

## **The Advantages of Globalization and the advent of CSR in India**

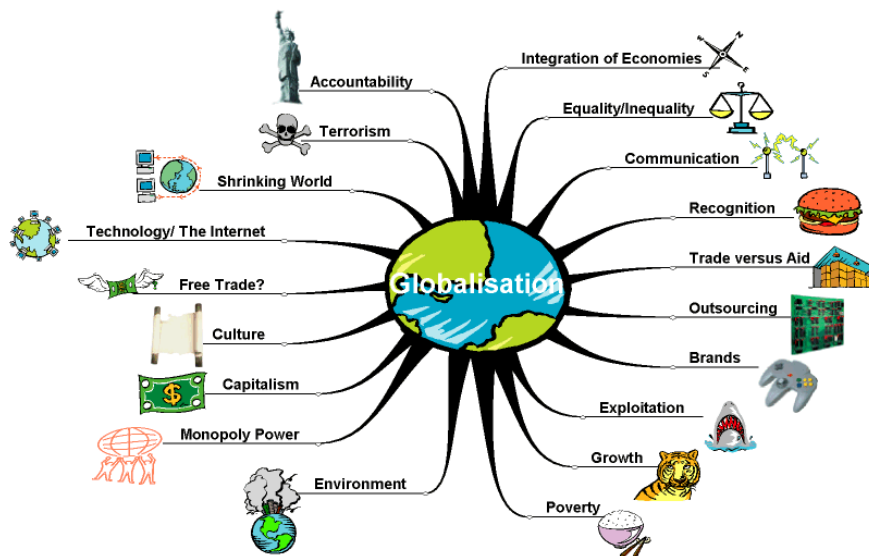
Before the introduction of Liberalisation, Globalization and Privatization, India was reeling under the licence raj system, those not familiar with the term should know that “**Licence Raj** or the **Permit Raj**, refers to the elaborate licenses, regulations and accompanying red tape that were required to set up and run businesses in India between 1947 and 1990.

The Licence Raj was a result of India's decision to have a planned economy where all aspects of the economy are controlled by the state and licences are given to a select few. Up to 80 government agencies had to be satisfied before private companies could produce something and, if granted, the government would regulate production. This practice seriously hampered the growth of corporatism in India, thus depriving people of the employment opportunities and the capacity to choose from the products they needed. We still when going to buy washing detergent ask for “SURF” and toothpaste wasn't asked for but Colgate. This was because there were no companies to help people choose from and most of the products in Indian market were monopolized by few companies.

When the companies were not growing, the responsibility of fulfilling the “basic minimum needs” of people remained with the government. To fulfil its responsibilities GOI made some policies in which the Community Development Programme (CDP) was the first concrete effort drawn up for the development of rural areas, immediately after the formation of the Planning Commission in 1950 under the chairmanship of Jawaharlal Nehru.' The CDP, launched in 2 October 1952, was designed to initiate the socio-economic transformation of rural life. But, considering the enormity and diversity of population in India, it was but impossible to make the reach of policy to each and every citizen. The status of Indian economy in 80s was dampened with low growth rates, closure to trade and investment, a license-obsessed, restrictive state, inability to sustain social expenditures and macro instability crisis. After introduction of LPG, banishing the Licence Raj system and inculcating the development of Industrialisation in five year plan, India witnessed tremendous growth in its economy and from the average annual income of US\$619 in 1947, it touched US\$1,818. Although still lagging far behind the developing countries.

After 1991, corporate started mushrooming and affecting a large section of Indian population in terms of employment and a wide range of products to choose from. But as with everything, it also came with its own set of disadvantages.

This diagram generally represents both the advantages and disadvantages of globalization in worldwide perspective.



In Indian context, people were affected with land grabbing/procurement, water and air pollution, economic disparity, misaligning caste system etc. All these factors resulted into massive protests, strikes and dharnas showing maligned face of globalization and maladjustment of the neo-liberalism with the Indian society inclined towards socialism ideas generated by Jay Prakash Narayan and Ram Manohar Lohia- great flag bearers of socialism in India.

Whole India was embroiled in staging strikes for better “working conditions” and “conditions of work”.

Following chart presents number of strikes staged in India between year 1999 and 2008 including number of man days lost in them.

Industrial Disputes Classified by Strikes and Lockouts

Year	Number of disputes			No of workers involved			No. of man-days lost (in 000s)		
	Strike	Lockout	Total	Strike	Lockout	Total	Strike	Lockout	Total
1999	540	387	927	1099240	211455	1310695	10625	16162	26787
2000	426	345	771	1044237	374062	1418299	11959	16804	28763
2001	372	302	674	488596	199182	687778	5563	18204	23767
2002	295	284	579	900386	179048	107943	4 9665	16921	26586
2003	255	297	552	1010976	804969	1815945	3206	27050	30256
2004	236	241	477	1903054	169167	2072221	4829	19038	23866
2005	227	229	456	2722784	190817	2913601	10801	18864	29665
2006	243	187	430	1712304	98044	1810348	5318	15006	20324
2007	210	179	389	606168	118406	724574	15056	12111	27167
2008	240	181	421	1513620	65678	1579298	6955	10479	17434

Taking cognizance of the situation, GOI amended Factories Act in 1987, Industrial Dispute Act amended in 1982, bettering the situations of workers in industries and finding solutions for industrial accidents and disputes.

Another solution that corporate embarked upon was working on developing social aspects of the population affected by the existence of their set-up, to be referred from now on as Project affected People (PAP.)

Many companies working in India started their philanthropy and affected the lives of people in positive ways. Initially, people were sceptical of the company's motive behind such work and viewed them as a conspiracy, but gradually, the practices were accepted and development works started flourishing. The idea of social work also transformed from

**Charity**

To

**Donation**

To

**Development**

To finally

**Empowerment**

It should be noted that the purpose of each of these segments was different as was the needs of the population at the time of their existence.

Presently, the idea of empowerment is persistent wherein it is thought that helping someone learn to fish is better than to give him the fish.

Companies such as TATA, USHA Martin Ltd and others found themselves genuinely responsible for taking care of the needs of the people in order to fulfil their other needs apart from economic. Due to such approach, the Trade Unions, once the deciding factor in situation of labour rest and unrest in factories have been rendered redundant and the role of TUs has been taken up by Human Resource departments. The idea is to fulfil all the needs of the workers before the need of a strike arises thus leaving no scope for unrest.

Companies also involved themselves with development of people indirectly affected by their project by providing the solutions for quality education, health facilities, livelihood improvement and community development.

These practices of corporate have not only made the idea of protests useless and unnecessary but have developed their image of a mere taker from the society to giver also.

As a whole, now corporate are carrying out the responsibilities supposed to be shouldered by the government and it can be affirmed that the gap between rulers and ruled has been filled up by the development practices of companies.

References: [http://en.wikipedia.org/wiki/Licence\\_Raj](http://en.wikipedia.org/wiki/Licence_Raj)), [http://labourbureau.nic.in/ILS\\_2009\\_2010.pdf](http://labourbureau.nic.in/ILS_2009_2010.pdf)