

# The Road Map of Tata's Corporate Social Responsibilities Towards the Handicraft Industry

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**Abstract:-** Most of the participating handicraft workers have been severely affected and they are facing several issues during covid-19 such as the absence of finance, disruption in the Supply chain, decrease in demand, sales reduction and low profit, etc by the official estimated 75 per cent of handicraft workers weren't involved in the production and not any plan to handle such situation. The official reports reported that about one-third of the participating enterprises could not survive. We adopted an exploratory methodology, reviewing government policy, research papers, and government reports for the handicraft sector. Further, to add evidence, we collect data from two companies that are doing CSR for artisans in Jharkhand with the help of interviews and questionnaires. The data were analysed through descriptive statistics. This study explores the consistency with previous research/studies based on the result of my work. The proposal of CSR policy was recommended by the government of India to ease the adverse effects during the covid-19 pandemic. Although the contribution of entrepreneurs via CSR may be sufficient to boost the state's economic condition.

During covid-19 lockdown, most artisans and handicraft workers face critical conditions so their survival is in danger. Only 10 out of 30 looms are operational, fewer workers are engaged and the rest migrated and opted for odd jobs. Their stocks were accumulated and they are facing a financial crunch. A falling economy, unemployment, reduced spending, the pandemic, and subsequent lockdown have had an adverse condition in the handicraft sector. That is why such sectors are in an alarming situation, so it's not only government and corporates but also all citizens who have to contribute to the growth of the state. That's why our main motto - Local to vocal and we have to concentrate on the "Atmanirbhar Bharat"

**Keywords:-** Supply Chain Disruption, Economic Condition, Decrease In Demand, Reduction In Sales, Profit Finance, And GDP.

## I. INTRODUCTION

India is known for its kindness and welfare. We know the culture and traditions of "Dana and Seva" but the question is this- only welfare activities are the responsibilities of the state. The answer is no, it's not only the government's responsibility

but also every citizen has to participate in social responsibilities. In our history, different examples are there but the most prominent examples are Ashoka and Akbar they were different people at different times but their moto was the same social welfare for this only they did different works for the welfare of the people like digging well, building Viharas and plantation, etc. In Maha Upanisada chapter 4, hymn 71 "Vasudev Kutumbakam" is written over there, which means the entire world is our family and I know this how we are caring about the family financially, Socially, morally as well as economically. Some other evidence is there which reflects the thought towards social responsibilities, which is there Rigveda- "Bahujan Sukhaya Bahujana Hitaya Cha" is a hymn written over there in the Rigveda in the Sanskrit language, which defines the concept of "welfare of the many and material and non-material well-being." "In A free Enterprise, The Community Is Not Just Another Stakeholder in Business, But, Is in Fact, The Very Purpose of its Existence"- Jamsetji Tata. Jamsetji Tata This name does not interest anyone. He was a great Indian industrialist, who founded the group company "TATA" and established a city known as Jamshedpur in Jharkhand. We know his contribution towards nation-building he is considered as "father of Indian Industry". Now India is being developed as a country besides this, the strengthening of the socio-economic condition is most important. India is a country whose mandate for social welfare is compulsory for private corporates. Although the concept was not new CSR had been introduced by the parliament in the amendment of the 2013, Company Act. Now corporates are initiating their contribution the raise the socio-economic condition of people like artisans and labourers etc. for this purpose some NGOs and trusts also give an effort the upliftment of the socio-economic condition of the artisans. The MNCs also contribute to this under their trust and NGOs. The main motto is to give benefits to needy people. The magnificent Role contributed by the corporates like Tata Group (TCS) for the welfare of the weaker section of society.

### A. Corporate Social Responsibilities and Handicraft Sector:

Welfare towards the weaker section of society it's not only the government's responsibility but corporates are also responsible so CRS came in the existence. The concept of corporate social responsibilities was introduced during the 1950s and 1960s. Corporate Social Responsibility (CSR) is contributing towards the socio-economic integration of society's health, (skill) training, and educational and environmental concerns under business operations. The integration of the socio-economic condition of handicraft

artisans into CSR activities is also a ray of hope for nation-building. In the early '90s, Mahatma Gandhi introduced the concept of trusteeship and brotherhood which is helping socioeconomic growth for the workers. CSR was influenced by everyone whether we are looking for family values, traditions, culture, or religion.

Companies Act 2013, CSR in India has traditionally been seen as a great step towards the welfare of society. On 29th August 2013, milestone steps were taken by the Indian legislature for the upliftment of the society under the Companies Act 2013, which was replaced by the Companies Act 1956. The New act has introduced the change in society, which affects company formation, administration, and governance, and incorporates an additional section i.e., Section 135 under Corporate Social Responsibility obligations (“CSR”) for the company listed in India.

#### *B. The Role of the Corporate Social Responsibility committee*

- To examine and allocate the resources to the weaker section of the societies.
- To recommend the budget for the projects.
- The Committee monitors the CSR policy and its responsibilities

Towards the welfare corporate work is considered a milestone for the socio-economic development of the artisans and the lower class. According to World Bank, CSR can be 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 Government of Jharkhand and Jharcraft 3-4 lakh people were engaged in the handicraft sector but due to the covid-19 pandemic least of the artisans and workers were. approx. 30-40 thousand workers have engaged in these activities apart from this other unemployed and jobless that’s why they are looking for odd jobs.

The Socio-Economic condition of the handicraft workers look after by the Government, CSR, and as well as different NGOs and Educational Development Society (SEEDS), approximately 3-4 lakh artisans are engaged in the handicraft sector in Jharkhand. Handicraft means an item finished by the common people (artisans) by their hands or with the help of traditional style. Handicraft items are commonly expensive and especially include decorative items. Handicraft items are generally processed with natural raw materials means organic items like clay, bamboo, wood, Metalwork (Dokara art) and painting work, etc. Jharkhand tribal handicraft is prominent in all handicrafts but lack of some economic issues it is declining nowadays, so everyone must think about the handicraft sector hurdles are there which are creating problems for this industry like lack of awareness, lack of market opportunity, lack of

finance, etc. Because the attention of the government, as well as corporates, was hidden but the handicraft sector is the second largest sector after agriculture which is mostly for the development of the state most of the villagers are engaged in this sector for their livelihood or survival. After the attention of the government as well as corporates this sector contributes to the state GDP. With the help of CSRs work corporates are contributing towards the handicraft sectors - providing market opportunities, technical support, and providing training for the artisans. Handicrafts are mostly defined as “Items made by hand, often with the use of simple tools, and are generally artistic and/or traditional. They also object of utility and objects of decoration.” The Handicraft in Jharkhand is mostly created by the various tribes and their people. Here raw material like bamboo is abundantly available so the tribes are engaged in making bamboo articles. The following e crafts of Jharkhand are in traditional works of its tribe which are done by hand. The various crafts of Jharkhand include tribal ornaments, bamboo crafts, Patkar painting, Madhubani painting, Khobar painting, woodcraft, Metalwork like Dokra art and stone carving, etc. The artisans are residing in the village, and their lives are based on nature but some problems are associated with artisans without government intervention the upliftment of artisans is not possible so the upliftment government initiated a different program to improve the living standard of artisans, provide basic health facilities, training for the artisans, to provide market and exhibitions, etc. Most of them are poor for substantial growth education is most important for the Socioeconomic development of the artisans.

#### *C. Economic importance of handicrafts:*

Jharkhand’s Handicrafts reflect the rich cultural heritage, customs, and traditions of the artisans who are mainly tribes. An effective taken by the government, companies or corporates, NGOs as well as the rational citizen of the state handicraft worker for the upliftment of the socio-economic conditions to provide training, advanced implements, technological improvements, availability of market, financial support to boost the growth of the sector. These are steps taken to boost manufacturing of the handicraft sector which is helpful for the growth of the nation, so handicrafts are contributing to GDP share in the economic development of the state. They Provide huge employment opportunities even with low capital investment because it is focused on labour-intensive techniques. It is also the prominent medium of foreign income and it also increases the export for the national income. India is the largest supplier and developer of handicraft items since the ancient period. we have seen a socioeconomic change in the Indian economy after industrialization in India. But before industrialization, this industry and art and culture were a potential economic advantage for the country for the perseveration of handicraft art. In recent years most of the value of the crafts has increased due to their cultural and financial integration. Small-scale industries including handicrafts can play a significant role in the development of the state. These are the main base of handicraft sectors like the Khadi industry,

(Sericulture) silk industry, Bamboo work, Metal art (Dokra), Terracotta art, and traditional ornaments, etc.

Corporate Social Responsibilities (CSR) towards Society: After enacted the Law of CSR in the 2013 Company act and under section 135 in India. The Board of directors will make sure that the company has all resources for the welfare of society in every financial year, which is a minimum of 2% of the average net profits made by the company during the consecutive regular three financial years. This will be incorporated with different social work which is beneficial for the welfare of society.

The company will spend their income on the eradication of hunger in the country, poverty, giving opportunities for employment to all, providing education for poor children, providing health care facilities, promoting education, employment training, via vocational skills, Promoting gender equality, empowerment of the women in the rural areas, setting up homes and hostels for women, ensuring environmental sustainability, ecological balance, conserve the national heritage, Disaster management, Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

#### *D. Importance of the study*

- The government and CSR are expecting to create awareness among the artisans of handicrafts, thereby enhancing creativity and creation.
- This study provides a better understanding of the CSR contribution taken by the corporates especially the Tata group of Companies under the umbrella of CSR.
- With the help of this study, the researchers can explore How corporates are incorporated into the handicraft sector and which type of steps take them to uplift the socio-economic upliftment of handicraft workers and artisans.
- This study introduced CSR and the contribution of the handicraft industry to the economic growth of the artisans as well as the state.

#### *E. The Objective of the study*

- To examine the Economic condition of handicraft workers.
- To develop a platform for the artisans for trade and commerce.

#### *F. Research Questions*

- How does TCS impact the socio-economic conditions of handicraft workers?
- What are the contributions of local people in CSR towards the handicraft industry?

## **II. RESEARCH METHODOLOGY**

This research paper is descriptive and reviewed, based on primary as well as secondary data. In the proposed article primary as well as secondary data has been collected from interviews and various research papers, journals, books internet, some government data, etc. The data has also been taken from various documents such as books, newsletters, reports, magazines, journals, newspapers, the internet, and existing literature to understand the importance and contribution of the handicraft trade. As a consequence of using the review approach, the study is based on different work done by corporates for the welfare of society and the weaker section of society. The study only studies the respondents' understanding of the contribution of CSR.

The authenticity and effectiveness of the study are based on the design of the sign. the author has to use the personal interview method to identify relevant themes from the theoretical framework. In this article different techniques are also used for data analysis and discussion.

TATA Steel Limited: The Tata group company significantly strengthens the handicraft artisans' socio-economic condition. Tata group is a Renault name in the Indian industry. A person whose initiative paved the foundation of the steel industry in India under the establishment of the TATA Group a company that founded TATA company- Jamshedji Tata. Due to his contribution, he is considered the father of industrial India. At the start he worked in his father's company afterwards; he established his dream project establishment of The Tata group of Hotels in Mumbai. After his death, his older son Dorab Ji Tata established Tata iron steel company (TISCO), Now it is known as Tata steel. In 1907 western Indian first hydroelectric power plant was established, so his work gave the birth of Tata Power. In 1911 another dream project was founded by the Tata group which was the establishment of the Indian Institute of Science. Till now companies were established approx. 100 companies around the globe under the umbrella of Tata group which gives birth to the Tata Group of Company.

Tata group of company's CSR contribution Purpose for CSR: Social responsibilities for society in the blood of Tata's family for this only initiative were taken by Jamshedji data for the education of the scholars. When CSR came into existence under section 135 of the Companies act, 2013, Schedule VII to the Act and further the companies Rules, 2014 including amendment and modification. Our tremendous contributions are seen by us for the welfare of society.

Vision: Creating connected societies to advance the well-being of the people and planet'

Recognizing the systemic, global challenge of equitable resource distribution, social inequality, environmental degradation, and climate change, upliftment of the socio-economic condition of the weaker section of the society like artisans, Tata communications envision a future which has at its heart, social and planetary well-being.

➤ *Tata Motor's Key focus area for CSR*

Tata CSR is not only the welfare of the people but besides human capital formation, they are also contributing towards the Environment under the project name of "Vasundhara" mainly Tata CSR is based on seven concepts national and international these are-

1. Aarogya for health, 2. Kaushalya 3. Amrutdhara, 4. Seva, 5. Vidyadhanam 6. Vasundhara 7. Aadhaar etc.

1. **Aarogya:** Under the leadership of Tata company tata motors initiatives known as Aarogya, which includes health initiatives for malnourished children under the age of 6 years. Apart from these, different facilities are taken by tata motors under the Aarogya scheme to facilitate the nutritional food staff. This initiative also creates awareness among the parents to provide a complete feed for the child.
2. **Kaushalya:** To accelerate the employability generation in India, this initiative was taken by tata motors different types, of course, are available for the youth which creates an employment opportunity under the skill development program in India.
3. **Amrutdhara:** To Provide safe drinking water is the motto of Amrutdhara. Due to the depletion of the water table in India, one-third of districts suffer acute water shortage and extreme water table depletion also leads to such type of problems. Amrutdhara is a step taken by tata motors and Sumant Moolgaokar Development Foundation (SMDF), which is an NGO they are working together to provide safe water in rural areas, under its Corporate social responsibilities. In 1980 Government reported only 1% of India's rural areas had access to safe water.

### III. TRIBAL CULTURAL SOCIETY (TCS)

Tribal cultural society was established by the Tata company in 2008 in Jharkhand, India. Tata company is with the tribal people this affirmative action should be taken by the corporates to uplift their conditions.

In Jamsetji's words- "The belief that no material success is worthwhile unless it serves the needs and interests of the people". Tata's CSRs journey began with the up-gradation of the socio-economic condition of tribal people in the 1970s and separate communities were created for Dalits and tribal people in Jharkhand. Which is a name given – Adivasi & Harijan welfare cell in 1984. Which was later named tribal cultural society. Such steps focus on the integration of the socio-economic condition for tribal people in the field of art & culture, Education & Literacy, Health, and Nutrition, (MSMEs) Micro Small and Medium Enterprises, and tribal welfare and self-help

groups (SHGs), etc. Different NGOs are incorporated with the Tata group of companies to uplift and improve the economic condition of the tribal people. Under TCS different initiatives were taken by Tata such as the Ambedkar Hastship yojana and Grashree mela under the CAPART, which creates a positive impact on society.

A. *Ambedkar Hastshilp Visash Yojana (AHVY):*

In the year 2001 the central government of India has taken steps towards the improvement of socio-economic conditions of handicraft workers, especially for textile or handloom workers. The main motto of this scheme is to view to mobilize the handicraft artisans who are involved in community business enterprises with the help of NGOs and some SHGs. These are the silent feature of Ambedkar Hastshilp Visash Yojana –

- To take surveys and mobilization for artisans.
- Upgradation of machines and tools.
- To develop a Human Resource Development Program
- To Provide marketing and supply chain

The steps were taken by the central government to organize Hastkala Sahyog Shivers. In more than 300 places all over India Provide microfinance through Mudra bank, Marketing, creating employment opportunities, Provide Life Insurance for the artisans under Pradhan Mantri Jeevan bima yojana, Aam aadmi bima yojana, Pradhan Mantri Suraksha Bima Yojana, etc. These steps were taken by the government for the Handicraft sector because workers working in this sector are unsecured because they are working in an unorganized sector.

B. *Gram Shree Mela Under Tata Steel Rural Development Society (TSRDS) and Tata Chemical Rural Development Society (TCRDS):*

Under the collaboration of Tata Steel Rural Development Society (TSRDS), Tata Chemical Rural Development Society (TCRDS) and Council for Advancement of People's Action and Rural Technology (CAPART) has organized gram Shree mela at different places in India. These are the steps to give Satanity to handicraft artisans in over the country. This is an opportunity given by the central government to come to one place and enhancement the development of handicraft artisans. During the Corona pandemic, the government provides web marketing opportunities to attract the attention of the consumer. These are the steps of the government to increase the sale of the handicraft articles like carpets, Jute bags handlooms, toys, furniture, ceramic products, etc.

On the Occasion of Gram Shree Mela, Mr Sanjiv Lal, V.P.- Manufacturing, Tata Chemicals Limited, said "TCL has been actively engaged in community development in the region and is happy to conduct such a big and first-of-its-kind Mela in Dwarka. This will give artisans from across India a great opportunity to show their skills and promote their products.

Tata Chemical Society for Rural Development (TCSRSD) has organized a project called Karigar- Okhai, which provides an outlet for handicraft workers to provide marketing opportunities for handicraft workers. It provides an opportunity for rural women and artisans, in economically marginalized communities, a platform for the people to enhance their creativity and earn a livelihood.

#### IV. FINDING AND DISCUSSION

We are going to find the contribution of CSR in Jharkhand and how corporates are contributing towards national development. With the help of CSR, MNCs and corporate companies are contributing their initiation towards the socio-economic welfare of society. At least 2% of their net or annual Profit by the analysis of three- consecutive financial years towards CSR. This is the cooperation of the corporates for welfare. This is not only the responsibility of the government and corporates but also every citizen has to participate in the raise of GDP and the socio-economic growth of the society. The Participation of Government Bureaucracy and Business Bureaucracy is important for Community Development so the interrelation between all three is essential for this only initiative taken by the different companies in CSR work. Under this skill, India TCS welfare work is considered the milestone of the communities' development as well as the handloom and handicraft industries. Under an umbrella company act of section 135 (CSR), different MNCs spent on welfare for society in this way Tata's contribution is magnificent for Jharkhand. In this way, we are going to observe how MNCs are going to solve such type of problem and eradication such a problem which are essential for the growth of the state. In this way, the Tata company does different Socioeconomic work for the people.

#### V. CONCLUSION AND IMPLICATIONS

In this all-over review paper, we have understood the contribution of CSR in the development of the state. With the trade-off activities, CSR contributes towards nation-building. In this way the companies are contagious into three parts - Besides the potential loss of socially conscious consumer, CSR impact a business's ability to attract top talent and affects employees' job satisfaction level and retention rates.

- The net worth of Rupee 500 crore or more.
- Turnover of Rupee 1000 crore or more.
- Net profit of Rupee 5 crore or more.

The company has to spend a minimum of 2 per cent of the net profit, this is an initiative taken by the corporates so it is considered a small ray of hope towards the welfare of society. These steps create a positive impact on society, which are as follows-

- To provide a livelihood for the rural as well as urban people.
- To Provide training to the artisans, which creates employment opportunities among the people.

- It also concentrated on the formation of human resources by giving opportunities for education, health, and training.
- It also does the reconstruction of the infrastructure for the country like hospitals, schools, colleges, roads, parks, universities, etc.

CSR activities are derived from the trade-off of the companies. That is CSR activities or actions allow the companies to the social, economic, environmental, and ethical aspects of consumer needs. Besides the positive impact, some adverse effects are seen in the small entrepreneur of the companies so the companies are contagious into three parts based on net profit and turnover of the companies.

Every state and corporate has the potential to increase Socioeconomic opportunity, it comes under the company act 2013 and section 135, which enables the company to implement the Corporate Social-Responsible toward the welfare of the state. Corporate expenditure includes under the CSR policy which includes 2 per cent of the company's net income or turnover but it is a threat to small enterprises due to small investments, order cancellations, and inventories that is why different amendments are enforced by the government of India for the proper implementation of this policy towards the welfare of the society.

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