

Review Article

ROLE OF CSR IN SUPPORTING TRIBAL HANDICRAFTS OF JHARKHAND

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Abstract

The study aims to investigate the contribution of corporate houses towards the socio-economic development of the local communities with the focus on women artisans in Jharkhand. The study highlighted the importance of CSR in promoting local craft culture and supporting artisans. It also discusses how the CSR projects are acting as a tool of skill development for tribal artisans in Jharkhand. This study also critically compares the CSR initiatives adopted by Jindal Steel and Power Ltd. and Tata Steel Ltd. in light of the promotion of tribal handicrafts. The inductive approach has been adopted in the study because the research is focused on the comprehensive description and analysis. In the end, the study explores the impact of such projects on the socio-economic development of the local community. It should be noticed that this way of promoting art could also be used by other CSR initiatives to change the lives of the unprivileged sections of society.

Keywords: Handicraft, CSR, Promotion, Skill development, Marketing, Tribal

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INTRODUCTION

Jharkhand state is known for the forest, rich minerals, and fertile soil. It is also a tribal populated state with 28% of tribal and 14 Primitive tribal groups. As a result of coal mines and other mineral resources, some big corporate houses are operating in the state. Over the years many corporate organizations have been involved in providing training to the tribal men and women for their livelihood specifically either in handicrafts or in their culture-related activities like folk dance, theater, etc. Tata Steel Ltd. and Jindal Steel & Power Ltd. are two business giants that are active in business operations in Jharkhand. Both of them are working for the promotion of local artisans by assisting them in Techniques, Finance, and Marketing.

In India, it has been observed since ancient times that people used to donate their wealth voluntarily to help the underprivileged. The Mughal Emperor Mhod. Akbar was known for his social welfare activities like tree plantation, road making and geological parks creation for the local public. But in ancient India, it was more out of personal intention rather than compulsion. The intention behind this philanthropic act is generally to seek blessings in return.

Corporate Social Responsibility and Handicraft Sector

The concept of corporate social responsibility surfaced during the 1950s and 1960s. Indian companies are now realizing the importance of CSR (K.N.Ajith, 2014). According to the World Bank, CSR can be broadly defined as "the commitment of the business to contribute to sustainable economic development by working with employees, their families, the native community and society at large to enhance their standard of living." According to Socio-Economic and Educational Development Society (SEEDS), approximately 70 lakh artisans are engaged in the handicraft sector all over India. Handicraft items are generally purchased for decorative purposes. The viability of handicrafts can be increased by innovatively adding utility dimensions. These handicrafts can be marketed as green products. Customers nowadays are aware of environment-friendly products and willing to spend extra price for such products as a part of green campaigns (Bhattacharjee, 2012).

CSR has proved to be a tool to boost the Handicraft sector. Corporate houses are realizing that the Handicraft sector is left behind. So, some corporate houses are working actively on

supporting handicrafts by providing technical, financial and marketing assistance to the artisans. It incorporates all the efforts taken for the protection and preservation of national heritage, art, and culture. The efforts like restoration of sites and monuments of historical importance and craft development would also come under CSR ambit.

The definition of handicraft given by UNESCO/ITC (1997) "Artisanal products are those produced by artisans, either completely by hand, or with the help of hand tools or even by mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. The special nature of the finished products derives from their distinctive features, which can be utilitarian, aesthetic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant" (Ghosh).

According to the latest study, smaller firms are spending more on CSR than bigger firms (CRISIL, 2016). With the help of CSR, corporates can instill commercialization and professionalism in the production process. Corporates can enable the local economy to reap the benefits of globalization by providing adequate marketing skills. For capacity building training to semi-skilled and unskilled manpower is the objective of social activities. This will help to get the required skilled manpower from within the locality (Neogi, 2010).

As quoted by (Blowfield M., 2005) "CSR is an umbrella term used to describe different socially oriented practices." The commission of the European communities (2001) emphasized that being socially responsible means to go beyond legal compliance and support civilization, the environment, and the stakeholders. In Modern business scenarios, social responsibility is an intrinsic strategic component to achieve and sustain the corporate objective rather than "mere" or "pure" charity (G. Bahaudin Mujtaba, 2013). Indian Government emphasizes the concept of "responsible business" in the voluntary guidelines for companies (Ministry of Corporate Affairs, 2011).

Companies are realizing the importance of the socio-economic development of the local community and actively engaged in CSR practices. For rural development, CSR initiatives should aim to provide income generation activities. For better planning and implementation of CSR activities, a company should have a

dedicated CSR department for better evaluation. A company should survey the concerned area to know the need of the local people. A company should prepare a CSR progress report annually for better transparency. The government should act as a motivator, facilitator and enabler of CSR rather than a dictator (Dipti Mal., 2014).

Indian executives agreed that CSR is relevant to their business and they also felt that business is accountable not only to shareholders and employees but also to the customers, suppliers, society and the state (A.F. Khan, 1987). This might be the benefit of CSR that it can be used as a sort of defense strategy when organizations have been attacked for malicious practices (Cohen, 2010).

On May 9, 2015, in the first meeting of the governing body of the corporate social responsibility (CSR) council, Chief Minister Raghubar Das said that private and public-sector companies collectively contribute approximately Rs. 400 crores towards the annual CSR fund in Jharkhand.

Social anthropologist (Padel, 2010) an activist against the mining policy of the Indian government has observed that “on the one side, there is eco-side and on the other, displacement and dispossession of Adivasis which is cultural genocide.” As a part of CSR, TATA has worked for primitive tribal groups of Jharkhand. It is observed that social transformations are taking place as a result of their CSR initiative. The youth of PTG responded enthusiastically. Sustainable livelihood and income options can be generated through the making of handicrafts. The contribution to society is ethnic goods (Agarwal R. et al. , 2013).

Local artisans are struggling to revive their traditional craft and culture. They have to compete among themselves to get funding from the Government for their empowerment program to survive their traditional handicraft. Cultural heritage act as a bridge between local people and the government. Local artisans are manipulating cultural heritage to obtain grants and resources to pursue their traditional handicrafts (Liao, 2010).

Marketing is a very important aspect of the current market scenario. Internet marketing is a new trend in the marketing of the product as it is very popular among customers. The popularity of internet marketing lies with the fact that it provides all information like product information, product price, product designs, etc. the number of internet users is increasing day by day including rural areas. Hence Internet marketing is the cheapest mode of marketing. It saves time and money. There is no need for an advertisement for a product through banner and posters as it puts the extra burden to the firm (Dilip Kumar, 2013).

**Research questions**

- How CSR projects impact the promotion of tribal handicrafts?
- What is the experience of localities who are engaged in the CSR initiatives?
- What is the relationship between Government bureaucracy, business bureaucracy, and community development?

**RESEARCH METHODOLOGY**

The research methodology is based on the stated research questions. It has incorporated both primary and secondary data. For primary data collection, a survey was conducted at Ranchi and Jamshedpur of Jharkhand in the month of September 2019. The research also used secondary data sourced from national and international journals, articles of newspaper and magazines, auditor's annual reports, CSR reports of respective corporate houses and media reports. In this study available secondary data has been extensively used. Both primary and secondary data were enumerated and recorded to understand the CSR initiatives of Jindal Steel and Power Ltd. and Tata Steel Ltd. for the promotion of tribal handicrafts.

The research has adopted inductive thematic analysis method to study the impact of CSR projects in the promotion of tribal handicrafts, and to explore the experience of local communities who are engaged in the CSR initiatives of Jindal Steel and Power Ltd. and Tata Steel Ltd. Inductive approach is suitable for present study because the research is focused on comprehensive description and analysis. Thematic analysis can be explained as “a method for identifying, analyzing and reporting patterns (themes) within data” (Braun & Clarke, 2006). As a consequence of using the inductive approach, the study cannot be used to impart generalizable knowledge. The study only deduces the respondents’ understandings of the phenomenon of CSR.

The authenticity and effectiveness of the study are based on the design of a study (Esaiasson et al., 2007). The authors have used a personal interview method in which they have identified relevant themes from the theoretical framework. These themes were also used for data analysis, discussion and drawing the inferences. The selected method is appropriate to attain consistency between the theoretical and operational framework.

Table 1 explains the themes and respondents of the respective research questions of the study. A theoretical framework has been designed (figure 1) based on themes and sub-themes.

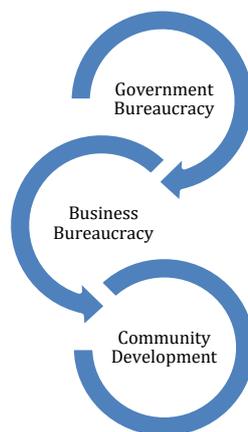
**Table 1: Relevance of the themes to the research objectives**

Research Questions	Themes	Respondents
How CSR projects impact the promotion of tribal handicrafts?	Major CSR initiatives of Tata steel ltd. and Jindal steel and power ltd. for the promotion of tribal handicrafts.	CSR representatives of the Tata steel ltd. and Jindal steel and power ltd.
What is the experience of localities who are engaged in the CSR initiatives?	What the local community perceives about the CSR initiatives and activities of Tata steel ltd. and Jindal steel and power ltd., what are positive and negative factors for them, etc.?	Local artisans who are and those who are working with CSR initiatives of Tata steel ltd. and Jindal steel and power ltd.
What is the relationship between Government bureaucracy, business bureaucracy, and community development?	How these CSR initiatives contribute to the development of local communities?	CSR representatives and Local artisans who are working with the Tata steel ltd. and Jindal steel and power ltd.

**Findings and Discussion**

India is the first country in the world that has enforced mandatory Corporate Social Responsibility. As per the Companies Act, 2013 law, it is mandatory for the corporate houses to shell out at least 2 percent of their three—year average annual profit towards the CSR. They have acknowledged that there is no stability and sustainability in

business without the socio-economic growth of the local communities (Dipti Mal., 2014). In the words of Mr. Narayan Murthy (Infosys Founder) Social responsibility is to incorporate maximum participation in the interest of all associates, employees, clients, and the society, government, and the environment.



**Figure 1 Interrelation between Government bureaucracy, Business bureaucracy, and Community development**

Concerning Government, Corporate and local communities, the author has proposed the inter-play of Government bureaucracy, business bureaucracy, and community development. As shown in figure 1, the government of India abiding the company act 2013 by mandating CSR. Also, the business bureaucrats ensure to encourage community welfare through their CSR activities.

Given figure 1, this section has further described the initiatives of Jindal Steel & Power Ltd. and Tata Steel Ltd. as a further explanation of interrelation between Government bureaucracy, Business bureaucracy and Community development for skill development and handicraft promotions of the local community in Jharkhand.

#### **Jindal Steel & Power Limited**

Jindal Steel & Power Limited has adopted few villages and is providing skill development training for handicrafts to the women artisans of the adopted villages. At present, they are operating two programs as follows:

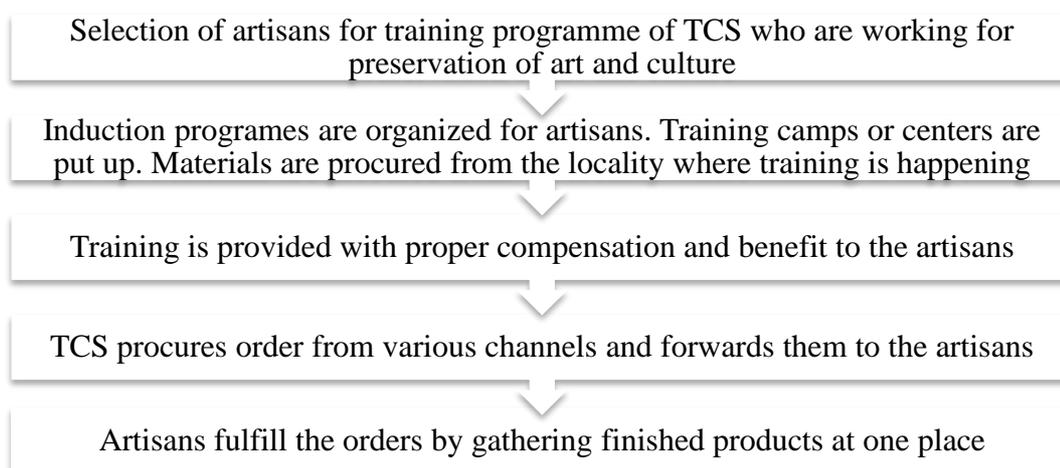
- 1) **Akriti:** Akriti centers encourage the production of hand made products by imparting skill development training to women artisans of adopted villages. It also encourages experimentation with handmade products with technical support from the consultants. At Akriti centers, women artisans are trained for product design, product manufacturing process, and marketing of the product. This center facilitates the rural women artisans to earn around Rs. 5000-10000 per month. As a result, this initiative has improved the socio-economic condition of the women artisans. On asking about the role of Akriti a women artisan said, "Akriti has provided us economic and social support. This has inculcated a sense of independence within us..."
- 2) **Odifab:** Odifab provides a platform for the diversified jute products that are manufactured by the rural women artisans of adopted villages. There is a self-help group engaged in the manufacture of various kinds of jute products including accessories. Each self-help group is

comprised of 10-members. This initiative is a part of the company's zero-polythene movement. This movement is targeted to generate environmental consciousness amongst the community within as well as outside. This self-help group has been receiving a continuous flow of orders for office and home accessories. This movement is getting support from other corporates as they are making bulk orders for jute office supplies to eradicate polythene use in their offices. A women artisan expounded by saying that, "We learn to make jute product in a group. After finishing our house chores, we come to work here. This has been a really great thing for us as we are earning by doing what we enjoy..."

#### **TATA Steel Limited**

Tata Steel has been working for a long time to provide skill development and socio-economic development of the local community of Jharkhand with its following initiatives:

**Tribal Cultural Society (TCS)** – TCS promotes and preserves the tribal heritage and culture of Jharkhand (Agarwal, Pruthi, Lodhi, & Kumar, 2013). TCS has propounded a marketing model for selling handicrafts (Figure 1). As per figure 1, TCS begins a marketing model for selling handicrafts with the identification of artisans who can contribute to the preservation and promotion of local craft culture. After that, they organize induction programs for skill development training to artisans followed by procurement of orders from various channels. At the end artisans complete the order on the given time frame and gather in one place. Tata Steel helps to link local artisans to different platforms like Ambedkar Hastshilp Yojana and Gramshree Mela (in collaboration with the Council for Advancement of people's Action and Rural Technology (CAPART)). Such actions of Tata Steel help local artisans in terms of skill development training and market linkages. An artisan quoted that, "We have been fortunate that we are being trained by TCS, as this has helped us to be craft skill equipped. We get raw materials by TCS and in return we give them finished craft product."



**Figure 2 Marketing model for selling handicrafts**

(Source: Article No. 7, AIMA Journal of Management & Research)

1) **Karigar–Okhai:** It is an exclusive handicraft retail in Jamshedpur; started in 2002 by Urban Services department, Tata Steel and Tata Chemicals Society for Rural Development (TCSR) for providing retail support to handmade apparels and accessories. It is focused to provide sustainable livelihood support to rural women artisans. Karigar have also started doing business on e-commerce at Okhai.org. This program has been a perfect way of supporting rural women artisans in terms of social and economic development by utilizing their creative skills. This initiative has been a great income support for more than 350 women through engagement in making colorful and exquisite Appliqué Work. On asking about the experience at Karigar one women artisan said, “I can’t express my experience in words as this has been a really important phase of our lives. It has provided us sustainable livelihood and made us economically and socially independent. We have learned so much here like

new craft techniques, fresh designs and most importantly the need of customers...”  
 2) **Tata Steel Rural Development Society’s (TSRDS) in collaboration with Pipal Tree:** TSRDS is a parent NGO that is supporting a Child NGO Pipal Tree under their CSR; where they provide sustainable livelihood to deprived women by imparting woodcraft skills. The Pipal Tree has trained 2000 women in Jharkhand in collaboration of TSRDS. Pipal Tree has organized workshops for the production and marketing of woodcrafts at various craft fairs and exhibitions. Their initiative has been benevolent to ameliorate the socio-economic state of women artisans. Also, the Pipal Tree has improved their standard of living. Few artisans have become an entrepreneur. This initiative has also developed a sense of independence for rural women artisans. A women artisan of Pipal Tree said, “this initiative has made us learn woodcraft skill and we can work from home too. I feel economically empowered.”

**Table 2 Comparative analysis of Jindal Steel and Power Limited and TATA Steel**

	<b>Jindal Steel &amp; Power Limited</b>	<b>TATA Steel Limited</b>
<b>Number of CSR initiatives</b>	2	3
<b>Name of CSR initiatives</b>	Akriti and Odifab	Tribal Cultural Society, Karigar–Okhai and Pipal Tree under TSRDS
<b>Objectives of CSR initiatives</b>	<ul style="list-style-type: none"> <li>To promote local craft practices</li> <li>To discourage polythene and promote eco-friendly office products</li> <li>To ameliorate the socio-economic state of women artisans</li> </ul>	<ul style="list-style-type: none"> <li>To preserve and promote local craft practices</li> <li>To link local artisans to different platforms</li> <li>To provide income opportunities to socio-economic deprived women artisans</li> </ul>
<b>Outcomes of CSR initiatives</b>	These initiatives resulted in skill development and socio-economic development of the local community via CSR projects	These initiatives resulted in the preservation and promotion of local craft practices along with skill development and socio-economic development of local primitive tribal communities.

Table 2 compares the CSR initiatives of Jindal Steel and Power Limited and TATA Steel. In this table, the author listed the number of CSR initiatives, the name of CSR initiatives, objectives, and outcomes CSR initiatives of Jindal Steel and Power Limited and Tata Steel Limited.

**CONCLUSION**

As Jharkhand is minerals rich state of India, this has been an inviting source for big corporates like Jindal Steel and Power Ltd. and Tata Steel Ltd. They have taken a lot from the local resources and communities. Also, this has been the reason that they are actively involved in the promotion of tribal handicrafts via their CSR projects. They have designed dedicated CSR

initiatives like Akriti, Odifab, TCS, TSRDS, and Okhai in the interest of providing sustainable livelihood to the local communities. These initiatives have contributed to the preservation and promotion of local craft practices. It has also helped in the skill development and socio-economic development of the local communities with the focus on women artisans. This has not only promoted the local handicraft sector but also encouraged women empowerment. It should be noticed that this way of promotion of art could also be used by other CSR initiatives to change the lives of the unprivileged sections of society.

### Suggestions

CSR in Handicraft can act as a motivator for Artisans. Traditional artisans find it difficult to continue their craft because of no livelihood support from that craft. Hence it is suggested to the corporate houses that are operating in their region should take appropriate measures for the survival of traditional handicrafts that are in danger.

Each company should prepare its annual CSR report, which is now mandatory under the new company act. In the annual CSR report, a company should publish the details about beneficiaries. Before launching the CSR project, a company should survey the area of concern for the local people so that the involvement of local people will be enhanced. A company should have a dedicated CSR department for better planning, implementation, and evaluation of CSR policies.

Corporate houses should also come forward for the preservation of traditional craft and culture by providing technical, financial and marketing assistance. Through CSR efforts of Corporate houses, Artisans should be taught about designing contemporary artifacts by using both traditional and modern methods. Artisans can also be taught about Internet marketing that it can be used as a great tool to sell their products and create awareness about handicraft products.

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