

# The long road to a society of equals

By adopting the affirmative action agenda, the private sector has taken the first steps in addressing a pressing social need, not to mention doing the right thing, says **Ajay Kumar**

One of India's biggest social justice challenges is to improve the plight of one quarter of the population — the 300-million odd members of scheduled caste and scheduled tribe (SC / ST) communities, who represent India's poorest of the poor. But, till recently, India's private sector had few initiatives directed at the SC / ST communities.

It's true that the Indian private sector has long had philanthropy and corporate sustainability (CS)-related programmes — the Tatas perhaps more than any other business house — and that the beneficiaries of these CS efforts by companies have, to a significant extent, belonged to SC / ST communities (mainly because of the high correlation between the ranks of the poor and these communities).

However, it's equally true that the private sector has not focused on impacting SC / ST communities in the area that it understands best — job and wealth creation. Until a few years ago, India's private sector had not felt the need to do anything specifically for the SC / ST

communities, unlike the public sector, which has had job reservation quotas for people from the SC / ST communities for many years now.

## PRESSURE OF CHANGE

The 1990s set the stage for the issue of job reservations to arrive at the doorstep of the private sector. As the economy liberalised, the share of the public sector in job creation stagnated, ringing alarm bells for SC / ST activists (particularly employee associations of SC / ST communities) who foresaw a sharp narrowing of employment options for their own. Inevitably, there was a call for extending job reservations to the private sector, a demand raised by SC / ST employees' associations through political parties.

The current Indian administration, ▶▶



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run by the United Progressive Alliance (UPA), placed the issue of job reservation on the national agenda. In the run-up to the 2004 elections, the UPA committed to holding a dialogue with Indian industry on ways to meet the “aspirations of SC /ST youth, including on reservations”. After the UPA came to power, Meira Kumar, then minister for social justice, began the dialogue with a meeting with Tata Sons Chairman Ratan Tata, at which Mr Tata volunteered to anchor a statement committing industry to help the government in ensuring greater social justice to the SC / ST communities.

**POSITIVE STATEMENT**

The statement, issued in May 2005, was signed by 20 businesspersons, including Mr Tata, Rahul Bajaj (chairman, Bajaj group), Kumar Mangalam Birla (chairman, Aditya Birla group), Jamshyd Godrej (chairman, Godrej group), Keshub Mahindra (chairman, Mahindra & Mahindra), Sunil Munjal (chairman, Hero Corporate Service), NR Narayana Murthy (chairman emeritus, Infosys), Deepak Parekh (chairman, HDFC) and Azim Premji (chairman, Wipro). It committed industry to “implement in letter and spirit a programme of affirmative action (AA)” through “providing quality education, facilities for skill development and creating a culture of entrepreneurship” among SC / ST youth. Importantly, it also made a significant declaration — that “merit is not a natural phenomenon but shaped by social circumstances”.

Prime Minister Manmohan Singh then galvanised industry at the national council meeting of the Confederation of Indian Industry (CII) in April 2006 by saying, in effect, that if industry did not voluntarily adopt an ambitious programme of affirmative action for the SC / ST communities, he would not be able to resist the political pressure to legislate job reservations in the private sector.

**FIRST MILESTONE**

That was a wake-up call. The CII asked Dr Jamshed J Irani, the then chairman

of Tata Quality Management Services, to head a taskforce to prepare an affirmative action programme for Indian businesses. The taskforce report, submitted to Prime Minister Manmohan Singh in July 2006, was a significant milestone that marked the first real engagement by the Indian private sector with an issue that was complex, inherently political and with no immediate connect with a company’s performance.

The taskforce prepared a code of conduct on AA for companies, which enjoined them to follow a policy of non-discrimination, and listed a series of time-bound “concrete steps” as AA programmes for industry to implement under four main heads, also known as the “four Es”:

- Employment
- Employability
- Entrepreneurship
- Education

The main points of the AA report were:

- The private sector should reflect greater representation of SC / ST communities in its new recruitment “at all levels”.
- These efforts to become visible within a year.
- Larger companies to create at least one SC / ST entrepreneur; with 100 to be created in the first year.
- Quality and cost being equal, companies to give preference in their procurement to enterprises where promoters, partners, and proprietors, and / or a majority of workers are from the SC / ST communities.

Not surprisingly, the report reiterated the private sector’s opposition to job reservations as that would “compromise the sanctity of its non-negotiable freedom of choice in employment”.

**RESPONDING TO A NEED**

But a major threshold had been crossed: the private sector had explicitly admitted to a role in addressing a social need, not just as a

philanthropic or CS response, but in lending its shoulder to an explicit social justice issue mired in millennia-old social prejudices and practices.

Strangely enough, the very first challenge that the taskforce faced was in getting caste-based data relating to employment. No company had information regarding the caste affiliations of its employees. And trying to collect this data came with its own set of risks.

One of the apprehensions voiced at the taskforce meetings was that if such information were to be sought, it might create discord and division at the workplace. Yet, it was evident that if the private sector was to demonstrate progress in achieving its intention of “greater representation” of SC / ST members on its companies’ rolls, it first needed the base data as a record of the actual ground reality.

Eventually, it was felt that there really was no choice but to gather such data. And, there was one positive note: Tata Motors had actually initiated such a census successfully and without any ripples. The company had made the census voluntary and transparent, taking pains to reassure its workforce that this factoid would make no difference to their professional lives.

### POSITIVE STEPS

It has been five years since the private sector took that first step towards affirmative action; the journey has recently begun, though there has been some progress:

- 729 CII member companies have signed the code of conduct.
- Nearly 39,000 SC / ST youth have received training to enhance their employability.
- The CII has adopted the backward districts of Cooch Behar and Nawanshahr for a focused intervention on all the four Es by business.
- CII members have pooled in to finance over 200 scholarships of up to ₹6,000 a month for SC / ST youth.
- Member companies are being encouraged to look at outsourcing goods and services to members of the Dalit India Chamber of Commerce and Industry.

### THE TATA WAY

For the Tata group, the AA framework was created by the Group AA policy, recommended to the companies by the Group Corporate Centre, which committed Tata companies to a policy of “positive discrimination” in hiring employees or appointing vendors and dealers by favouring SC / ST candidates or companies, provided merit, quality and cost were not being compromised.

Today all Tata companies with operations in India have active programmes under the four Es. While the older companies have built on their CS legacies to sharpen their focus on the SC / ST communities as beneficiaries of their social activities, the newer companies have tried to align their AA outlook with their growth strategies by, for instance, scaling up their skills training of SC / ST youth to feed not only their own future needs but of their industry as well.

Providing direction and encouragement to the companies is the Group Forum, a group of Tata CEOs that was earlier headed by Dr Irani and now by Tata Steel vice chairman B Muthuraman. Having built up sufficient momentum under the AA programme, last year the forum decided to set up a group-wide benchmarking system. The objective is to embed AA into the DNA of Tata companies by focusing senior management attention on AA and directing the companies to engage with the social impact of their AA programmes.

The Tata legacy of social responsibility has meant that the complex challenge of AA for the SC / ST communities is addressed from a sea of empathy in the companies. But empathy, as philosophers have noted, needs to transcend to a strong sense of social duty; this is the only way that a political mandate can meaningfully translate into ways of redressing the neglect of one quarter of India’s population.

The good news is that there are already several Tata hands with a very high degree of commitment to the AA cause. That is enough to fire the belief that in this national endeavour too, as in many others in the group’s history, Tata will be a leader and show others the way. □