 5A, India Habitat Centre, Lodi Road, New Delhi 110003.

for disseminating information on desired behaviors in rural areas. Several large corporate organizations have their own health facilities that provide services to their workers, their family members and communities in the catchment area; these facilities could be leveraged to provide information and services on desired health behaviors. Finally, the government has recommended the allocation of a specific proportion of a company's net profit as the budget for CSR activities (Box 1); as a result, it is expected that corporate sector enterprises would have large funds available for CSR programs.

BOX 1 CSR budget for central public sector enterprises	
Net profit of previous year	CSR budget per year (% of net profit)
< ₹ 1,000 million	3 - 5
₹ 1,000-5,000 million	2 - 3*
₹ 5,000 million and above	0.5 - 2

Note: *Subject to a minimum of ₹ 30 million.
₹ 10 million = US\$ 213,000.
Source: Department of Public Enterprises, 2010.

OBJECTIVES

In this background, in 2009 the Confederation of Indian Industry (CII), a partner in the Population Council-led consortium, took the lead to explore:

- the role of the corporate sector in family health in UP,
- the possibility of partnering with this sector to design, leverage and implement a BCC strategy,
- the support and assistance the sector would require to ensure better planning and implementation of their CSR activities.

The study was funded by the Population Council as a subcontract to

CII, from an award granted by the Bill and Melinda Gates Foundation.

METHODOLOGY

To collect relevant information, CII undertook the following activities:

- an extensive literature review to document corporate sector CSR initiatives, with a special focus on UP and health-related activities,
- a detailed mapping of industries in UP to understand their spread by size and region,
- a postal survey of 310 large and cluster industries^a in UP to explore their health-related activities,
- in-depth interviews with 26 managers responsible for CSR activities in large industries to explore their interest in partnering to develop and implement the BCC strategy, the possibility of implementing co-partnership models for CSR, and to identify industries that could champion the cause of family health under CSR and take the programs ahead in the future,
- two regional consultations for industry stakeholders in the state to provide a forum to discuss the fore-mentioned issues; promote networking and partnerships amongst industries for capacity-building to undertake CSR programs; explore the possibility of promoting co-financing initiatives for CSR projects and the willingness of the corporate sector to partner in the proposed BCC strategy. These meetings were attended by representatives from 15 industries across the state, as well as from medical institutes, research institutes and the Government of Uttar Pradesh.

^aCluster industries are small or medium size industries located in the same city, often engaged in similar businesses.

^bLarge-scale industries: turnover of ₹1,000 million or more, medium-scale industries: turnover of ₹50 million-1,000 million, small-scale industries: turnover between ₹1 million - 50 million.

KEY FINDINGS

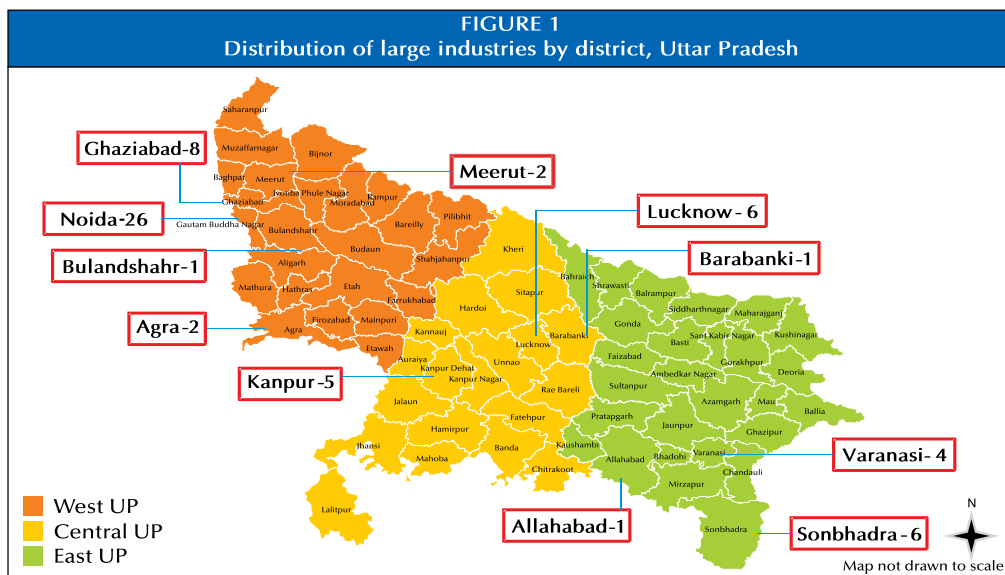
Mapping of industries across UP

Data from the mapping exercise reveal that there are 1,700 industries located across the state.⁴ Of these, 62 are large-scale, 366 are medium-scale and 1,281 are small-scale industries.^{b,5} These 62 large industries are located in each of the three regions of UP and could be approached to partner in designing and implementing the BCC strategy. Most large industries (60 percent) are located in the Western region (Figure 1). However, 11-12 large industries are located in each of the other two regions.

The literature review shows that industry associations such as CII, the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Associated Chambers of Commerce and Industry (ASSOCHAM) are working with their member industries to implement CSR programs. Industry associations could be actively involved in partnering with member industries and leveraging the strengths of their members to design and implement the BCC strategy.

Funds for CSR activities

Several industries, particularly PSUs, are spending a substantial amount on



Leveraging partnerships with industry associations for CSR

CII has a large network of affiliates in UP, and could partner with 310 industries—294 CII affiliate industries and 16 non-CII affiliate industries—to take the BCC strategy ahead. Such partnerships could have a significant impact; for example, these 310 industries associated with CII employ approximately 650,000 staff. If their immediate family members are included, the population that could be benefited increases to 3.25 million.

activities to benefit workers, their families and the surrounding communities. For example, the estimated CSR budget for 2007-08 of the PSU, National Thermal Power Corporation (NTPC), was ₹140 million (US\$ 3.04 million)⁶ while the CSR budget of Jubilant Organosys Ltd, a large industry located in UP, for the same period was ₹50 million (US\$ 1.09 million).⁷

As discussed earlier, the government has recommended the allocation of a specific proportion of a company's net

profit for CSR activities. As a result, companies would have large funds available for CSR programs. For example, the CSR budget of the PSU, National Thermal Power Corporation (NTPC), would be in the range of ₹436-1745 million (i.e., 0.5-2 percent of NTPC's profit after tax for 2009-10, which was approximately ₹87280 million),⁸ while the CSR budget of Bharat Heavy Electricals Ltd (BHEL), another PSU, would be approximately ₹216-865 million (BHEL's net profit for 2009-10 was ₹43269 million).⁹

Many CSR activities are decided on an ad hoc basis and several industries do not have the capacity to plan and implement enhanced CSR activities without some input in terms of capacity building and technical support. Further, if the capacity of willing and interested industries is built and technical support provided, the funds available with companies for CSR programs could be effectively leveraged to implement the BCC strategy either directly by leveraging the BCC strategy, for example, buying TV time to disseminate information, or indirectly by carrying out the activities themselves. Companies could also complement public sector efforts to promote health services by either initiating their own health programs or strengthening the infrastructure and services of public sector rural and urban clinics in the surrounding areas, as many of these health facilities are poorly equipped and may not be able to meet the increased demand for services in the near future due to enhanced BCC activities and as a result of the Janani Suraksha Yojana.

Decision-making on CSR policies

Interviews with corporate program managers indicate that decisions on CSR policies and programs of the industries are taken at the highest level by the company's top managers. Initial discussions on the kind of CSR activities to be implemented are held with members of the CSR team,

and the main discussion points are conveyed to the Board of Managers by the head of the CSR team. According to a manager:

"The proposal for CSR activities has to be put up to the Executive Director for approval. A concept note has to be circulated to the top management for any decision to be taken."

Discussions also reveal the critical need for the support and involvement of the top management in planning and implementing the proposed BCC strategy under the CSR program. It was generally believed that unless a dialogue of partnership and collaboration is held at the top management level, efforts to build partnerships may not succeed.

Coverage and reach of industries in UP

Findings from the postal survey, in-depth interviews and review of literature highlight that most large industries could be effective partners in implementing the BCC strategy given their current reach and articulated interest in the subject. For example, the 68 industries that responded to the postal survey have a large workforce of over 150,000 employees. Several of these companies (33) are also providing services to communities in the catchment area, covering a population of almost four million. While large industries, on average, are covering around 30 villages each, cluster industries are covering 10 villages each.

Findings from in-depth interviews with 26 industries reveal that only 18 are implementing CSR programs in the vicinity of their operations; 18 industry managers also indicated that the CSR programs of large companies cover vast populations: 10 companies are covering a population of 25,000 or more; 3 companies are covering a population of 100,000 or more, and 3 companies are covering 100 or more villages. Hindalco Industries Ltd's

CSR program supports over 230 villages around the plant in Renukoot, UP¹⁰ and Noida Power Company Ltd's (NPCL) CSR activities cover 115 neighboring villages.

Health-related CSR programs

Many large industries in UP are actively providing health and family planning services to their employees and the larger community as part of the CSR program, and could easily become partners in implementing and leveraging the BCC strategy. During in-depth interviews, most industry managers whose company had a CSR program noted that they are engaged in health-related CSR activities. Managers recognized the importance of ensuring the health and well-being of their employees and their families from the perspective of productivity. According to one manager:

"Health is important because it affects school attendance and workers' absenteeism."

The postal survey also shows that most industries (58 out of 68) have their own health facilities, ranging from a basic health post, to mobile dispensaries and large hospitals with specialty and in-patient facilities; these health facilities are providing services to employees and the neighboring community, employees and their families, or only to regular and contractual employees.

Communication strategies for dissemination of health messages

Industries are adopting a range of methods to disseminate information on health at the workplace as well as in their outreach programs to employees and their families. A review of their responses shows that methods include inter-personal communication, one-on-one counseling during medical check-ups, displaying health messages on boards, and organizing lectures and audio-visual shows. Notably, many companies are organizing group meetings, including women's meetings,

men's meetings and large village meetings to raise awareness on health issues in the community. However, none of the industries covered had a clear-cut communications strategy; their activities are planned and implemented in an ad hoc manner.

Champions of CSR

Industry champions can act as catalysts to strengthen CSR programs within and across industries and promote the cause of family health. During interviews and consultative workshops, 15 industries across the state were identified that are willing to champion the cause of CSR and partner to kick-start the proposed BCC strategy. These industries are spread across the three regions-7 in the Western region (HCL Tech, Noida; Honda Siel Cars, Noida; Jubilant Organosys, Noida; Mawana Sugars, Meerut; Merino Industries Ltd, Hapur; Terex Vectra, Noida; and Triveni Engineering, Muzaffarnagar); 3 in the Central region (Larsen & Toubro, Lucknow; Reliance Industries, Barabanki; and Tata Motors, Lucknow) and 5 in the Eastern region (Birla Carbon, Sonbhadra; Coca Cola, Varanasi; Hindalco Industries, Sonbhadra; Indo-Gulf Fertilizers, Sultanpur; Renuagar Thermal Power Plant, Sonbhadra).

Technical assistance for designing and implementing CSR programs

Industries expressed interest in developing a BCC strategy for health, and articulated the need for technical assistance and capacity building to plan and implement the strategy. For example, two managers said:

"Technical assistance for building a CSR strategy would be welcome."

"Lack of knowledge is lack of action. Inform us about the area to be adopted and give us the content; we will do our homework and implement it."

Industries also acknowledged the need for technical assistance to monitor program activities effectively, as reflected in the comments of an industry manager:

“Strong monitoring of the program is required, and we need to know what to monitor and how to monitor.”

Technical support for documentation of CSR activities was also reported to be a requirement.

Partnerships

Industry managers were interested in identifying partnerships for technical assistance to implement CSR activities in the future as lessons can be drawn from companies that are successfully implementing CSR programs; for example:

“We need to put the pieces of the jigsaw puzzle together and join the pieces of the block. We need to identify partnerships to do that.”

Some industries do not have adequate information on potential stakeholders with whom they can partner, and it was felt that industry associations could play a key role in bringing such organizations together:

“We need technical support. We are keen to undertake CSR activities. We are eager to support social causes and would like support from industry associations.”

The consultations revealed that the corporate sector is open to the idea of partnering to implement the proposed BCC strategy, and is looking for ways to strengthen its capability to scale up CSR activities that are not only useful but also sustainable. As a senior manager said:

“We are willing to participate in the communications strategy but it should be sustainable.”

IMPLICATIONS FOR THE BCC STRATEGY

Partnerships have the potential to scale up initiatives

Findings indicate that partnering with the corporate sector in UP could be immensely beneficial in improving family health outcomes both because they cover large populations and they have the potential to leverage the BCC strategy as well as deliver services. There are many opportunities under the umbrella of CSR that could be channeled to leverage not only the BCC strategy but also social mobilization and the promotion of civil society to act as a watchdog to monitor the delivery of health services.

Leveraging existing health and communication activities

Most large industries are implementing a health program and serve, in addition the workforce and their families, large populations groups in the catchment area. Activities include social mobilization for the adoption of desired behaviors and imparting education on various aspects of health, particularly family planning. Some industries are using innovative approaches to communicate health messages. Building on these programs, BCC strategies could develop focused messages for the eight target behaviors. Industries are interested in partnerships and expressed a desire for technical assistance to build their capacity for planning and implementing CSR activities that are based on evidence and needs rather than decisions taken on an ad hoc basis. Industry associations could play a key role in linking industries to establish co-partnership/co-investment models for BCC.

Leveraging funds available under the CSR program

The government has issued voluntary guidelines on CSR for adoption by private organizations and has mandated all public

sector companies to spend 1-5 percent of their net profit on CSR activities. This would make available a large reservoir of funds for CSR activities and if properly invested in the social sector, including health, could make huge difference to communities located in and around industries.

Readiness to take on the role of champions to promote family health under the CSR program

Most companies articulated an interest in participating in a BCC strategy for family health. During consultations at least 15 companies expressed their desire to act as champions for the cause of CSR, and take family health programs and the BCC strategy ahead. An encouraging finding is these 15 industries are spread across all the three regions of UP-7 in the West, 2 in the Central and 6 in the Eastern region. However, to ensure success of the initiative, it would be necessary to discuss these issues at the corporate office level as decisions on CSR activities are generally taken by the top management. To take the proposed BCC strategy ahead and improve family health outcomes in rural UP, a coordination group should be set up to bring on board partners from different sectors to provide their expertise. Associations of industry in collaboration with institutions like the Population Council that have vast experience in capacity-building and planning activities can play a significant role in coordinating strategies and building partnerships among industries. Several industries have already identified the need for training and capacity-building to plan and implement CSR strategies.

REFERENCES

1. Ministry of Corporate Affairs. 2009. Corporate social responsibility: Voluntary guidelines, 2009. India Corporate Week, 14-21 December. New Delhi: Government of India .http://www.mca.gov.in/Ministry/latestnews/CSR_Voluntary_Guidelines_24dec2009.pdf.

2. Department of Public Enterprises. 2010. Guidelines on corporate social responsibility for central public sector enterprises, March. New Delhi: Government of India. <http://dpe.nic.in/newgl/glch1223>.

3. Planning Commission. 2008. Eleventh five-year plan, 2007-12, Vol. 2, Social sector. New Delhi: Oxford University Press.

4. Government of Uttar Pradesh. 2008. Infrastructural and Industrial Development Department.

5. Ahuja, R., Bhattacharya, D., Bhargava, R. and Ganju, D. 2010. Role of the corporate sector in promoting family health in Uttar Pradesh: Implications for behavior change communication, in M.E. Khan, Gary L. Darmstadt, T. Usha Kiran and D. Ganju (eds.), Shaping demand and practices to improve family health outcomes in northern India: Exploring partnerships. New Delhi: Population Council (forthcoming).

6. Comptroller and Auditor General of India. n.d. Corporate social responsibility in government companies, chapter 3. Report No. CA 22 of 2009-10 <http://www.cag.gov.in/html/reports/commercial/2009_22CA/chap_3.pdf>.

7. http://www.karmayog.org/csr1to500/csr1to500_20477.htm

8. National Thermal Power Corporation. n.d. https://www.ntpc.co.in/index.php?option=com_content&view=article&id=389&Itemid=200&lang=en.

9. Bharat Heavy Electricals Ltd. n.d. http://www.bhel.com/dynamic_files//press_files/pdf/sebiquiv-0910.pdf.

10. Hindalco Industries Ltd. n.d. http://www.hindalco.com/media/features/light_tunnel01.htm.