

## “A Tryst with Social Change - A CSR Impact Story<sup>1</sup>”

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### Abstract

Corporate Social Responsibility (CSR), refers to the idea that companies need to invest in socially and environmentally relevant causes in order to interact and operate with concerned parties having a stake in Company's work. The policy instrument has triggered a sea of changes in the welfare space: paradigm shift from philanthropic to right based approach; Innovative business models and products to tap the newly created market; Repositioning corporates as socially responsible organisations; Emergence of social impact investing. The collaborative approach of Corporates develops an ecosystem that bring in competitiveness of companies, Civil Society Organisations to solve the pertinent welfare issues.

The article explores the impacts of a CSR intervention in one of the remote villages of India. Sasken Technologies, a Bangalore headquartered IT firm through its CSR spending, lightened up a remote village in Karnataka through solar off-grid solutions. The article weaves around how the intervention snowballed into a change agent that has brought glimmers of socio-cultural dynamism to the rusted pillars - the deep-rooted caste and patriarchal system - of social mobility.

**Keywords:** CSR, Social Structure, Start up, Caste System, Participatory Management.

### Introduction

The Companies Act, 2013<sup>2</sup>, under Section 135, mandates every company having net worth of at least Rs 500 crore, turnover of Rs 1,000 crore or more, or a minimum net profit of Rs 5 crore during the immediately preceding financial year has to make mandatory Corporate Social Responsibility (referred as CSR) expenditure. The legislation talks about giving back to the society by investing into broad segments such as Education, Poverty alleviation, Gender equality and hunger. It emphasis the philosophy of Corporates as a corporate citizen responsible for welfare and sustainable development of the community at large. A triple bottom line approach, which is meant to help the company to promote its commercial interests along with the responsibilities it holds towards the society at large.

Various models of CSR implementation have been evolved panning across the Corporate World. Companies started planning CSR as core activity in their business plan and leverage this instrument to gain the good will to complement their competitive advantage. The Government run Public Sector Companies and established corporates spearheaded the

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<sup>2</sup> <https://www.csr.gov.in/Companies%20ACT%202013.php>

implementation of the Act. For example, Coal India, Government run Public Sector Unit<sup>3</sup> – in 2014, instituted CSR in the business plan and recruited 120 Management Trainees for Community Development and Environment measures in the mining areas. The mechanism proven to be successful intervention in promoting alternate live hood mechanism, green recovery and modern education to boost socio-economic development. In many areas, the community development team collaborated with Government run welfare schemes to make the manifold impact.<sup>4</sup>

In 2016, Sasken Technologies, the Bangalore headquartered software firm has earmarked an amount of Rs 75 lakhs to provide Renewable Energy to the Belagavadi- a rural village of Karnataka as part of CSR initiative.<sup>5</sup> The Company has tied up an agreement with Indian Institute of Technology, Madras Research Park (referred to as IITMRP), which houses 140 start-ups to source the clean technology.<sup>6</sup> By choosing Renewable Energy as the theme: company reverberates the corporate commitment to India's Nationally Determined contributions (INDC)- which sets a goal of installing 175 GW of renewable energy by 2022. Also to establish relationship with new aged technology innovators.<sup>7</sup> Company also focussed on building brand equity and visibility as a socially committed organisation who believes clean energy as an agent of social change to empower the community as well as to fight climate change.<sup>8</sup> An attempt is made to capture the impact of CSR intervention in Belgavadi.

### **Geographical Setting**

Belgavadi is a rural village in Karnataka, India which is about 80 kms from Bengaluru, 20 kms from its nearest town, Magadi and falls on the Kunigal Main Road. Although it is accessible by road, the village is quite remote and is not very well connected by the public transport services.

### **Socio- Economic Context**

The village houses about 250 homes, one primary school and a community hall. Most of these households fall under low-income or low-middle income categories, who depend mainly upon dairy farming and mango cultivation for a living. A majority of the homes were empty and locked, the occupants fled to nearby metropolitan city Bangalore in search of jobs, leaving behind empty houses. They maintain the ties with their roots by occasional visits

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<sup>3</sup> CIL's Policy for Corporate Social Responsibility, available at [https://www.coalindia.in/career/Documents/Career/Revised\\_Vacancies\\_16052014.pdf](https://www.coalindia.in/career/Documents/Career/Revised_Vacancies_16052014.pdf) accessed on 10 June 2020.

<sup>4</sup> CIL's Policy for Corporate Social Responsibility, available at [https://coalindia.in/DesktopModules/DocumentList/documents/Modified\\_CSR\\_policy\\_as\\_per\\_FDs\\_040313.pdf](https://coalindia.in/DesktopModules/DocumentList/documents/Modified_CSR_policy_as_per_FDs_040313.pdf) accessed on 10 June 2020.

<sup>5</sup> Sasken Technologies, <https://www.sasken.com/india>

<sup>6</sup> Padma, 100+ start-ups silently disrupting IIT Madras research park (6 November 2019) available at <https://www.ctalk.in/posts/100-startups-silently-disrupting-iit-madras-research-park> accessed on 1 June 2020.

<sup>7</sup> SASKEN TECHNOLOGIES LTD, available at [https://csrbox.org/India\\_Company\\_Karnataka-Sasken-Technologies-Limited\\_5912](https://csrbox.org/India_Company_Karnataka-Sasken-Technologies-Limited_5912) accessed on 5 June 2020.

<sup>8</sup> Niranjana Kaggere, The Rays of a village (Bangalore Mirror, 20 March 2017) available at <https://bangaloremirror.indiatimes.com/news/state/the-rays-of-a-village/articleshow/57722636.cms> accessed on June 10 2020.

during village festivals. The stories about building fortune lures them to urban life. Some are relieved from the stringent caste system in the village, which groups them into historical legacy of social class and deprive privileges to lead a meaningful life. The migrant dreams soon bites the reality once they join the unorganised underbelly of cities. Due to lack of required skill set to secure organised sector jobs, they end up in construction, cooking, gatekeeping, cleaning of urban waste etc to meet their ends. Some take the anti-social route - rackets- distributing banned tobacco items and prostitution.

The village outskirts is occupied by *Harijan-Basti*, where the lower caste dwells. Families of four–five members stays in the single room sheds, without any toilet facilities. Open defecation is still practised as a routine in the community. Women wake up early morning by 5 am and go behind the bushes to answer their nature calls. They relived the horrific experience of what this society has made them do - they are not allowed to visit the village temple which is sacrosanct to the community, forced to travel two kilometres to fetch water daily as the village main pipe line is denied to them; physical assault while labouring in the agriculture lands of rich; teachers often address children by caste names which instils exclusion in schools as well. It is quite saddening to see the remnants of historical injustice still holds its place. Though the fundamental rights guarantees dignified living through the adoption of the Constitution of India in 1950. Still after 70 years, the rural lower castes languish in the darkness of ascriptive injustice. The treatment meted out to them pushes them to the anonymity of cities where their birth identity is not known.

The younger age mothers holding children are the living testimonials of child marriage. Women of early 20's were seen accompanying children to the primary school and *Anganwadi*<sup>9</sup> centre and also seen fetching water from the common pipe at the dawn. They told painful stories of: how their pleas for further studies than to get married were ignored; being voiceless at the time of reproductive decisions; being denied temple entry during menstrual periods; fear while going out to bushes during the dawn for open defecation. The ordeals they face is the reminiscence of the patriarchal social set up, where the women are considered second to men onto an instrument for raising children.

The education, the emancipatory vehicle from the clutches of false social-consciousness is mostly denied for girl children. Village school offers education till primary school only, to continue student needs to travel to nearby town. Many families do not send children in particular girls, in a bid to save the expenses. It requires highly motivated parents especially mothers to ensure the continuity of their education. The ASER<sup>10</sup> survey underlines the strong correlation between mothers schooling level and children's education. It has been found that enrolment rate of children and ability to perform cognitive tasks hugely depends of education of mothers, which is still a far cry in rural areas.

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<sup>9</sup> Anganwadi Services Scheme, available at <https://wcd.nic.in/schemes/anganwadi-services-scheme>

<sup>10</sup> Bhamy V Shenoy, AISER 2019: Early childhood education is not child's play (The Financial Express, 28 January 2020) available at <https://www.financialexpress.com/opinion/aser-2019-early-childhood-educations-is-not-childs-play/1836860/> accessed on 1 June 2020

**Project Implementation - The Solar off-grid**

The project envisaged to provide off-grid Direct Current (DC) solar solutions- 125Wp solar panel, 48V Ceiling Fan, Mobile charger, Battery, 48V Tube light and bulb to entire households of Belgavadi village. The affordable 48V technology developed by IIT Madras and Cygni Energy Pvt Ltd brought modern energy efficient power to the doorsteps of weaker section.

The implementation began by securing consensus of the beneficiaries. It was a matter of creating trust, as the installation required entry to each home to set up off-grid solar system. Building trust was never an easy process as it required lot of time and effort, to gain the grip, a relationship with opinion leaders, whom villagers trust and often seek opinions were established. The opinion leaders were teachers of primary school and *Anganwadi*, the visiting doctor of Public Health Centre, electrician of Distribution Company (referred to as DISCOM) priest of local temple and panchayat representative.

The next step was mobilisation where village gathering was organised at the Primary school playground and the products were showcased. The mobilisation of the villagers was a grand success in securing the collective buy-in. The temple priest invoked divine intervention as a reason behind the selection of the village. Other opinion leaders also publicly endorsed the products by pitching: the project would definitely take the remote village to World map; additional income to households by reduced Electricity bill; children could study in bright light during the power failures. The key messages went down really well with the beneficiaries and triggered a talking point among the community. And it was collectively agreed to keep the materials – solar panels, tube lights, bulbs, cables, mounting structures etc in an empty house.

The participatory approach is the key to build accountability among the beneficiaries. There is a certain degree of probability that the value of the product is often undermined if it is given free of cost. To ensure the ownership and participatory approach, each household was asked to collect their respective materials from the central stock rather than project team dispatching to individual households. In this way, beneficiaries also took some pain in getting their free materials. It also saved considerable transportation cost in carrying materials to each home. The community was gradually taking the ownership of the project. After the initial resistance, they supported the implementers by arranging food, transportation to nearby city for purchase of any project essentials as otherwise arranging for the necessary support to the commissioning would have been another arduous process in itself.

Effective engagement and participation of all communities are necessary to achieve the sustainability and broader objective of social change. Socio-cultural barriers or cultural norms sometimes undermine the active participation of marginalized groups. The implementation team was divided into diverse teams for fixing Solar panels and mounting structures, battery & control box, for cabling & appliances. In all the teams, local representation from all the communities was made mandatory, thereby ensuring diversity in the implementation process.

And a separate team consisting of women was also trained to explain the working of the system to beneficiaries. Due to participation of community, installations were delivered at pace and completed in a record time.

### **Impact**

In Belgawadi, the brightness of modern means of power not only brought 24X7 clean power but also percolated through the rigid social structure as a prime moving force to bring social change.

### **Political Empowerment**

Girish Thimmaiah, who was part of Installation team, who belonged to lower caste won the local panchayat election. He secured 50 votes higher than his political opponent - Venu Guddaiah from the upper caste. The election of a lower caste electrician to the formal power structure was a massive win against the status-quo. The 73<sup>rd</sup> Amendment to the Constitution of India, brought power to grass root levels. But still the weaker section remains left out from the power structure of decision making. The caste dominated society in a bid to maintain the prevailing scenario pre-empts any attempt of outsider influence.

Girish leveraged the installation to build his political career, he build a personal rapport by proactively explaining the advantage of the system: “Aunty, if one light is placed in kitchen, it would help you while cooking”. He further guided “Other tube light could be placed where the child studies-she could have a bright future”. Also during the inspection visit of Sasken officials, Girish narrated the problems Village faces: “Children drop out of School as they want to help family in daily chores: they have to stand in long queue to collect water”. He also persuaded the company official to sponsor a computer lab in the School. True to the social responsibility, Sasken responded positively and extended the scope of the project.

The setting up of a computer lab at the school and installation of solar system in the village turns the public opinion in favour of Girish. The perception of being a lower class candidate changed to the one with real development vision. His success boosted the morale of the entire rural community with a feel and vigour of emancipation.

### **Scientific Temper**

Students jeered with excitement when the solar ceiling fan started rotating. They busied themselves in adjusting the rotor speed using the remote control. It was a huge relief from the scorching sun.

The remote sensor technology has generated a curiosity to understand the mechanism. The Science teacher explained the science behind it: “whenever you press any key, it emits pulses of infrared light corresponds to commands such as on/off, speed”. The project team explained the importance of Energy conservation: “the power consumption of Energy efficient appliances is less and you could save money”. The information dissemination embarked a new line of thinking among the children.

The curiosity generated among the students prompted them to seek answers to mechanism of remote and Photo Voltaic (PV) modules. The 'seeing is believing' methodology in teaching develops critical thinking that seek for reasons. It would enable the young generation to recognise the social conditioning that chains the socio-economic progress and embrace a path of scientific temper. At a minimum, the prepared mind-set helps to seek the affirmative steps guaranteed under the Constitution.

### **Women Empowerment**

Alternative livelihood mechanisms have evolved. A unit of 'Channapatna toy' manufacturing unit has been opened up in the village, which is entirely run by women. The business model involved procuring wooden pieces from the local vendors of Channapatna - famous for wooden toys, which is 4 kms away from Belgavadi. Women involved in carving and pruning of toys, applying different colour combination and polishing.

Initial investment was secured from rural and cooperative banks through Self Help Group (SHG), a form of institutional mechanism wherein a group of 10 - 15 women members which forms the guarantee for bank to provide loans without collateral.

The interaction with women officials of Sasken Technologies, sown the seeds of change. The societal status of corporate women officials triggered an aspirational motivation. Few of them decided to venture out from the traditional roles to earn additional source of income through entrepreneurial spirit. There were also instances of sending girls for higher studies outside the village, which was hitherto enjoyed by upper class.

### **Conclusion**

An impact focussed CSR funding that adapts the participatory principles brings in remarkable socio-development progress. The systematic involvement of the key stakeholders in general and beneficiaries in particular from the design phase to withdrawal phase holds the key for successful intervention. The Urban-Rural interaction triggers a cultural synthesis that brings dynamism to the stagnated culture, which trigger social change.

The policy intervention also opened up innovations in the welfare space. Extensive range of products have been developed to tap CSR funds. The EzyNest<sup>11</sup> from the Tata Group of Companies brought out modular pre-fabricated toilet solutions to the community - a brave attempt to uphold sanitation mission and to end the menace of open defecation. Pune based Start up invented Bore-charger<sup>12</sup> - a product to augment the recharging of dried bore wells 4 - 20 times in the village - a solution to the water challenges. IITM based start-up raised CSR funds from companies and partnered with Greater Chennai Corporation to provide electric carts to the help the waste savaging in the City. The enabling and wide product range of

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<sup>11</sup> Swachh Bharat and Ezynest, available at <https://www.tatasteel.com/corporate/our-organisation/campaigns/swachh-bharat-and-ezynest/> accessed on 5 June 2020.

<sup>12</sup> Borecharger, <http://www.borecharger.com>

products underlines: new age thinking of localised solutions to the existing problems; the relevance of policy instruments to create a sector.

The CSR contribution also builds a strong case in particular for small cap and mid cap companies to gain media traction as well as opening up avenues for impact investors. There is a growing consensus among the investors to fund organisations with sounding ethical business principles. The drive is to make larger scale transformation in particular in the socio-economic and environment realm through impact investing and financial innovation. The major factor that differentiates impact investors from traditional players is their intent. Besides financial return, they articulate intended specific measurable improvements in social and environmental outcomes as an attempt to generate long sighted value and address the risk. For example, Acumen investing firm, created a market based 'patient fund'- with high gestation period and high risk tolerance to support early stage social enterprises.<sup>13</sup>

The welfare dynamics is also changing, the enactment of CSR reflects the growing prominence of 'Right based Approach' and 'Socialist Approach' in the welfare dynamics. A discourse that empowers community to claim their rights and brings in legal accountability to institutions. The line of thought where Corporates become accountable for the sustainability of the community and common natural environment from where the business value is derived. The argument that businesses have obligations not only to their shareholders but also to multiple stakeholders, including the society at large brings in strategic positioning of CSR strategies by firms that benefit the shared value creation of nation building.

The ideals of democratic socialism are reflected in the Constitution of India, which refers to redistribution of wealth to minimize inequality. The welfare commitment is reflected by 42nd Amendment Act in 1976 which added the term 'socialist' to the Preamble of Indian Constitution. The Directive Principle of State Policy (referred to as DPSP) contained in Part IV of the Constitution of India, 1950 in Art. 36-51, is considered to be fundamental in the governance of the country. The DPSP guides both the Legislature and the Executive while making and implementing policies in social & economic spheres to achieve a welfare state. The enactment of the Companies Act 2013, and the inclusion of CSR by the Government of India reverberated the welfare discourse of redistribution and rights to reduce the societal inequality.

### **Suggestion**

The CSR intervention should be intertwined by stories to deepen the impact. The storytelling is critical to strike the emotional chord and persuade the beneficiaries to move away from old ways of mind set to embrace change. The targeted group could draw a comparison of their real-life to story characters which triggers a motivation to build necessary capabilities to face the harsh realities. The behavioural change of socially conditioned mind set to adopt the new

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<sup>13</sup> Diptasri Basu, Acumen Funds Model of Social Investment (Centre for Public Impact, 21 February 2017) available at <https://www.centreforpublicimpact.org/case-study/acumen-funds-model-social-investment/> (accessed on 15 June 2020).

ways of life requires persistent motivation, as slipping to old ways is quite easy. It is important to recognise and focus on the values that drives the community.

A story that inspired many villagers in Belgavadi is the success story about the family, who belonged to lower economic group and successfully achieved class mobility, being landless peasants, daily wages were the main source of income. They refused to give up at the face of financial hardships and managed to educate three children. The beacon of light through the ardent journey was the Government policy initiatives that extended a holding hand. Their children availed the affirmative steps meant for lower socio-economic class including Reservation in Educational Institutes and jobs to secure high rank Government Employment.

This story's enabler is the core value - 'Resilience', not giving up in the face of hardships and 'flow of information' about affirmative action to enable decision making.