

## **Addressing Complexity of Migration through Social Entrepreneurship: A Case Study of Tata Trusts Initiative in Uttar Pradesh**

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### **Abstract**

*The concept of Corporate Social Responsibility has been in vogue for quite some time in the business world, though its origin can be traced back to olden times. Its roots can be traced back to all the philanthropic activities of the corporate houses and individuals across the globe. The concept has evolved globally. It encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. The CSR campaign has been actively supported by the world organizations like World Bank, UNDP, OECD, European commission and MNCs. CSR has been top on the agenda of policy makers, managers and activists in India. A large number of companies now report the CSR activities which are reflected in their official website, annual reports and even CSR reports. J. R. D. Tata introduced several welfare schemes as father of CSR / modern philanthropist in India. The Indian Companies Act, 2013 has made mandatory provision of CSR in India. It would be quite interesting to observe and study how it translates into practice at ground level and also how the understanding of the CSR in India undergoes a change. The recent initiatives of the present Government at the Centre seems certainly encouraging. It has directed its public sector undertakings to earmark certain percentage of their annual budget for the furtherance of the CSR activities. A Panel of Expert has also been constituted recently to suggest the framework to assess CSR activities undertaken by the companies under the Indian Companies act, 2013. The role of Tata Trusts in empowerment of migrant workers has been significant. Present paper discusses about the CSR in India, the Social business concept and highlights the*

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*modal of social entrepreneurship modal of Uttar Pradesh, under the Migration initiative of Tata Trusts in India.*

**Key Word:** *Tata Trusts, Social entrepreneurship, Migration, Sustainability, CSR*

## **Introduction**

CSR can generate values and create opportunities for corporate houses for enhancing their business performance and building strongly relations with the stakeholders and community. The corporate houses may also explore new market opportunities besides maintaining the brand loyalty among their stakeholders. CSR must be under pinned by a strong business case which links social and environmental responsibility with financial success. CSR in India has unique features. Although the Indian CSR agenda appears to be more comprehensive and promising, the philanthropic activities remain concentrated on national priority agenda. Community development is very important for Indian companies since it paves the way for good relations with communities and also helps in building social image that leads to profitable business. The deep-rooted values and beliefs in Indian culture have played a major role in influencing public governance and its outcomes as manifested in the Indian Companies Act of 2013, and in shaping the businessmen's orientation toward society and are likely to remain influential in formalizing and institutionalizing CSR practices in India. (Moodbidri S.,2017)

CSR in India is not balanced between internal and external stakeholders as companies tend to their CSR engagement at external stakeholders especially communities rather than internal stakeholders. However, CSR in India has considerable potential for improving corporate social responsiveness through social investment and development projects ( Singh and Singh , 2018). The multi-stakeholder concept is gaining importance as a consequence of the shortcomings of business self-regulation and the weaknesses of legal regulation. The changed business environment and policy regime, NGOs, business associations, governmental organizations and multilateral institutions, among others, are required to work

together in a constructive and cooperative manner in order to meet the expectations and achieving goals in the CSR process. However, the full potential of the multi-stakeholder concept in CSR process has yet to be explored. This is because of the fact that there are only a few civil society organizations engaged in the activities of CSR. Indian companies are also reluctant to adopt a multi-stakeholder approach as CSR activities are more business driven rather than NGO-driven.

The analysis demonstrates that the corporate social responsibility in the state of Uttar Pradesh is in infancy stage however, it is gaining momentum. Even the public sector enterprises including banks are showing their keen interest in social responsiveness through investing in social development. The social development issues covered under CSR initiatives in the state of Uttar Pradesh are mainly health, education, environment, rehabilitation and resettlement, livelihood development and women empowerment. The CSR activities are being implemented through building network and collaboration with voluntary organizations, community based organizations and even directly providing support to community. The major target groups covered under CSR initiatives are poor, marginalized, deprived and backward population. The thematic issues of CSR initiatives are being decided by the mandate of corporate houses, companies and business enterprises however, it also depends on the demand from the community. There has been significant increase in the number of beneficiaries under CSR initiatives (Singh,2018).

There are critical development gaps across education, healthcare, and sanitation and women empowerment as well as several opportunities to address livelihoods enhancement and skill development in the state of Uttar Pradesh. The Indian Institute of Corporate Affairs has reported that close to Rs. 8803 crores were spent in 2014-15 on CSR as per data reported to the MCA by 7334 companies. In a survey on the CSR projects of the top 250 companies in 2015-16, it was reported that spend among the top companies was close to Rs.5780 crores. Out of this share, spending in Uttar Pradesh has approximately been about Rs. 360 crores, which is less than 5 percent of the total spending. With

29.43 percent of the population below poverty line state's population of 204 million, it works out to about Rs. 60 per person. Uttar Pradesh has the highest number of NGOs registered on NITI Aayog's portal. Most NGOs in Uttar Pradesh work on multiple thematic areas encompassing Education, Healthcare, Livelihoods, and Affirmative Action within a community (Singh,2018).

Though on the other hand Tata Trust, India's oldest and largest philanthropy initiative, alone was expected to cross Rs 1,000 crore in disbursements in 2017-18. (manicatrol.com, April 18, 2018). The Trusts' total disbursements was about Rs 950 crores in 2016-17, up from about Rs 800 crore a year earlier. A sharp increase was seen in the disbursements of Sir Dorabji Tata Trust. In 2010, the Trusts had disbursed Rs 500 crore. The amount has doubled in eight years, fueled by a change in approach in 2014 under Ratan Tata's watch.

In 2014, the Trust redefined its approach. Till then, the Trust would depend on NGOs to implement the project for which funds were disbursed. Not anymore.

"No longer are we merely the founders of initiatives; we have widened our view on the nature of our philanthropic interventions to become enablers," Ratan Tata wrote in his message in the 2016-17 annual report of the Trust.

"Over the last five years, the Trusts have taken up large nation-wide programmes, within their seven portfolios backed by two platforms. Among them are cancer care, nutrition to improve maternal and child health, sanitation, better-income livelihoods in rural India, data-driven governance, nurturing talent in sports, education of children aged 3 to 18, promoting innovation and entrepreneurship, and likewise,"

Tata Trusts: Trained women collective members, health workers in maternal and child health care, double fortified salt through public distribution system, serve, mid-day meals in government schools through centralized kitchen. The analysis of the Targeted Public Distribution Scheme has shown significant implementation challenges in Uttar Pradesh. According to a 2013 report on Function of the Public Distribution System by PRS Legislative Research, UP is

in the category of states where the exclusion of BPL families from TPDS is high. The leakage through ghost cards (cards made ,in the name of non-existent people) is high compared to Kerala, Punjab, Rajasthan, Andhra Pradesh, Tamil Nadu and Haryana where leakage is less than 10 percent . Leakage of food grains is very high in Uttar Pradesh compared to Kerala, Andhra Pradesh and Tamil Nadu. The state witnesses high leakage even at the fair price shop. The state started implementing the National Food Security Act in January 2016. The real benefit of the National Food Security Act lies in the expansion of the coverage of the public distribution system. Tata Trusts is working with the state Government to introduce electronic Point of Sale devices (ePOS) to ensure operation of an Aadhaar-enabled Public Distribution System (AePDS) at fair price shops of the entire urban region of Lucknow. Through this initiative, double-fortified salt has also been included UP Government has introduced RTGS and NEFT in PDS transactions and an online challan system to decrease pilferage from fair-price shops. With grains being available in abundance in UP, the PDS presents an opportunity to strengthen the system to Include deserving populations; leverage technology to ensure transparency and functioning of fair price shops; and introducing fortified products for nutrition-deficient populations especially new mothers and children. Collaborations between CSRs, philanthropy initiatives and Government can bring together the much needed resources, technology and expertise to look at a systemic change in providing food security in UP (Tata Trusts).

## **Social Business in India**

Social entrepreneurship (SE), an unusual contact point among entrepreneurship, innovation and social change, has been increasingly catalyzing the interest of academics, companies, and the business debate for about a decade. (Perrini F., Vurro C, 2006)

In India's New Economic Policy since 1991 has been instrumental in creating favorable climate for ushering in rapid growth which has not been able to sufficiently reduce socio-economic disparities that still exist across the country. The socio-economic disparity has attracted significant attention in the last two decades, specifically from Non-

Governmental Organizations, Development Scientists and Social Business Pioneers ( like Prof. Muhammad Yunus) high net-worth philanthropists and business professionals. Businesses, governments, and NGOs are making collective efforts towards reducing socio-economic disparity by developing innovative approaches. Social sector practice is gaining much importance in the country with the advent of social business and entrepreneurial models. Post liberalization, the number of high-net-worth individuals “HNIs” in India is constantly on the rise with greater participation in philanthropic activities. A recent report showed that India is emerging as a leading player in private philanthropy and charitable giving with donations totaling between 0.3 percent to 0.4 percent of GDP (India Philanthropy Report, 2012). The report also shows that most of the HNIs on an average donate 3-4 percent of their income to this sector. India is one of the fastest growing economies in the world.

The sector provides exciting prospects for private Foundations to pioneer new social entrepreneurial models based on sound business principles to allow stake-holders' socio-economic prosperity. Private foundations and corporate philanthropy not only contribute to social inclusion but also help in sustaining the flow of investment and setting targets for the recipient organizations over the years aiming to build their capabilities to achieve enhanced outcomes. A social business is a unique combination of traditional for-profit businesses, which focuses solely on maximizing profit, while not-for-profit entities rely solely on donations. The main idea of social business is to empower people, to grant them agency and to make them less dependent on externalities that are not within their control. Such empowerment provides 'capability 'and 'freedom' to those less privileged to choose their development path. According to Prof. Yunus there are two kinds of social businesses. One being a non-loss, Non-dividend Company devoted to solving a social problem and owned by investors who re-invest all profits in expanding and improving the business. The second is a profit-making company owned by poor people, either directly or through a Trust dedicated to a predefined social cause. Since profits that flow to poor people are

alleviating poverty, such a business help solve a social problem.

Social business has the following attributes (Yunus, 2010) :

- The most important objective for a social business is to remove poverty and other socio-economic problems that society is beset with. The idea is to reduce or eradicate such problems using a business model.
- Such business models should not exist solely for profit maximization.
- The company engaged in social business will be able to achieve economic and financial sustainability.
- Investors would be eligible to only take back their investment and would not be allowed to take the dividend. Thus, profit stays with the company which is further invested for expansion and improvement of the business.
- The company engaged in social business must be conscious towards environmental concerns.
- Workers should be paid the market wages and provided with better workplace conditions.
- Such social business should be done with pleasure, dedication and definite objectives.

While the Companies Act used CSR as a nomenclature without actually defining it, the notified rules have defined the term 'CSR' to mean and include but not limited to:

- projects or programs relating to activities specified in the Schedule; or
- projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR policy subject to the condition that such policy covers subjects enumerated in the Schedule.

Though the introduction of CSR provisions in the Companies Act 2013 is a welcome step, however the current discourse of corporate philanthropy without giving any express autonomy to companies in

choosing their CSR activities may not yield the desired outcome. By allowing only selected list of activities within the Schedule in a sectional manner may end up encouraging only a passive participation by Corporate Houses. In order to enable corporates to participate fully in the philanthropy space, the participation must start with a more inclusive management of CSR policies where government and industry work side by side, which does not assume that (social) business and CSR are incompatible. Although Section 135 of the Companies Act did not contemplate enlarging the scope of companies to cover foreign companies in the first place, the CSR Rules nonetheless included foreign companies within its scope. It seems that the central government is not opposed to the idea of allowing excessive delegated powers to the Executive to make such changes in the Companies Act. The CSR Rules, in essence, exceeds legislative mandate; which needs serious consideration by the policy makers.

**Table No. 1 : A snapshot of phenomena discussed under the umbrella construct of social entrepreneurship**

<b>Phenomenon under study</b>	<b>Description</b>	<b>Key author</b>
Community entrepreneurship	The community is the entrepreneurial actor and beneficiary. E.g., a village engaging in fair trade coffee farming and selling.	(Peredo and Chrisman, 2006; Johannisson and Nilsson, 1989)
Social change agents	Individuals who alter public perceptions about (specific) social issues. Examples range from John Elkington, the founder of sustainability, to Bono, of the group U2.	(Waddock and Post, 1991; Drayton, 2002)



Institutional entrepreneurs	Individuals or organizations that alter social arrangements and the institutional fabric hampering development.	(Mair and Martí, 2009; Martí and Mair, 2009)
Social ventures	Business ventures that provide a product or service that creates social or environmental benefit, such as the production and distribution of biodegradable water bottles.	(Dorado 2006; Sharir and Lerner, 2006)
Entrepreneurial non-profit organizations	Non-profit organizations that engage in commercial activities to create an income stream and enhance financial sustainability.	(Fowler, 2000; Frumkin, 2002)
Social enterprise	Organizational forms following principles of cooperatives.	(Borzaga and Defourny, 2001)
Social innovation	Innovation understood broadly and including processes and technology for the social good.	(Alvord, Brown and Letts, 2004; Phills, Deiglmeier and Miller, 2008)

**Source :** Mair, J., 2010

### **Tata Trusts' Migration Initiative**

Migrants who move from rural to urban areas are the hidden force in the global economies, regularly sending money home to families. Notably, India's domestic remittances amount to Rs, 1,000 crores, 60 percent of which are inter-state transfers and around 70 percent are channelled through the informal sector. The money that migrants send home is even more than the development aid money spent in the

region. This money is making a significant difference in the lives of those receiving it. The National Sample Survey Organization (NSSO) data reveals that 41 percent of consumption for migrant rural households comes from migration. However, due to occupational, residential and social vulnerabilities resulting from a lack of identity, absence of social security, exploitation at work, no access to welfare schemes in other states, hard working and living conditions affecting health, and poor awareness, migrants tend to spend more money to sustain their living at urban centres ( MoHUPA,2017). Over the years, the Trusts' intervention has resulted in an increase in household savings of migrant workers and their families. The Trusts' network of 67 migration resource centres across 5 source states and 12 destination cities is continuously offering support services to migrant workers and consequently, reducing their vulnerabilities. During the period June 2012- January 2016, the Trusts' efforts have resulted in a direct monetary benefit to the tune of Rs. 1,600 lakhs for close to 3.5 lakh migrant workers. Migrants were traditionally considered unprofitable to serve. However, with changing technology and the market innovating creative ways to serve the low income group, they are only beginning to enter the consumer market and are the ones who will become the next billion consumers. If migration is treated as an opportunity and supported adequately, it has the potential to generate large surpluses for both the labour sending and receiving economies. The strategic focus of the migration program over the next three years will concentrate on creating significant impact in the quality of life of 20 lakh migrants and their families in the following ways( Tata Trusts):

- **Migration as a tool for major financial inclusion:** In India, only half of the population has access to financial services. The reasons for exclusion are physical, economic, administrative and psychological barriers such as cost, travel distance, paperwork and lack of trust in the banking system. The migrants form a group with the potential to attract innovative financial services and products that could benefit them. New technology and innovative business models can be used to improve supply and outreach of financial services. In the proposed new phase of

support, The Trusts will take lead in creating a financial inclusion platform.

- **A self-reliant service delivery platform:** Building on the strength of the previous phase, the team will work towards stabilizing the existing Migrant Resource Centres and make 40 percent of them self- sustaining in the next three years. This platform has significant potential to deliver door step services and reduce the vulnerabilities of migrants.
- **Technology and design innovation to address nutrition, housing, water and sanitation needs of migrants workers:** The Trusts will proactively work towards creating options for low cost / rental housing for migrants in the cities and ensuring access to water and sanitation as well as low cost nutritious meals. The Trusts will lead the demonstration of innovative designs and business models to the government for adoption and replication.
- **Eliminating occupational vulnerability through the Labour Exchange Board:** The Trusts, in collaboration with the International Labour Organization (ILO), will deal with the root cause of the occupational vulnerabilities linked to migration, and create an institutional mechanism to mediate seasonal migration of tens of millions of workers across the country. This intervention is based on the success of a Mathadi Board model implemented under The Maharashtra Mathadi, Hamal, and Other Manual Workers Act 1969. The Trusts, in partnership with ILO, will adopt this approach and pilot it for the Odisha Brick Kiln industry. This approach has the potential of replication across other vulnerable occupations and across geographies.
- **Portability of entitlements across states:** Portability of entitlements across the states is an important issue affecting migrant population. The Trusts will work in close coordination with the state government to demonstrate and develop a mechanism to make welfare schemes (ex: Public Distribution System) portable across states.

Besides the direct benefit to a section of the migrant population, the program will create the blue print for a national policy on internal migration, suggesting services and programs to be mandated by the state and industry for welfare and protection of migrant workers. It is recommended that the Trusts' support for the Migration Program (block grant) comprise Rs. 4,000 lakhs over three years

### **Social Entrepreneurship based Framework of Uttar Pradesh**

Uttar Pradesh is the most populous state in the country accounting for 16.4 percent of the country's population Approximate 19.98 Crores (cens 2011). It is also the fourth largest state covering 6.8 per cent of the country's geographical area, encompassing 2,94,411 square kilometres and comprising of 75 districts, 901 development blocks and 112,804 inhabited villages. The density of population in the state is 829 person per square kilometres. It is also one of the largest labour sending economies in the country.

The programme interventions will be targeted towards empowering migrants and their families to optimize/utilise opportunities offered by migration, eliminate vulnerabilities and institutionalise service delivery for migrants who have in the past been excluded. The interventions have been designed for both source and destination and will be implemented in two phases.

In Uttar Pradesh the program approaches self-reliant service delivery model ASK (Apna Sewa Kendra) at block level periphery covering 10 GPs, that includes social entrepreneur having Common Service Centre (CSC)/Lokvaani licence and is linked with a BC (Banking Correspondent) and District Legal Services Authorities Para Legal Volunteers.

1. The services provided through these centers include the following:
  - Legal counseling and mediation support to workers facing wage dispute and harassment at work place.
  - Financial inclusion linkages (bank account), financial counseling, and linkages to social security, such as insurance

and pension.

- Facilitating access to identity related documents (especially for the workers migrating from rural areas, without any valid documentation documents).
- Health care counseling and linkage with formal health care institutions and schemes.
- Facilitating linkage of workers with government social welfare schemes, especially those of the Labour Welfare Department
- Technological innovations to improve outreach and dissemination of educational messages.

In the case of migrant workers, it has been found that effectiveness of these centers increases if they are set up at both the ends of the migration corridor – the source, from where migrants originate and the destination, where migrants move to work.

**Table No. 2: Percentage of Literacy in Bahraich and Shravasti**

	<b>BAHRAICH</b>	<b>SHRAVASTI</b>
Population	3.5 Million	1.1 Million
literacy	51%	49%
Blocks	14	6
BPL%	75	61

**Source:** *Compiled from Different Sources*

In Uttar Pradesh intervention started with 27 APNA SEWA KENDRA in high male migrants' rural areas in Bahraich and Shravasti Districts and One Apna Sewa Kendra in Ghaziabad district in urban area. BAHRAICH SHRAVASTI Population 3.5 Million 1.1 Million literacy 51 percent 49 percent locks 146 BPL percent 75 61 The interventions will be primarily be implemented in the districts of Bahraich and Shravasti. Bahraich and Shrawasti are located in the eastern region of the state of Uttar Pradesh, at a distance of 130 and 175 kilometers from Lucknow respectively. Bahraich has 14 and Shrawasti has 06 development blocks, of which 7 blocks of

Bahraich and 3 blocks of Shrawasti along the river Ghaghara are flood affected. Both the districts are among the 34 districts in Uttar Pradesh which receive funds from the Backward Region Grant Fund Programme (BRGF).

The area has a predominantly agrarian economy; however land holding is skewed with large tracts of land under the control of a few large landowners. Most farmers are small and marginal farmers. The average land-holding in the area is 0.7 hectares. Ground water levels are high (averaging 25 ft) and pumping water for irrigation through diesel pumps is a common practice. Agriculture input costs are therefore high, making returns from farming less remunerative.

Migration from Bahraich and Shrawasti districts is around 50 percent and as high as 70 percent in flood affected panchayats of the two districts. Migrants are usually men, who migrate to Lucknow (for rickshaw pulling, construction activities), Punjab (agriculture labour), Delhi (informal vending, hotels) or Mumbai (hotels, shops) for an average of four to six months every year.

Total 28 entrepreneurs providing services through these centres and from one-year Spain more 70,000 persons visited these.

### **Positive results of social entrepreneurship model**

These centres are stabilised in the periphery of block therefore its easily accessible to the community. Moreover, these centres providing services in a user-friendly manner, That's way they are gaining acceptability within the community. All centres have standardised working culture including the same branding, rate list for the services, redressal system for any complaints. The entrepreneurs are well oriented and continuous mentoring are providing by the trusts to nurture them.

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