

# Dalits

and the  
Responsible  
Corporation



A Resource Guide  
A Resource Guide

In partnership with :



Prepared by :



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# **Dalits** and the **Responsible Corporation**

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## Introduction

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The past few years have brought confident times for India and India Inc. The country has benefitted from sustained high economic growth for a decade and there has been a spring in the step of the business community. Despite the economic downturn in recent weeks, India's economic fundamentals remain strong and the mood buoyant. With human welfare gains observable across many sectors there is a rise in expectations and a positive mood prevailing in the country. A good time then to address one of the areas of persistent inequity in India's social fabric and reflected in its economic arrangements: **discrimination in employment on the basis of caste.**

There is a widespread perception in India that caste discrimination is somehow overstated and that decades of national affirmative action policies have corrected centuries of structural inequity. This Resource Guide sets out to address this and other perceptions with reference to facts and figures available. Its primary audience is **Indian business and multinational employers operating in India.** Despite scores of publications covering a range of issues in the growing Corporate Social Responsibility (CSR) field in India, there is none that addresses the challenges and opportunities pertaining to the private sector and caste-based discrimination.

### Purpose of this Guide

**This publication seeks to fill this vital information gap.** At a time when the recognition of diversity and economic costs of neglecting any section of the population are widely accepted, we expect the message contained within this Guide to fall on receptive ears. The book is designed as an easy-to-read introduction to some of the key issues and guidance in the field on emerging tools and experiences. It is by no means comprehensive but a modest introduction to some of the complex issues that are presented in summary fashion here. Sources for further information for more demanding readers are included in the resource section of the Guide.

The timing of the publication could not be better. Since early 2005, India has been locked in a contentious national debate about whether the private sector, like its public counterpart, should be legally mandated to employ a minimum number of persons from the lowest castes. This discussion received further impetus by action from the **Department of Industrial Policy and Promotion (DIPP) requiring India Inc to incorporate data on caste and recruitment from 1 January 2007 onwards.** This is the first time that such data have been mandated, and, if unsatisfactory, the

Government says it will consider enacting legislation for mandatory reservations.

This development has led to a number of organizations from different corners of the country coming up with declarations, tools and instruments to promote and measure caste discrimination. At the same time international organizations and multilateral treaty bodies (e.g. United Nations' Conventions) have highlighted caste and its manifestation in India, and engaged in dialogue with the Government of India to find solutions to this deeply engrained form of social exclusion that afflicts a large part of the country's population.

It is fair to say then that this is a very topical and often heated subject of debate. The Guide seeks to throw light rather than heat on a number of aspects of issues under discussion, with a view to promoting evidence-based, positive responses and outcomes.

## Challenges At Home

"The world today wants India to do well. The world community wishes us well. Our external situation is benign and favourable. **Our challenges are at home.**" These are the confident words of Manmohan Singh, Prime Minister of India, on the landmark occasion of the 60th anniversary of India's Independence on 15<sup>th</sup> August, 2007.

One of the widely accepted "challenges at home" is the need to bridge the divide between the "haves" and the "have-nots".

## Political Will

As a matter of political consensus, it is agreed that all citizens of India should equally share the benefits of one of the world's fastest growing economies, making each and every Indian rightly proud of the country's achievements since Independence in 1947.

A key document articulating this position is the Government's 11th Five Year Plan 2007-2012. It seeks to enact a commitment to *All Inclusive Growth*. The key short-term strategy of the Plan is to provide **access for all to basic infrastructure and services** paving the way for **broadening the skilled human resource base for increased productive work** in the long term. A central focus is the need to encourage entrepreneurship and expansion among small and medium enterprises.

Unlike previous five-year plans, the 11th Plan sets measurable targets for both economic and social performance objectives to promote socially-inclusive growth. **It recognizes that growth is not an end in itself, but a means to place human well-being at the centre of development strategies.**

### **Expectations of the Private Sector**

In a break with traditional approaches, the Government is now actively seeking partnership with the private sector to secure socially inclusive outcomes. For example, speaking at a **Confederation of Indian Industries (CII)** Annual General Meeting in 2007, the Prime Minister noted that while it was the Government's job to provide socially and regionally inclusive economic growth, **Indian industry must also rise to the challenge and play its part.**

He reminded delegates that, 'If those who are better off do not act in a more socially responsible manner, our growth process may be at risk, our polity may become anarchic and our society may get further divided. **We cannot afford these luxuries.**'

Subsequently, in March 2007, the Department of Industrial Policy and Promotion (DIPP) wrote to India's three main industry chambers requesting data on the numbers of low caste recruitments recently made by their members. The industry associations included: **CII** (Confederation of Indian Industry India's largest and most powerful employer organization); **FICCI** (Federation of Indian Chamber of Commerce and Industry which represents 443 chambers, associations and member bodies) and **ASSOCHAM**.

### **Companies on the Move**

Since then some segments of Indian industry have responded. They are keen to assure that India Inc will be proactive on social inclusion, and institutionalize action on this front by making positive action an integral part of corporate annual performance review.

Leading the way are 40 household names and some less well-known companies, ranging from the Tata group of companies, Mahindra & Mahindra, Godrej Industries and Ballarpur Industries, to Kinetic Engineering, Crompton Greaves, Godrej & Boyce, Usha Martin, Wartsila, NDPL, Eleco and Forbes Marshall. All have agreed to disclose the status of positive action in their 2007-08 annual reports.

Information released will include data on:



- low-caste workers in the workforce;
- intent to disclose such information in future in case it has not yet been compiled;
- work already done in the area of positive action; and
- work to be done in future.

**Clearly a key motivating factor is the belief that positive and proactive action could help ward off mandatory quotas.** The penny has dropped and 500 CII member companies have signed its Code of Conduct on Affirmative Action. More widely, figures have begun to come in from across industry: 150 to 160 companies have already compiled baseline data on low caste employees in their workforce, including firms such as Tata Motors, Bajaj Auto, Godrej & Boyce, DaimlerChrysler and SAIL. Data compiled by these companies show representation ranging from as low as 3% to as high as 44%, depending on the company location.

### **Who will rise to the challenge?**

The success of this Guide will depend on the response of the reader. In today's world of instant communication and 24-hour news, being well-informed is the secret to success. This Guide addresses key decision-makers in companies who pride themselves on being well-informed with regard to the social context in which they operate. This Guide posits that caste plays an enduring role in today's India and must be addressed by responsible firms and employers. The Guide seeks to inform them of some of the issues raised by caste in modern India. The book is designed as a quick read that can be completed within an hour or two, leaving the reader with a thirst for more information and action. **Importantly the purpose of the Guide is to foster action - positive action by employers in the private sector.**

**If as a result of reading this modest book, a number of companies would come forward to actually test the human rights tools described within it, the book could indeed be judged a success.**



## Diversity, Discrimination and the Modern Corporation

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### Diverse India

Few countries are more diverse than India. With a population of 1.1 billion people, comprising one sixth of the global population, India is multi-ethnic, multi-lingual and multi-religious. It is home to 17 major languages and 844 dialects across 28 states and 7 centrally-administered Union Territories. Most Indians are Hindu (80.5%) but the country has a large Muslim population (13.4%), making it the second most populous Muslim country worldwide after Indonesia. One also finds Christians (2.3%), Sikhs (1.9%), Buddhists (0.8%), Jains (0.4%), Jews, Parsis (Zoroastrians), Baha'is and people of other faiths.

Gender, place of birth, work, descent, income and education all add further complexity. **Despite all of India's diversity and complexity, however, all regions, all languages, all religions, all genders and all strata of Indian society - with very few exceptions - are characterized by one common factor: the caste system and caste-based discrimination.**

### Discrimination

Discrimination is as old as humanity. It can take many forms but all discrimination shares one common feature: **treating people differently because of certain characteristics**, such as race, colour, sex or caste. Discrimination does not take into account merits or achievements, the talents or skills of individual people, it is driven solely by prejudices and biases against certain groups in society.

Discrimination in the world of work just like other forms of discrimination results in inequalities. The freedom of human beings to develop their capabilities and to choose or pursue their professional and personal aspirations is restricted, without regard for ability. People subject to discrimination feel humiliation, frustration and powerlessness.

Society at large is affected by discriminatory practices. The waste of human talent and resources it produces has a negative effect on productivity, competitiveness and the economy as a whole. Socio-economic inequalities are widened, social cohesion undermined, solidarity eroded and **political stability can come under threat.**

## Discrimination in India

In India, discrimination exists like in any other country, affecting women, religious minorities, Tribals, people with disabilities etc. - the list could easily go on. Caste discrimination too is not confined to India. It exists in countries as far apart as Japan, Nepal, Pakistan and Senegal. **What does distinguish caste-based discrimination in India, however, from caste-based discrimination in other countries is its form and extent.**

Indian society has a highly sophisticated system of social stratification (see Box 1). Since ancient times, occupations have been based largely on an inherited system of social allocation. **This has tended to make the Indian labour market inherently discriminatory.** Preferences are commonly given to a person's group identity over their qualification, and clear distinctions exist between 'clean' and 'unclean' types of labour. For example, Brahmins, who are at the top of the caste tree, can typically be found as teachers, priests, cooks, scholars, etc. Other upper-castes occupy positions of skilled labour and entrepreneurship. **But menial jobs associated with dirt and impurity such as sweeping, washing, scavenging, burning dead bodies and casual labourer are been traditionally reserved for outcastes or untouchables, known today by the name Dalits.**

### Why caste matters

Caste has long been used to regulate economic life in India. The economic organisation of the caste system is based on the division of the population into a hierarchical order of social groups that determine the economic rights of members, which are determined by birth and are hereditary in the strictest sense of the term. A community-based system of enforcement regulates caste privileges by means of social ostracism, violence, and economic penalties that find their justification in elements of Hinduism. Although strictly speaking a Hindu tradition, castes have emerged in religions that provide no theological justification for practices of exclusion or pollution, such as Islam, Sikkism, and other religions of India, chiefly because low caste Hindus have attempted to escape the confines of their ascriptive identities through religious conversion.

Abridged from Thorat & Newman, Economic and Political Weekly October 13, 2007/ pg 4122

## Origins of Social Division

The origins of social division in Indian society has been the subject of many different theories. Most scholars, however, ascribe the most prominent social divisions to the influence of the Aryans, the so-called "superior ones" who migrated to India from central Asia and were acutely conscious of racial distinctions. Using colour as the basis of social differentiation, they divided society into four major castes or 'Varnas'. Following this division, a new set

of ideas about human purity and pollution came into existence in the Indian sub-continent.

According to the Rig Veda, the oldest of the four Vedas dating back to Aryan times, a hymn called "Purusasukta" refers to the four castes being created from God's own body:

- The Brahmin, priestly class, created from God's mouth
- The Kshatriya, warriors and rulers, created from God's arms
- The Vaishyas, traders and crafts people, created from God's thighs
- The Shudra, those who serve the other three castes, created from God's feet

The rest were deemed "untouchables" and were not considered part of God and therefore "impure". **Today more than 16% of the Indian population belongs to the Dalit community - some 175 million people.** The Government refers to them as "Scheduled Castes" – a term derived from the Schedule to the Indian Constitution which lists a number of originally recognized Dalit communities. Dalits are not a homogeneous group by any means and exhibit considerable diversity. One common feature, however, that they do share is that they are all too often at the bottom of the social order. In fact they are strictly not part of the caste system but rather 'outcastes'. Mahatma Gandhi coined the term "harijans" - children of God – to describe them in an attempt to impart dignity. But this is a term rejected by many who prefer the term 'Dalit' - meaning "crushed" or "downtrodden" to describe themselves, a word now imbued with a resistance and identity.

### **The 'Impures'**

Dalits constitute one of the most significant large minorities facing discrimination anywhere in the world. The historical nature of their social exclusion has resulted in extreme deprivation and poverty. This is all too often manifested in a lack of access to income-earning capital assets. Compared with other castes, Dalits seldom own businesses or agriculture land, do not have equal access to education and health, and are often victims of impunity when violence is perpetrated against them. While generalizations should be avoided, it is true to say in the case of India's Dalits that they routinely see their political, civil and cultural rights denied, and are restricted in their choice of work and labour mobility.

### **Effect of Discrimination on Labour Market**

The sheer size of India's population, and the educational achievement of at least some segments of it, mean that theoretically it represents one of the largest pools of human resources anywhere in the world. The upward trend in jobs relocating to India is a clear indication that it has managed to capitalize on at least a part of this potential. This upward trend may even

spin out of control since for the next decade a substantial shortage of highly educated personnel is expected which may slow down economic growth. Highly-skilled labour in India is in such high demand that by 2010 a shortfall of 500,000 suitable graduates is expected. This reinforces the need to tap talented and skilled workers from 'non-traditional' labour pools such as Dalits.

**A labour market dominated by caste and descent-based discrimination is by definition a limited labour market.** This form of labour market segmentation, as much of contemporary economic theory suggests, results in inefficiencies and loss of production.

Discrimination at work is not just inefficient and unproductive from an economic point of view, it is deeply socially inequitable. A society rife with prejudice and discrimination where a large number of people are actively barred from human employment with dignity is a society teetering on the edge of conflict and unrest.

**What is labour market discrimination and occupational discrimination?**

**Labour market discrimination** can occur in hiring, wages, or through working conditions, and opportunities for upward mobility. Discrimination occurs when two persons with the same education, training, work experience - and hence identical human capital - differing only in personal characteristics that have no implications for productivity, are treated unequally. As a result of which the minority group member is denied jobs, given lower wages, or unfavourable working conditions and the majority (or higher status) individual favoured in these areas.

**Occupational discrimination** occurs when members of subordinate groups face restrictions that prevent their entry into occupations of majority group members, or face differential treatment in the acquisition of factors and services necessary to enter the market (e. g. credit restrictions related to caste, exclusions from property markets, etc).

Abridged from Thorat & Newman, Economic and Political Weekly October 13, 2007/ pg 4122

**The workplace therefore is a strategic place to combat discrimination.** By bringing together and treating equally people from different castes, the workplace can help dispel prejudices and stereotypes. It can provide role models and pave the way for more egalitarian, democratic and cohesive labour markets and societies.

### **Modern Corporation**

The modern corporation is global in nature, yet local in practice and character. Business leaders recognize that it is imperative for such organizations to have an employee base that is representative of their client base, so that the company can understand and respond to client needs better. This does not mean that people of a particular culture, gender, or

age, etc, only work with those respective client populations. Rather, it means that the organization as a whole should be more reflective of the diversity of the larger population.

At an organizational level, it is often the case that companies are largely influenced by the personal culture of the people at mid-management and senior management. A non-diverse company then runs the risk of getting trapped into the regional culture and can fail to respond to and communicate to the larger customer base adequately. This can result in loss of productivity brought on by industrial unrest and restrictive practices in selecting vendors etc.

Another well-observed aspect of the modern corporation is its never-ending hunt for new markets. Along with cut-throat competition, comes fast market saturation. Countries such as India therefore have to be constantly on the alert and build their market base. The majority of the Dalit population continues to be very poor and too socially marginalized to avail of the many programmes that have been developed by successive Governments over the years. Positive action programmes by the private sector to build the capacity of Dalits to earn and to capitalize on this important human resource pool is thus an opportunity for business to expand their market base.

### **Dalits – Special Pleading or Special Attention?**

The case for intervention on the part of any historically-discriminated social group can be perceived as 'special pleading.' Indeed, this is exactly what India's experience with positive action in favour of Dalits has been regarded as in some quarters. With an average growth rate of 7.2% the expectation was that all boats would be raised. **But India's economic growth creates disappointingly few jobs in the private sector and the quality of new jobs is very low.** Socially disaggregated results over this period show that economic growth is not sufficiently inclusive and inequalities persist.

The fact is that deeply engrained prejudice faced by Dalit communities across the country cannot be eradicated by laws alone. If this were the case, there would be no need for a Resource Guide like this sixty years after Independence in a country with all the Constitutional guarantees imaginable for a casteless society.

The reality is that discrimination from cradle to grave, from employment to nutrition, coupled with a culture of low-expectation has left its mark on both Dalits and non-Dalits in Indian society. An October 2007 study by Professors Sukhdeo Thorat and Paul Attewal, concluded that "social exclusion is not just a residue of the past clinging to the margins of the Indian economy, nor is it limited to people of little education. On the contrary, it appears that caste

favouritism and the social exclusion of dalits and Muslims have infused private enterprises even in the most dynamic modern sector of the Indian economy.”

Today there is much heated discussion about just what kind of special measures are needed by both by state and private sector to provide Dalits with equal access to the labour market and exercise their human rights.

### **Positive Action in the Private Sector**

What is clear is that the public sector affirmative policies following Independence in 1947 to deal with caste discrimination have not delivered the expected results and need updating. Normally, **reservations or other positive action measures are not intended to be permanent**. Such measures are being taken to correct certain discriminatory practices over a period of time. When they get a permanent character as they do in India, something is structurally and fundamentally wrong with the general action to do away with discrimination; **the roots of the problem are not adequately addressed**. Similarly, reservation on basis of social status risks becoming highly controversial when certain groups enjoying reservations on basis of their status do in fact not merit them. To a certain extent this happened in India as well and created a so-called “creamy layer”:

Dalits well off today thanks to reservation policies and no longer needing reservations because are now firmly standing on their own feet. [G.O.: even relatively well-of Dalits are frequently discriminated in certain working environments] Adding socio-economic criteria to the social status of groups should therefore be combined with (?) any reservation system making sure the right groups will benefit from them. [G.O.: this is a controversial issue; wise to take this position here?]

In 2005-06, the Government indicated that it saw fit to propose reservations for the private sector. **India Inc has been unanimous in its opposition to any type of legislated quota and reservations for Dalits for jobs in the private sector.**

As an alternative, industry leaders have proposed an agenda for positive action they would undertake voluntarily. Measures proposed by CII-ASSOCHAM focus on education, skills formation, human capital development, and promotion of industrialization in districts with dominant SC populations. The action plan for the first year includes the mentoring of at least 100 Dalit entrepreneurs and partnering with non-Government organizations to develop primary education in 104 districts with large Dalit populations. The question is whether this is enough.



## Business Case for Positive Action

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“When I read about the growing number of Indian millionaires and billionaires, about Indian companies buying up multinationals abroad, about our clogged airports, about the real estate boom, about new holiday destinations, about soaring CEO compensations, I know that you have benefited from the growth process.” Thus recently spoke Prime Minister Manmohan Singh to a gathering of industry leaders. India Inc it seems has never had it so good.

With the advent of the corporate social responsibility (CSR) movement in India, there is a readier recognition that in order to succeed business must strive for a harmonious environment, one in which all citizens feel equally involved in the processes and outcomes of economic growth.

Across India, political leaders are becoming more vocal about urging business to engage beyond the boardroom and address India’s multitude of challenges more assertively. While a corporate’s primary responsibility is to its shareholders and employees, India has a long tradition of a number of companies also serving society. This tradition, whether by national or internationally oriented businesses, needs to be build on to combat discrimination and create more diversity in the workplace. In addition internationally-oriented Indian businesses are increasingly benchmarking themselves against the best global players.

As noted earlier, **there are many good reasons why private sector players should engage positively with the economic and moral agenda of the promoting Dalit human rights.** From a purely economic perspective there are compelling human resource and market augmentation arguments. **But ‘license to operate’ is increasingly emerging as an important argument.** Any form of discrimination increasingly becomes a liability for a company.

As companies are finding out around the world, it can be very difficult to operate in environments where the company or its operations are unwanted. Strikes, protests, shut-downs and lock-outs are still a common feature of the industrial landscape in many parts of India and pose serious business risks. This is particularly the case in regions with disputed land, mega development projects or other forms of resource use, where one can often find tribal or Dalit communities somewhere in the equation.



All too often such projects have dispossessed Dalit communities of their traditional means of livelihood with few good examples of rehabilitation or resettlement projects that have worked. In such situations, having a proactive attitude to local stakeholder engagement, livelihood sensitivity and provision of local jobs can result in both securing local goodwill as well as promoting the human rights of Dalit communities.

## **Business and Economy**

The economic context for continued business growth makes plain that new more inclusive strategies will be needed. India's guiding *Vision 2020* sets out the direction that policymakers are aiming for a future that envisages where **'the people of India will be more numerous, better educated, healthier and more prosperous than at any time in our long history'**. By 2020 the working age population is expected to increase by 45% boosting the number of job-seekers. Providing jobs for this highly-expectant population will be one of the key challenges facing any future Government.

Policymakers know that in a democracy with open markets, the opportunity to earn is the economic equivalent of the right to vote. But the task is daunting: India needs to generate 200 million new jobs over the next 20 years. This is in addition to the current backlog of 34 million unemployed job-seekers. It also comes at a time when the workforce in agriculture is set to decline further, increasing the pressure for rapid non-farm employment opportunities; and at a time of further retrenchment in the public sector.

Little wonder that in the face of these economic challenges, politicians and policy makers are looking to the private sector for help. India Vision 2020 lays great stress on the right to employment as the economic equivalent of the right to vote. **But while the constitution of India mandates equality of opportunity for employment in the public sector, such mandates do not exist for the private sector.** Some argue that public sector reservations undermine the 'level-playing field' between public and private enterprises, in advantage of the latter. They favour reservations in either sector or none at all.

With the public sector downsizing and swathes of new industries being privatized the responsibility for employment creation is passing from the public to the private. The private sector has been the engine of India's economic resurgence and is expected to continue to do so. The World Bank estimates that India will be the fourth largest economy in the world by 2020. But the little-known truth is that the private sector's contribution to employment generation has

been poor – a situation that must change if economic expectations of a youthful and growing population are to be met.

**At present, the organized private sector in India contributes only 2.5% of all jobs.** This is a miniscule percentage. By contrast, the greatest number of new jobs is created by small and medium enterprises (SMEs) in the informal or unorganized economy. Over the past 20 years employment in India's small and medium sector has tripled. If this were to be repeated, one could see an additional 150-200 million jobs being generated by 2020.

### **Lessons from other countries**

Policies of affirmative action or positive discrimination, though term "positive action" is preferred, have a long, if mixed, history in many parts of the world. Malaysia provides one of the best known examples from East Asia region where the Malays or Bhumiputras are the focus of national policies. In the 1970s when the Malays came to power through democratic politics, they introduced a comprehensive positive action programme for Bhumiputras in education, employment and land ownership. The Malaysian state devised a system of private sector reservation that entails share capital and equity channeled through a national trust that gives money to private corporations to treat it as equity capital on behalf of Malays. Over time, the stake of Malays' in share capital has increased from 2% to 30%.

In many countries, positive action policies have been the result of successful civil rights campaigns. For example in the US where affirmative action was launched following enactment of the Civil Rights Act in 1964; or South Africa where Black Empowerment became official policy after the historic elections of 1991. One sees the same pattern in many countries

In the US, one sees a mixed picture in terms of employment patterns as a result of diversity policies in the private sector. In 1998, African-Americans comprised 27.37 per cent of the workforce in America's private sector. This was roughly equivalent to their population share. Their representation at managerial and official level was 12.95 %; in the professional category 17.4%.

In the US, all Fortune 500 companies practice positive action – for example, Boeing recruits African-Americans and others through special recruitment drives and has a minority's share of its workforce of 18 per cent. At Exxon-Mobile, the world's largest corporation African Americans and other minorities comprise 28.7% over all and 16.9% at the managerial and official level. Likewise, the workforce of General Motors has 23 % African-Americans and 19.20 % at the top level.

These figures are illustrative of how purposeful policies can bring about changes in long-standing patterns of discrimination in the private sector and society at large. While a detailed examination of the pros and cons of reservation in the private sector is beyond the scope of this Guide, **it is worth noting that 52 countries have introduced reservations in the private sector**. India stands out as being the only one where the private sector is excluded from a national policy of affirmative action.

## Where Do Dalits Stand Today?

"Even after 60 years of constitutional and legal protection and support, there is still social discrimination against Dalits in many parts of our country. Dalits have faced a unique discrimination in our society that is fundamentally different from the problems of minority groups in general. **The only parallel to the practice of untouchability was apartheid,**" Prime Minister Dr. Singh drew this parallel at a conference in New Delhi on social and caste injustices in December 2006.

If the first three millennia of Indian history were a low point for Dalits, the 20<sup>th</sup> and the 21<sup>st</sup> centuries have marked many high points of recognition with some remarkable achievements of a few individuals. From the architect of India's constitution, the charismatic **Dr. B.R. Ambedkar**, to Devi Gowda, India's first Dalit Prime Minister and K.R. Narayanan, India's first and only Dalit President, the heights of our country's democracy have been scaled by members from the Dalit community.

2007 was also a watershed year with the appointment of K.G. Balakrishnan as the country's first Dalit Chief Justice; and the election of Mayawati, the country's leading female Dalit leader and head of the Bahujan Samaj Party enjoying absolute majority as Chief Minister of Uttar Pradesh, with some 185 million (!) inhabitants India's most populated state.

These achievements are important as India struggles to overcome generations of caste prejudice and free itself from highly prejudicial mindsets. However, successes in all fields of life continue to be rare and the reality of Dalit lives today reveals the persistent discrimination and social inequity. Recent publications such as the International Labour Organization's *Equality at Work: Tackling the Challenges* and 'Untouchability in Rural India' provide evidence of caste discrimination being alive and kicking.

### Dalits in Indian Society

Hindu societies' fixation with purity and pollution makes Dalits social outcasts and literally segregates them from social, economic, political, religious and cultural life. Occupational discrimination persists and Dalits are for instance not accepted for any work involving contact with water or food for non-Dalits or work that requires entering a non-Dalit residence. **They continue to be excluded from a range of employment opportunities**

**in production, processing or sale of food items, domestic work and provision of numerous services in the private and public sectors.**

This discrimination is not confined to the workplace but severely restricts access to any means of livelihood. Given their limited access to education, often of abysmal quality, training and skills opportunities, resources such as land and credit, their opportunities for access to non caste-based occupations and work is further constrained. The large majority of child and bonded labourers are Dalits, denying them any hope to a productive future. Violence – and in particular, sexual violence - against Dalits has been an issue of public record and shame for much time. Despite media activism perpetrators are more often let off the hook than not being an awkward reflection of deep-seated power structures at local and regional level difficult to eradicate. This collusion of vested powers against Dalits is a conspiracy by caste Hindus, Dalit activists say, maintaining a status quo in which Dalits are supposed to serve no matter what.

This picture of discrimination is further intensified for Dalits who happen to have 'multiple disadvantages' by belonging to other minority groups such as disabled or religious minorities. As a result of these double forms of discrimination and deprivation Dalits experience extreme levels of poverty and marginalization.

Even when employed, Dalits face discrimination. **They do the dirty work, work for longer hours and get substantially lower wages than non-Dalits.** Internal migrant workers leaving their villages behind in search for employment in the big cities end up in jobs characterized by misery and exploitation. If one witnesses tents of plastic sheets near a construction site, a common sight in India, chances are likely that these people are Dalits. Women carrying bricks get lower wages than their male counterparts and never receive the prescribed minimum wage. Their unattended children are engaged in small and odd jobs on the site and do not go to school, seeing their rights denied.

Even at times of national calamities when one would expect communities coming together, incredibly, discrimination of Dalits is the norm. In January 2001 when a massive earthquake struck Gujarat killing thousands, Dalit survivors in Kutch were thrown out of emergency shelters in full view of national media. Similarly, in December 2004 tsunami devastated fisher folk families of Nagapattinam in Tamil Nadu, non-Dalit villagers, refused to share makeshift shelters with Dalit survivors. It took much needed persuasion from outside India to draw the attention of the world to this virtually unknown plight of Dalit survivors:

## UN tsunami envoy Clinton outlines four-step rebuilding programme

22 June 2005 – Former United States President Bill Clinton, United Nations Special Envoy overseeing recovery efforts from December's devastating Indian Ocean tsunami, today outlined a four-step rebuilding programme that includes listening attentively to the most vulnerable sectors of society and targeting action to avoid duplication.

"We must do all we can to assure that the voices of the most vulnerable are heard," Mr. Clinton, appointed to his new mission by Secretary-General Kofi Annan in January, wrote in an opinion piece in The New York Times.

"Will women survivors be involved in the design and execution of the recovery process? Will their property rights be protected? Will the Dalits (also known as the "untouchables") of India be discriminated against?" he asked...

Such incidents underscore the fact that purely developmental approaches by the state to improving the situation of Dalits are insufficient. Changing archaic and discriminatory mindsets will take social and cultural innovations of an altogether different order. To the extent that economic mobility creates opportunities for culture change, the imaginative intervention of private sector players can be a force for good.

### Status of Dalit Women

Dalit women are faring worse than Dalit men. This is explained by their subjugation to patriarchal structures and male dominance. **India is a 'macho' society.** If Dalits are considered "untouchable", this principle all of a sudden does not seem to apply to Dalit women. They are victims of daily acts of violence, in particular sexual violence. When they assert fundamental rights Dalit women are targeted by dominant castes to teach them a lesson of obedience and to show them their place. Sexual violence and atrocities do not seem to interfere with the principle of "untouchability". This includes the most peculiar practice of "Devadasi" or "Yogini" whereby Dalit girls are 'married' to temple deities. In practice this system is nothing but a form of forced and ritualized prostitution. On account of their impure caste and poverty, **Dalit women comprise the majority of manual scavengers, labourers removing human excrement from dry toilets, by hand.** Moreover, Dalit women are discriminated against not only by upper castes but also by their own communities on account of their gender and have less power within the Dalit community in general. **The list of structural disadvantages of Dalit women and girls is sheer endless, in terms of education, healthcare, employment, political representation and social stigmas.**

At an all-India level, the following figures shed some more light on Dalit women:

- 71% of them work as landless daily wage agricultural labourers, with wages normally much less than both the official minimum wage and the wages of Dalit men. (Dalit) women on average earn 30% less than (Dalit) men.
- One out of four is literate, whether functional literacy or not; (??)
- Their school drop-out rate is an alarming 64%;
- They suffer from poor access to household amenities and healthcare, more than 80% of women in the reproductive age group (15-45) are anemic reducing their capacity to work;
- They are often the victims of sexual harassment and attack by their own and upper-caste men.

## Atrocities

Atrocities against Dalits continue to be one of the 'dirty secrets' of modern India. Impunity against perpetrators is one of the reasons why caste-based politics in India is as emotionally charged as it is, and reinforces the conviction of Dalit activists that Dalits are victims of an upper caste conspiracy.

It must be emphasized that many of the atrocities committed against Dalits are only taking place under the guise of caste violence. **In reality many of these atrocities are related to disputes regarding economic endowments: land, water, jobs, wages.** Often these 'disputes' are nothing but upper caste denials of land titles or other economic entitlements of Dalits. Their resources are simply being taken away from them by force.

One story hitting the media headlines in 2007 perfectly fits this picture of, in this case, land-grabbing, atrocity killings and reluctance to uphold the law: Khairlanji

## The Sunday Indian reported:

"It was towards the evening when Bhaiyyalal Bhotmange walked home and saw a mob of upper-caste landlords descending upon the Bhotmange household. In their ramshackle hut, Bhaiyyalal's wife, 44-year-old Surekha was preparing evening meals while her 18-year-old daughter Priyanka studied in one corner ... Priyanka was a bright student and was preparing for her HSC. She was also a NCC cadet and wanted to join the armed forces. Surekha's sons, Roshan, 23, and Sudhir, 21, sat nearby. As the landlords dragged the mother, her daughter and two sons outside, Bhaiyyalal was about to reach his home. But when he heard the cries of his family, he halted and hid behind a hut.



Surekha and Priyanka were stripped naked and taken to the village chaupal, 500 meters away. For almost next two hours, they were beaten up, bitten and raped by the mob. One of them was even strapped to a bullock cart. After more than an hour of rape and plunder of their bodies, Surekha and Priyanka died. Eye-witnesses have told the Police that sticks were pushed into their private parts, and even after they died, some people continued to rape their bodies. Roshan, who was blind, and his brother were beaten up and stabbed to death. Their bodies were thrown at various spots in the villages. The next afternoon the Police fished Priyanka's body out from a canal nearby ...

Nobody, except a single woman from the village, tried to stop the mob. The lone woman was silenced by the men with a slap ...

For almost a decade, the Bhotmanges had tried to lodge a Police complaint. **A portion of their 5-acre land had been grabbed by the upper-caste landlords of the village. Even after that, they would not let the Bhotmange family live in peace with the remaining land. So for years, the Bhotmanges had to tolerate incidents of tractors mowing down the standing crops in their fields.** The Police chose not to pay any attention to their grievances. The upper-caste landlords even tried to prove that Bhaiyyalal's wife, 44-year-old Surekha had an affair with a Police Patil (honorary Policeman) in neighbouring Dhusala village, Siddharth Gajbhiye, who was actually her cousin ...

The postmortem report, intriguingly, said that the two women were not raped. "Doctors were managed and the police bribed." This is what Surekha's nephew has alleged, in a report submitted to a social organization. "Everyone in Kherlanji knows what happened with my aunt and cousins, everyone was a witness to the heinous crime," he has said in his statement. After pressure from social activists, the bodies were exhumed, and another autopsy was conducted. But that too has not been able to establish rape. Some of the perpetrators of crime are believed to be politically well-connected. Social activists are now demanding the arrest of the doctor who conducted the first postmortem.

"It was a gory dance of death, the height of brutality," says the district Superintendent of Police, Suresh Sagar. He agrees that the Police did not act well in time. He also clarifies that Surekha did not have any illicit relationship with Siddharth Gajbhiye. The Police have arrested 44 people so far, including 2 women. Police sources now say that some of them have confessed to the crime ...

## **Dalits get organized**

**Dalits are not a homogeneous group.** Many sub castes of sub castes exist and **Dalit solidarity is not always evident.** Recently stories emerged of a "triple trinket system" (dohri) at tea stalls: one kind of cups for upper caste persons, other cups for 'upper' Dalits, and a third cup for 'bottom' Dalits. Since a few years representative organizations of Dalits have joined hands in an effort to form a single front to defend and further their rights, with remarkable success:

## The 2007 Rafto Prize is awarded to The National Campaign on Dalit Human Rights, India

The Rafto Foundation was established after the death of Professor Thorolf Rafto in 1986, in gratitude of his longstanding work to help people who are oppressed and persecuted, and in the realization that this work must be ongoing. The Rafto Prize is a human rights award gaining international status, several Rafto laureates: Aung San Suu Kyi, José Ramos-Horta, Kim Dae-Jung and Shirin Ebadi, have subsequently been awarded the Nobel Peace Prize. The Rafto Prize contributes to a focus on human rights violations and on people and communities which need the attention of the world.

The Board of the Thorolf Rafto Foundation for Human Rights awards the 2007 Rafto Prize to the Indian organisation The National Campaign on Dalit Human Rights (NCDHR). Millions of Indians are born into a social and cultural system which fundamentally conflicts with the notion that all human beings are born free with equal rights. The NCDHR receives the 2007 Rafto Prize for its brave struggle to promote Dalit rights, and for its efforts to emphasise that the discrimination and oppression resulting from caste prejudice is a serious violation of international human rights.

The Rafto Foundation encourages **Norwegian and international companies** investing in, and trading with, India and its South-East Asian neighbours have a responsibility to counteract the caste discrimination prevalent within the labour market. These companies should follow the employment and hiring guidelines aimed at fighting economic and social exclusion, as outlined in the Ambedkar Principles ...

The National Campaign for Dalit Human Rights (NCDHR) is a coalition of Dalit human rights activists, civil society organizations and academics who are committed to ending caste-based discrimination and untouchability practices. Established in 1998, NCDHR is a non-party based secular platform in New Delhi with offices in 14 States in the country. NCDHR monitors atrocities against Dalits, uses laws and the judiciary to counter discrimination and raises awareness nationally and internationally about Dalit discrimination. **NCDHRs main objective is to make the State of India responsible for delivery of justice to Dalits.**

**Litigation:** The Safai Karamchari Andolan, an interest group of “sweepers” and manual scavengers and six other organizations filed a Public Interest Litigation (PIL) petition in the Supreme Court in 2003 seeking the enforcement of the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993. The petition charged that manual scavenging still existed in many states and was being continued even in public sector undertakings, including the Railways. The petitioners sought enforcement of their fundamental right guaranteed under Article 17 (right against untouchability). They urged the court to issue time-bound directions to the Union of India and the various States to take effective steps to

eliminate the practice of manual scavenging simultaneously with the formulation and implementation of comprehensive plans for the rehabilitation of the displaced manual scavengers.

Many, many local initiatives – NGOs as well as social movements - are active as well, too many to be reflected here.

### **Political Attention**

Given their track record and given the situation of Dalits today one could argue that political parties have not been very effective against discrimination on the basis of caste. **In fact, some measures taken by them with the objective to create low and unskilled jobs in new industries, a number of mishaps took place working against these potentially newly employed workers.** “Special Economic Zones” were established to expand job opportunities in the manufacturing sector. To acquire land for their establishment fertile and agricultural land had to be sacrificed. The allotment of fertile agricultural land to private enterprises is highly controversial in India. On the one hand because about 55% of all Indians still earn a living in agriculture, on the other hand because the authorities have no culture of consultation with affected groups. **While landowners are being compensated when disowned, no compensation is given to the actual tillers of the land who end up without a job or any cash. Very often these landless tillers are Dalits.** At the same time, the national and foreign companies involved in the acquirement of SEZ lands have done very little to encourage engagement and consultation with the local people that are affected.

Incidences took place in several States, ruled by different political parties. In West Bengal, the name of the Communist Party of India (M) is associated with the bloodbath of Nandigram, while in Orissa the ruling National Democratic Alliance of which the Bharatiya Janata Party (BJP) is the main party is being associated with Kalinga Nagar.

Although the NDA and the CPI (M) are occupying opposite ends in the Indian political arena both are involved in economic policies that are negatively affecting Dalis. [But also mention here – possibly plus an example - that the Congress Party is the main author of the SEZs.

The Bahujan Samaj Party ruling Uttar Pradesh is an exception because mainly a Dalit party. Barely days after the Central Government gave up the option of private sector quota, **BSP chief Ms. Mayawati, in July 2007, made a strong plea for introducing job reservation in private sector in her State. This demand, which Mayawati said she had discussed**

**with the Prime Minister**, is significant as an indicator to a future political strategy. The BSP has begun the groundwork not only in Uttar Pradesh but also Maharashtra and Madhya Pradesh to work up a tally which makes it an indispensable player at the Central level. In October, 2007, Mayavati has ordered a new survey to "correct" the Uttar Pradesh poor list, which is now expected to include many more Dalit families, the mainstay of Mayavati's 'vote bank'. The survey could help Mayavati in her efforts to focus politically on 16 districts in Bundelkhand and central Uttar Pradesh, where the poor make up more than half the population.

## **Mayawati seeks quota in private sector**

26 Nov, 2007

### National News

MUMBAI: Bahujan Samaj Party (BSP) leader and Uttar Pradesh Chief Minister Mayawati on Sunday demanded concrete steps from the Centre to ensure reservation of jobs for Dalits in the private sector. The BSP was working very hard on a national basis to ensure reservation in the private sector but as yet the Centre has taken no concrete step, she said.



A mammoth crowd waited at Shivaji Park for several hours and gave Ms. Mayawati a standing ovation as she arrived. A sea of blue flags fluttered in the winter breeze and the BSP mascot, the elephant, was everywhere.

Addressing the people from a stage designed on the lines of the Sanchi Stupa, she said no party was willing to give Dalits reservation in the private sector and there is a mentality against reservation. She also expressed the fear that the policy would come to a gradual end.

Government organizations were being privatized in a big way and this also meant denial of jobs for Dalits. After she had come to power in Uttar Pradesh this time she had met the Prime Minister and also written to him on this issue. The Centre has to take a tough stand on this as the private sector was 'dithering.' In Uttar Pradesh, the government had already decided to reserve jobs in the private sector, she said.

The other issue she raised was reservation in jobs for the economically backward among the upper castes and religious minorities. "We want to give reservations separately for these sections," she said. However, she promised that if her government was elected to power at the Centre, these quotas would be given automatically.

Speaking for over an hour, the Uttar Pradesh Chief Minister reiterated that the BSP design of "Sarva Samaj Bhaichara Banao" (Bringing all communities together) was the only thing which would work.

She said her Uttar Pradesh formula of aligning the upper castes with the Dalits, religious minorities and the other backward classes was the formula of the future.

## National Legal Framework

### Constitutional Guarantees

The Indian Constitution is unambiguous in its provisions to do away with caste discrimination. . Crafted by a man, Dr BR Ambedkar, who understood the indignity of Dalit oppression to his core because he was a Dalit. The constitution heralds the dawn of a new India glorying in the provision of freedom and fundamental rights for her people.

Which ones are especially relevant for Dalits in relation to employment?

- **General prohibition of discrimination** on grounds of religion, race, caste, sex, and place of birth in Article 15. States can take special measures for the advancement of women, children and “backward” classes of citizens including Scheduled Castes.
- **Right of equality of opportunity**, provided for in Article 16 bans discrimination in **public** employment on similar grounds as Article 15. Article 16 is also the key Constitutional provision allowing reservations in public employment for Scheduled Castes.
- **Abolition of the practice of untouchability** by Article 17, prohibiting all practices and forms of untouchability considered a punishable offence. The Protection of Civil Rights Act, 1955, works out the details of this prohibition.
- **Right to Freedom** of Article 19 guarantees all citizens of India the freedom of speech, expression, and organization to assemble peaceably and to move freely throughout the territory of India.
- **No one should be deprived of life and personal liberty**, Article 21 stipulates.
- **Rights against Exploitation in Articles 23 and 24** prohibit trafficking in human beings and forced labour, and strictly prohibit hazardous employment of children below the age of fourteen years. Specific laws work out these principles.
- **Right to Freedom of Religion** of Article 25 is relevant to Dalits when seeking relief from discrimination outside Hinduism. Conversion to other religions is explosive political stuff in India despite all Constitutional guarantees. Without adding any oil to the fire, it suffices to say here that the Indian caste-system is more part of a general

cultural characteristic of the South Asian subcontinent than an exclusively integral part of Hinduism.

Ironically, with Dalits intended to be the main beneficiaries of protective Constitutional measures, the one significant group that has not been able to exercise many of these rights guaranteed by the Constitution are Dalits. Dalit students in a 2007 study reported the following discriminatory practices they have been facing personally:

- no entrance to village shops
- no entrance to the village temple
- drinking tea from different cups
- using different water wells and if not available, wait for someone to pour water into their pots
- abuse when standing up for their rights
- only very few upper castes would touch them or drink tea from the same cup.

### **Special Governmental institutions for Dalit Citizens**

For better implementation of Constitutional guarantees and its positive measures for Scheduled Castes a special ministry was created in 1988: the **Ministry of Social Justice and Empowerment**, headed by Honourable Minister Ms. Meita Kumar, herself a Dalit. The Ministry's mandate "is to empower the persons belonging to Scheduled Castes, Backward Classes, Persons with Disabilities and other target groups who have been historically on the fringes of the society or in the danger of being marginalized due to various socio-economic forces", its website states. The Ministry also reports on the implementation of laws specifically dealing with discrimination of Scheduled Castes: the Protection of Civil Rights Act, 1955 (PCR Act) and the Scheduled Caste And Scheduled Tribes (Prevention Of Atrocities) Act 1989 (POA Act). Reports can be downloaded from the same website.

Assistance by the central Government is shared with State Governments on a 50/50 basis for effective implementation of these Acts. For example, during the year 2004-2005, central assistance of Rs. 3475.00 lakhs (approximately \$880 million) was released for each of the two Acts.

The other important organization is the **National Commission for Scheduled Castes and scheduled Tribes**. It is independent from the Government and functions as an investigating agency on specific complaints from SC/ST employees regarding service and promotion matters related to incidences of discrimination and violation of the reservation policies in the public sector and education. The Commission has the powers of a Civil Court



and has the authority to summon an employer for enquiry and action. It publishes an annual report about progress made which is discussed in Parliament.

## Developmental or Empowering Measures

Despite decades of implementation of anti-discriminatory Acts, the public's awareness level about them is very low. As for national reservation policies, they are confined to the public sector, and the private sector wherein more than 90% of Dalit workers are engaged remains unaffected.

In the context of reservation in employment, privatization and the retreat of the public sector have made public jobs less easily available and led to a significant decline of SC reserved employment. In the private sector, many Dalits find low-end jobs perpetuating caste traditions, prejudices and stigmas. They often work on contract basis with little job security and protection, and are lowly paid.

The **Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act** is another Act much heralded at its launch but which has proved ineffective. The Act prohibits the employment of manual scavengers or construction of dry latrines not connected to proper drainage channels. However, as the

Comptroller and Auditor General (CAG) of India pointed out in a 2003 report, **the law had only been adopted by 16 states and not been enforced in even a single state**. Many Government services, offices and buildings still have dry latrines and municipalities employ manual scavengers to clean these latrines in flagrant violation of the Act. Indian railways, the Indian Army, and the police forces are amongst the worst perpetrators!

*Manju; Ahmedabad District, Gujarat.*

Forty-year-old Manju, a manual scavenger employed by the urban municipality, works from 6:00 a.m. to 11:00 a.m. cleaning dry latrines. She collects faeces and carries them on her head to the river half a kilometer away seven to ten times a day. In the afternoon she cleans the gutters. Then she takes it one kilometer away. She earns Rs. 30 a day (US \$0.75). The payments are uncertain. Like many others, Manju's health has suffered due to her work.

The number of both manual scavengers and dry latrines is actually increasing. In 1989 there were 600,000 scavengers, while by 1995-96 the number had increased to 787,000. Similarly, there were more than 700,000 dry latrines in 1989, but by January 2000 the number had increased to more than 900,000. With an increase in urbanization, manual scavenging has been on the rise. More and more Dalits are compelled to take the job as the changing economic circumstances offer fewer and fewer jobs for them.



Regrettably, till date, the Act's penal sections remain largely unimplemented.

Similarly, in March 1992, the Indian Government enacted the **National Scheme of Liberation and Rehabilitation of Scavengers and their Dependents**; however, according to a CAG report, the scheme failed to achieve its objectives despite an investment of more than 600 crore (\$60 billion). State Governments either routinely deny the existence of manual scavengers altogether or claim that a lack of water supply prevents them from constructing flush latrines. Activists on the contrary claim that the resources, including Government funds, do exist for construction and for rehabilitation of scavengers; but that what is lacking is the political will to do something about the situation.

The fate of manual scavengers has meanwhile attracted the attention of the international community.

### **Effectiveness of Empowering Measures**

The situation of Dalits today has certainly improved from what it was sixty years ago at the time of Independence. A number of Dalits have acquired access to land and non-land capitals assets from which they were previously prohibited. Many Dalits have found employment due to reservation policies. The literacy rate has improved in pockets, and as a cumulative impact of all these measures the poverty level of many Dalits has decreased.

India has millions child workers and their number is not decreasing in spite of the Child Labour Prohibition Act. Child labour is found in largest number in agriculture with around 70% of these children

But in general, poverty among Dalits continues to be high. According to national figures from 2000, around 43% of SC persons were below the poverty line compared to 23% from other communities. School drop-out rates from elementary education is also disproportionately high. **Low wages of their parents and high school drop-out, but also discrimination in school as such, explain why so many Dalit children end up in child labour.** Added to this, the commercialization of education reduces the ability of Dalits to afford higher or technical education. This also induces gender inequity as Dalit boys tend to get preference for costly education over girls.

One significant effort to lift rural Indians out of poverty is the **National Rural Employment Guarantee Act, 2005 (NREGA)**. It is an outstanding example of a Government actively recognizing and promoting the Right to Work. Under NREGA, one adult from each rural household willing to do unskilled work gets the legal guarantee of one hundred days employment in

every financial year at statutory minimum wage. It also aims to create 'durable assets' for beneficiaries meaning some alternative form of income will eventually come their way through skills training and enterprise development. Through a participatory approach with the beneficiaries the Government hopes to empower the rural poor and promote social equity. Its budgetary allocation is gigantic at 12,000 crores for the year 2007-08.

**The fact that Dalits and other excluded groups form the bulk of beneficiaries of NREGA comes as no surprise since they are the ones without economic endowments and largely depend on their only asset: manual labour.** In Gujarat for instance, more than 90% of all Dalits own no or less than one hectare of land, half the size of a cricket field. This is definitely not enough to support a whole family. Of other castes on average, 55% owns less than one hectare.

The Scheme has been operating for two years now and its implementation is a challenge. Although pockets of success have been heralded, some stubborn and general shortcomings can be noticed too:

- No payment of minimum wages because productivity norms have been set too high which makes it virtually impossible for a worker to deliver as predicted;
- The empowerment factors through consultation and participatory practices with beneficiaries are insufficiently used. This is partly explained because beneficiaries are often Dalits and other marginalized groups not used to be consulted, and vice-versa, the upper caste local authorities do traditionally see no need to consult with Dalits;
- Women get lower wages than men while all work is equally valued and classified as "unskilled".

The current Government of India is very much aware that caste discrimination and other inequalities can be effectively redressed through anti-poverty schemes such as NREGA. Another initiative worthwhile mentioning is Sarva Shiksha Abhiyan, Education for All, which aims fulfilling the constitutional right of every Indian to get free and compulsory primary education. **In fact, every poor Indian at District level has a staggering 2.700 welfare schemes at his or her disposal.** Generally, India has a fine set of legislation and policies properly designed to fight poverty and there is no dearth of financial resources supporting these initiatives. In fact, **many countries can and should be inspired by India's measures to fight poverty and inequality.**

**The major and core problem in India lies in the delivery of these schemes.** This can be attributed to a number of reasons. In some instances

local authorities are simply not aware of the existence of schemes, and if they are they have no idea how to use them. Caste relations between the 'rulers' and the 'ruled' play an important role and so does corruption. The division of powers between the Central Government and State Governments further complicates matters, confusing citizens about responsibilities and accountabilities within the Government machinery.

Democracy in India is partly coming to rescue here. In 2005, the Government introduced the **Right to Information Act** and has since disclosed a huge number of documents and information providing substantial insights on policy implementation. The Act is fundamentally about the securing of human rights. The Act empowers every citizen to:

- Ask any questions from the Government or seek any information
- Take copies of any Government documents
- Inspect any Government documents
- Inspect any Government works
- Take samples of materials of any Government work.

Studies suggest that two years after its passage, the enforcement of the law across the country has been patchy at best. What is the role of the responsible private sector here? Some argue that companies should support implementation of the Right to Information and related laws to create a more transparent playing field for business where the rule of law is observed. Supporting efforts on the right to information and participation will also directly lead to greater accountability on the part of the public sector and Government officials. This is of particular relevance to issues and laws related to natural resources such as land, water, and forests.

**India's vibrant civil society is not sitting still either.** In NREGA's case, a very alert and active cluster of civil groups is closely monitoring its achievements and shortcomings aiming at constant improvement of NREGA performance knowing that its success or failure will make the difference between 'shining India' and 'ever polishing India'. Similar movements exist monitoring the much criticized SSA education policy and many others. One should also and always keep in mind that India is a country of juggernaut proportions with many districts comprising millions of people. Nevertheless, its developmental framework is in place and what is needed is proper implementation of schemes.

**For the private sector this implementation gap is another opportunity to get more substantially involved to make India shine for everyone.** We just wish to remind you how Wal-Mart, generally not a company known for its benign social character, made a tremendous difference in alleviating the disastrous aftermath of cyclone Katrina by making available for emergency relief its highly refined and very effective distribution system to the public authorities. This aid for many victims made the difference between life and death, between hope and despair.

## Why Positive Action?

### Globalization and human rights

From the mid-1980s onwards, there has been a major expansion of global markets. This has now produced more than 77,000 transnational corporations which span the globe with more than 770,000 subsidiaries, and millions of suppliers in their global supply chains. The conduct of these multinational firms – particularly in developing countries - has been the focus of human rights activists worldwide. This has been no less the case in India. Increasingly, one has also begun to see concerns raised about the practices of indigenous companies in developing countries as they begin to appear on the radar screen.

The impact of globalization and trade liberalization on the protection and promotion of human rights is an area of considerable contention. There has been a historic stand-off between people in the human rights and trade policy communities – each finding fault with the analysis and assumptions of the other. Human rights advocates have called for human rights to be integrated into trade policies to make them more sensitive to local realities and 'do no harm'. Mainstream trade policymakers on the other hand – from both developing and developed countries – have tended to reject calls for human rights linkages claiming them to be protectionism in disguise

### Globalization and its effects on the Dalit economy

India's adoption of its New Economic Policy in 1991, abandoning its import-substitution policies and embracing liberalization, saw a significant reduction in the Government's role in economic and social governance. Earlier policies and programmes that focused on Dalits and other disadvantaged communities were replaced by new policies to facilitate development of a free market economy.

A number of measures marking this shift, such as:

- Land reform measures were largely put on hold. Ceilings on land holdings were selectively relaxed. Since then, inadequate access to land has resulted in a high dependency on waged labour. In 2000, 65% of SC households were wage labourers.
- Government's control over education sector was relaxed. A host of new private education providers entered the market making education more costly without retaining affirmative action provisions for Dalits.

- Industry, banking and insurance sectors were privatized with no obligations towards affirmative action. Priority lending was reduced from 18% to 13%, directly affecting the flow of funds to Dalits.
- The Public Distribution System (PDS) which had ensured the availability of food to marginalized groups was downsized from 46.5 million tons to 16.6 million tons, reportedly pushing many Dalit communities towards starvation.
- Labour reforms are being planned without full consideration of social security and other protective measures for disadvantaged groups such as Dalits.
- The majority of rehabilitation programmes (in big projects necessitating large-scale human resettlement such as power plants, industrial estates, mining, and corporate agriculture & aquaculture) tend to be inadequate in resources and implementation, affecting Dalit communities disproportionately.

### **Public sector reservations and the Dalit economy**

The impact of public sector reservations on the Dalit economy and Dalit welfare has been considerable. For example, there are approximately 3.5 million Dalits in Government jobs as a result of the policy of reservations in Government jobs and public sector undertakings. Over time, these people have encouraged the next generation to enter into private business setting up their own shops and trades towns and cities. Studies suggest that this strategy has raised at least another million Dalits out of poverty.

To this figure, one can add another half a million Dalits, who might have moved up the economic ladder as a result of a combination of financial support schemes such as soft loans provided by SC/ST finance and development corporations established by state Governments; scholarships by foundations and educational sponsorship by missionaries; employment abroad etc.

### **Public sector reservation and the private sector**

According to the above estimate, public sector reservation has enabled approximately five million Dalits in India to enter the ranks of the gainfully employed. Considering that a household in India comprises an average of five persons, one can therefore extrapolate that approximately twenty five million Dalits have been economically empowered. As one aspect of this, they now constitute a new consumer group in a more vibrant and growing private sector. This is of particular relevance to business.

It is important to note that the creation of this new mass base of consumers has not occurred as a natural process of market creation, but through pro-active public policy. Given modern capitalism's need to continuously grow

consumer markets, the economic emergence of Dalits is of great significance to the private sector.

### **Industry leaders and positive action**

What has been the response of India's economic elite to this phenomenon? A growing number of industry leaders are beginning to realize this and have started to engage publicly and pro-actively on the issue of Dalit issues.

**Ratan Tata:** In May 2005, the chairman of the Tata Group spoke of his readiness to back the Government's initiative to improve Dalit lives and other underprivileged social groups through affirmative action in the private sector. The Union Social Justice and Empowerment Minister, Meira Kumar, described this as an "historic breakthrough".

**Venugopal Dhoot:** chairman of Videocon, said that one needs a change of mindset, not legislation. He noted industrialists must understand the difficulty of the marginalized classes: "They have been exploited for 5,000 years and must be given their due." Explaining Videocon's practice, he added that they have a policy of 20% reservation for Dalits (and tribals) in the workers' category, a voluntary effort undertaken by themselves.

**Narayan Murthy:** Chairman of the Board and Chief Mentor of Infosys Technologies Limited affirmed that the private sector has an important role to play in the social and economic uplift of the Dalits. However, before formulating any policy, he notes that the compulsions of industry should be taken into account. Infosys employs a number of Dalit workers, but Murthy says: "I am not concerned about the caste of an employee as long he/she commands merit."

**Sunil Bharti Mittal:** Chairman and Managing Director of the Bharti group has said that industry needs to strengthen the Government's hands and do something as otherwise the Government will resort to legislation.

**Collective industry voice:** Last year, a number of India's leading names from manufacturing and service industry signed a commitment to implement in letter and spirit a programme of affirmative action to empower persons who are socially and economically vulnerable. They promised to offer scholarships, establish company-run private schools, partner with Government schools, and formulate vocational training and other development programs. The implementation was to be done through credible voluntary groups.



Among the signatories of this statement were: Anu Aga (Thermax group of companies); Rahul Bajaj (Bajaj group); Kumaramangalam Birla (Aditya Birla group); Naushad Forbes (Forbes Marshall India); Jamshyd N. Godrej (Godrej and Boyce Manufacturing Company Ltd); F.T. Khorakiwala (Switz group); H.F. Khorakiwala (Wockhardt Ltd); Suresh Krishna (TVS Group); Keshub Mahindra (Mahindra and Mahindra); A.C. Muthiah (First Leasing Company of India); B. Muthuraman (Tata Steel); N.R. Murthy (Infosys); Deepak Parekh (HDFC Bank); Azim Premji (Wipro); S. Ramadorai (Tata Consultancy Services); Gurpreet Singh (Continental Devices); and Gautam Thapar (Crompton Greaves), Tarun Das and Sunil Kant Munjal, former chairmen of the Confederation of Indian Industry (CII), A.S. Ganguly, former chairman of Hindustan Lever, and Rafiq Zakaria, academician.

Clearly, there is a growing consensus in the business community that:

- (i) recognizes that scale of economic marginalization of Dalits and the economic inefficiency of this untapped poor of human resources;
- (ii) prefers a voluntary approach over a legislated approach based on mandatory quotas; and
- (iii) recognizes the limitations of the Government in being able to enforce its own mandates and the need for the private sector to act as a partner and facilitator.

For many in India Inc the economic argument has been won. While not all subscribe to the fairness or justice argument – as views on reservations are often polarized in India – the only disagreement appears to be on the ‘how’ and not the ‘why’. In the coming chapters we will see just what kind of measures can be adopted by companies keen to do the right thing.

## International Attention on the Rise

Modern international human rights instruments all prohibit discrimination on the basis of caste. The international community on the other hand has been pretty silent on the subject, probably because it is a form of discrimination that is difficult to discern and confined to a limited number of countries. If one talks about discrimination of women or racism the subject clearly presents itself. Caste discrimination has no such outward characteristics. For an outsider it is virtually impossible to distinguish a Dalit from a non-Dalit.

Relative recent developments surrounding human rights instruments have broken the silence of the international community on caste discrimination.

### Universal Declaration of Human Rights

The Universal Declaration of Human Rights is the mother of all modern human rights instruments. It was adopted by the General Assembly of the United Nations on December 10, 1948. The values, rights and principles of the Universal Declaration gradually enjoyed global recognition and have later been codified in specific United Nations Covenants and Conventions dealing with human rights.

When reading the Universal Declaration the one issue that strikes the eye is its demand for equality. Article 1 states that "All human beings are born free and equal in dignity and rights ..." Article 2 providing rights and freedoms to anyone without "distinction" includes "social origin". Article 7 reinforces: "All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination." Article 23 dealing with work, reiterates the right to free choice of employment. While it is clear that discrimination in employment is contrary to everything the Declaration stands for, it does not specifically mention what discrimination on the basis of "social origin" means

"The purposes of the United Nations are . . . to achieve international co-operation . . . in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language and religion . . ." - Charter of the United Nations  
(extract from the Preamble)

## The International Convention on the Elimination of Racial Discrimination (CERD)

This Convention of 1965 has its roots in the condemnation of colonialism and apartheid. Racial barriers are repugnant to the ideals of any human being, the Preamble says. The Convention has been ratified or signed by almost all countries in the world and India ratified the Convention in 1968. Discrimination is defined like in any other legal document but what does "racial" mean? The Convention spells out "race, colour, descent or national ethnic origin." The question now remains whether caste is falling under the jurisdiction of this Convention, also keeping in mind that caste was originally introduced to India as a system of 'varna', colour.

After many years of discussion, a breakthrough came in 2002. The Committee on the Elimination of Racial Discrimination, which is the Convention's supervisory body, concluded in its General Recommendation XXIX that there had been a consistent view that the term "descent" in Article 1 of the Convention does not solely refer to "race" and has a meaning which complements the other grounds of discrimination. According to the Committee, "descent" based discrimination includes discrimination against members of communities based on forms of social stratification such as caste.

The Government of India has not been particularly happy with this position of the Committee on descent based discrimination. This came clearly to the limelight at the United Nations Conference on Racism, held in Durban in 2001. The BBC reported:

Thursday, 6 September, 2001

### Indian groups raise caste question

Lower caste Indians are fighting for a voice India's independent National Human Rights Commission has raised the issue of the caste system at the UN conference on racism in Durban. The argument is still going on over whether or not any reference to caste will go into the final conference documents.

But both sides in the argument, the Indian delegation and lobby groups for low caste or Dalit rights, have welcomed the human rights commission's statement as supportive of their views. Justice K Ramaswamy, who spoke on behalf of the human rights commission, is a senior Indian judge. His commission is an official body but independent of government.

“ [Equating] casteism with racism... makes India a racist country, which we are not

”

Indian minister Omar Abdullah

## Main focus

The BBC's Elizabeth Blunt in Durban says the fact that he dedicated almost the whole of his statement to the issue of caste has delighted the Dalit activists who want to keep it on the agenda. The Indian Government has said Durban is not a proper place to tackle a domestic issue. Condemning the caste system would equate "casteism with racism, which makes India a racist country, which we are not", India's junior foreign minister, Omar Abdullah, said.

But Justice Ramaswamy said: "The Commission is of the opinion that the exchange of views on human rights matters, whether at the national, regional or international level, can all contribute constructively to the promotion and protection of such rights." The racism conference provided a singular opportunity to deal openly and courageously with vexed issues of discrimination and inequality, including those which persisted in India, he said. At the same time he praised the legal and constitutional measures that India has in place to prevent caste discrimination. And he said that the concern should be with making these work in practice, not with forms of words.



Looking to get caste on the Durban agenda

## Word play

In fact the forms of words are now the main issue in Durban. Any explicit reference to caste was removed from the final texts before they ever got here, at the Indian Government's insistence. At the moment references are still there to discrimination based on work and descent.

This is still a coded reference to caste since its victims are the descendants of families who traditionally do dirty jobs like slaughter men, leather workers, refuse collectors and lavatory cleaners. But the references are still in brackets that is they are not yet agreed.

The Indian Government wants to remove at least the word 'work' which would leave only a reference to descent. The Dalit rights group argue that since all race is about descent that would render the reference completely meaningless.

Despite India's reservations, dialogue with the Committee continues, but India insists that "caste cannot be equated with 'race' or covered under 'descent' of Article 1 of the Convention". As a result of this position, the periodic reports submitted by the Government of India contain no information on Dalits in India. India nevertheless continues to supply information to the members of the Committee "as a matter of courtesy", and if the Committee desires, "the Government of India would be happy to provide information relating to Scheduled Castes (and Scheduled Tribes) to them though not as a reporting obligation under CERD."

More recently, the Government has opposed the participation of national and international NGOs working against caste-based discrimination in UN conferences. During the PrepCom meetings for the Durban Review

Conference held in Geneva (6-17 October), the Indian delegation opposed the accreditation of the National Campaign on Dalit Human Rights (NCDHR) and the International Dalit Solidarity Network (IDSN) amongst other groups. The Government argued that this was because caste-based discrimination does not fall under the scope of the International Convention against Racial Discrimination (CERD.) It held that the activities of the organisations, therefore, do not fall under the objectives of the Durban Review Conference. This view was rejected by CERD and other Governments however and accreditation was granted. The incident reveals how at odds the Government finds itself on the issue of caste in the international community and within the context of the Convention, whose committees have repeatedly opined that caste-based discrimination is within the ambit of the Convention.

### **International Labour Organization (ILO)**

The ILO is the United Nations agency dealing with employment issues. It was originally created in 1919 and has currently 181 member States. Its unique feature is its so-called "tripartite structure". Governments, trade unions and employers' organization operate on equal footing throughout its structure and activities, making business an integral part of its functioning.

Creation of international labour standards is the key function of the ILO. Representatives of governments and social partners meet each year in the International Labour Conference which is a kind of international parliament on employment issues. Since 1919, the Conference adopted more than 185 international labour conventions which have the status of an international treaty. Ratification of such conventions of course remains a voluntary matter for each State to decide. India has ratified some 40 ILO Conventions.

One of these conventions is the Discrimination (Employment and Occupation) Convention, 1958, ratified by India in 1960. This fundamental Convention prohibits discrimination in employment and occupation on a certain number of grounds. One of these grounds is "social origin". The supervisory bodies of the ILO have made it explicit that "social origin" equals caste. This makes ILO Convention No. 111 the most suitable and relevant international treaty dealing directly with the subject of discrimination in employment on the basis of caste.

To see how international treaties are being implemented, supervisory or treaty bodies of international conventions usually have to rely on information provided by governments. The tripartite character of the ILO however also allows trade unions and employer's organizations to give their views on application of international labour conventions at national level. Hind Mazdoor Sabha (HMS), an Indian trade union confederation, and the International Trade Union Confederation (ITUC) jointly submitted a report to the ILO supervisory bodies about the practice of manual scavenging. The

ILO Committee of Experts, an independent body supervising the application of ILO standards noted:

**Observation concerning Discrimination (Employment and Occupation) Convention, 1958 (No. 111) India (ratification: 1960)  
Published: 2007**

The Committee notes the communication dated 29 August 2006 received from Hind Mazdoor Sabha, a workers' organization, which was forwarded to the Government on 28 September 2006. The communication states that protection under article 14 (equality before the law) and article 15 (prohibition of discrimination on grounds of religion, race, caste, sex or place of birth) of the Constitution did not cover private sector employees. Widespread discrimination against *Dalits*, *adivasis* and women in the construction and fishing industries, as well as in agriculture, is alleged.

**The Committee requests the Government to provide information in reply to these matters raised by Hind Mazdoor Sabha in its next report.**

*Discrimination based on social origin*

2. The Committee recalls that caste-related discrimination in employment and occupation is a form of discrimination based on social origin that is contrary to the Convention. In its previous observation, the Committee stressed that the practice of untouchability, which continues despite its prohibition under the Constitution, needs to be addressed effectively if discrimination in employment and occupation against *Dalits* based on their social origin is to be eliminated. In this context, the Committee noted recommendations made by the then National Commission for Scheduled Castes and Tribes, including concerning measures to strengthen the enforcement of the Protection of Civil Rights Act, increased cooperation of the responsible public authorities at the various levels and broad awareness-raising campaigns.

3. Given the seriousness and magnitude of the problem, the Committee regrets that the Government's report does not provide any information in reply to the Committee's specific requests. **The Committee therefore urges the Government to take action with a view to eliminating discrimination in employment and occupation against members of the Dalit population and promoting equality of opportunity and treatment for them, including through strengthening legal protection and socio-economic empowerment, and to inform the Committee on the measures taken in this regard. The Committee also reiterates its request to the Government to provide information on the steps taken to raise awareness among workers and employers of the issues involved, particularly the need to reject and combat the practice of untouchability and caste-based discrimination at work. The Committee requests the Government once again to indicate the steps taken to seek the cooperation of workers' and employers' organizations in this regard. In addition, the Committee requests the Government to provide a copy of the most recent report of the National Commission for Scheduled Castes.**

4. *Manual scavenging.* With regard to the practice of manual scavenging and the fact that *Dalits* are usually engaged in this practice due to their social origin in contravention of the Convention, the Committee noted in its previous observation that the Tenth Five-Year Plan (2002–07) refers to a nationwide programme for the total eradication of manual scavenging by 2007, including state-specific plans of action concerning the construction of wet latrines and provision of alternative training and jobs to scavengers. In its report, the Government confirms that a



National Action Plan for the Eradication of Manual Scavenging is being implemented and states that it is “trying its level best to advise and recommend steps which may lead to the total eradication of manual scavenging by 2007”. It is also “trying to ensure that State Government, railways and local authorities apply and enforce the prohibition of manual scavenging” as contained in the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993. The Government also recommended the launching of a national awareness-raising campaign through the media. Statistical data on the prevalence of manual scavenging is under preparation.

5. While the Committee notes the Government’s statement that it agreed with the Committee’s recommendations regarding manual scavenging, it notes that the report falls short of satisfying the Committee’s requests for information made in the previous observation. The Committee requested information on the specific measures taken concerning a number of issues. The Committee is thus not in a position to assess the progress made in ensuring that the practice of manual scavenging, which goes hand in hand with serious and systematic discrimination based on social origin contrary to the Convention, is being eradicated as soon as possible.

**The Committee, therefore, urges the Government to provide detailed information regarding the specific action taken by the central Government and at the level of states and union territories to put an end to the practice of manual scavenging and on the progress made in the identification, liberation and rehabilitation of scavengers, including statistical data. In this context, the Committee strongly urges the Government to take decisive action:**

**(a) to ensure that the state, local and railway authorities apply and enforce the prohibitions contained in the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993, and that the penalties provided for their violation are effectively imposed (please indicate the number of prosecutions initiated and the number and nature of penalties imposed);**

***(b) to evaluate the effectiveness of the existing schemes for the construction of flush latrines and the rehabilitation of manual scavengers;***

***(c) to launch or expand public-awareness programmes for the population and educational and training programmes for the authorities involved, in order to promote the changes in attitudes and social habits which are necessary to bring about the elimination of manual scavenging. The Committee hopes that the Government’s next report will contain information on the specific action taken on these matters. In addition, the Committee requests the Government to provide a copy of the National Plan of Action on the Eradication of Manual Scavenging and information on its implementation and the results achieved thereby.***

The report and subsequent comments made by the ILO supervisory bodies resulted in a discussion between the ILO members and the Government of India at the International Labour Conference in 2007. Contrary to the heated debate that took place in Durban, the discussion in Geneva focused on the facts without emotions involved. It may also have been a sign that the Government of India is shifting its strategy when challenged internationally



about caste discrimination. The full discussion can be reviewed in the resource section of this publication.

## Soft Law Mechanisms

Other than the 'Hard Law' of enforceable international laws and treaties, one also needs to consider the importance of Soft Law in providing remedies related to anti-discrimination. This classification of law is "soft" in the sense that it does not by itself create legally binding obligations. It derives strength through recognition by states and other key actors. States may turn to soft law for several reasons: to chart possible future directions for, and fill gaps in, the international legal order when they are not yet able or willing to take firmer measures; where they conclude that legally binding mechanisms are not the best tool to address a particular issue; or in some instances to avoid having more binding measures gain political momentum.

A prominent example of soft law's normative role is the ILO's **Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy**, endorsed not only by states but also global employers' and workers' organizations. It proclaims that all parties, including multinational enterprises, "should respect the Universal Declaration of Human Rights and the corresponding international Covenants."

The **OECD Guidelines for Multinational Enterprises** perform a similar role. They acknowledge that the capacity and willingness of states to implement their international human rights obligations vary. Accordingly, they recommend that firms "respect the human rights of those affected by their activities consistent with the host Government's obligations and commitments."

A number of economic bodies are beginning to integrate social considerations – or screens – in their lending portfolios. For example, one of the World Bank group's main bodies, the International Finance Corporation (IFC), now has performance standards that companies are required to meet in return for IFC investment funds. They include several human rights elements. Depending on the project, the IFC may require impact assessments that include human rights elements, and community consultation. Client compliance is subject to review by an Ombudsman, who may hear complaints from anyone adversely affected by an IFC-funded project's social consequences.

## Guidance Note 2 Labor and Working Conditions

### Non-Discrimination and Equal Opportunity

***11. The client will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The client will base the employment relationship on the principle of equal opportunity and fair treatment, and will not discriminate with respect to aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, promotion, termination of employment or retirement, and discipline. In countries where national law provides for non-discrimination in employment, the client will comply with national law. When national laws are silent on non-discrimination in employment, the client will meet this Performance Standard. Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job will not be deemed discrimination.***

### Managing Discrimination

IFC recognizes the diversity of cultures in the countries where it provides financing. It further recognizes that addressing issues of discrimination that arise from cultural norms or local practice (and that are sometimes even incorporated into formal legislation) is a difficult challenge. However, given the closely intertwined business, economic and social benefits of equal opportunity to employment, as well as the damage done by discrimination, IFC looks to clients to take a positive view of equal opportunity and a diverse workforce. Companies that embrace diversity have identified a range of business advantages, such as improving employee morale and retention and decreasing complaints and litigation. This shift in company attitudes is also mirrored in regulatory changes around the world, shifting from laws that simply prohibit discrimination to laws that provide for a positive duty to prevent discrimination and promote equality.

Clients can take proactive steps to create a workplace environment that makes equal access to employment and equal treatment on the job a reality throughout the employment relationship, from recruiting through retirement and pension. These steps may include, for example, recruitment drives that focus on attracting workers from groups that are under-represented in the workforce; awareness raising and training programs for managers and workers; anti-harassment policies that communicate the client's determination to eliminate such practices in the workplace; and skills training programs for workers to improve their chances of promotion. Where training is provided it should be accessible to all workers for whom the training is relevant, on a non-discriminatory basis.

Gender discrimination can arise in ways that differ from other forms of discrimination and clients should review policies and practices to ensure that they do not negatively affect either women or men.

Clients should consider involving workers and workers' organizations in identifying and addressing discrimination in the workplace. In some cases the policies or practices of workers' organizations can contribute to or inadvertently support discriminatory practices. It is good practice for clients to invite workers' organizations to participate in the development of equal opportunity policies. They may be aware of discriminatory effects of policies that the employer has not identified. Workers' organizations are often able to educate workers about why discrimination is unacceptable, and they can help to establish a positive and inclusive workplace environment. [www.ifc.org/ifcext/enviro.nsf/Content/Publications](http://www.ifc.org/ifcext/enviro.nsf/Content/Publications)

The IFC's parent body, the World Bank, has pronounced very regularly in recent years on the consequences of discrimination on poverty reduction strategies. For example, in its World Development Report 2000/2001 the World Bank detailed the pernicious impact of caste on efforts to reduce poverty in India and recommended taking affirmative action measures to counter this abiding phenomenon in Indian society.

### **UN Special Rapporteurs**

Elsewhere in the multilateral system, one sees the world of UN special rapporteurs. The former Commission on Human Rights, in its resolution 2005/109, gave a mandate to the former Sub-Commission on the Promotion and Protection of Human Rights to undertake a study on discrimination based on work and descent, and to develop draft principles and guidelines for the elimination of this form of discrimination. This was the first occasion on which the UN's leading human rights body sought to address comprehensively the entrenched form of discrimination that affects, among others, the Dalits of South Asia.

Three years later, the Sub-Commission experts entrusted with this mandate, Professor Yozo Yokota and Professor Chin-Sung Chung, have completed their task and sought to deliver a final report which includes the draft principles and guidelines widely anticipated by organizations representing affected communities around the world. However, with the abolition of the Sub-Commission, their painstaking work presently lacks a forum for its consideration and finalization, and runs the risk of falling into a bureaucratic abyss.

The new Human Rights Council has, appropriately, a special focus on implementation, and on improving the situation of the victims of human rights violations on the ground. The draft principles and guidelines developed by Professors Yokota and Chung can be a very important tool for fulfilling

this responsibility to the more than 200 million people who still continue to struggle under crushing yoke of caste-based discrimination and analogous forms of inherited social exclusion. It is there of great importance that the Human Rights takes up this important mandate in the near future.

### **Business and human rights – the UN’s review**

In 2005, the UN General Assembly appointed John Ruggie as a special representative of the UN Secretary-General, Kofi Annan, to provide a comprehensive mapping of current international standards and practices regarding business and human rights on the issue of human rights and transnational corporations and other business enterprises.

The special representative’s report *“Business and Human Rights: Mapping International Standards of Responsibility and Accountability for Corporate Acts”* investigated a number of UN Human Rights treaties. It found that earlier ones, such as the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR), do not specifically address state duties regarding business. They impose only generalized obligations to ensure the enjoyment of rights and prevent non-state abuse.

The report found that business is addressed more directly by the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), adopted in 1979; the Convention on the Rights of the Child (CRC); and the recently adopted Convention on the Rights of Persons with Disabilities, which requires states to take all appropriate measures to eliminate discrimination against women by any “enterprise” (Art. 2(e)), and in the context of “bank loans, mortgages and other forms of financial credit” (Art. 13(c)).

These treaties tend to give states discretion in terms of the modalities for regulating and adjudicating non-state abuses, but also tend to emphasize legislation and judicial remedies.

India has ratified the International Convention on Civil and Political Rights; the International Covenant on Economic, Social and Cultural rights; the International Convention on the Elimination of All Forms of Racial Discrimination; the Convention on the Rights of the Child (but made a reservation on child labour); the Convention on the Elimination of all Forms of Discrimination against Women; and the ILO Convention on the Elimination of Discrimination No. 111.

The Ruggie report identified new drivers and noted that contemporary notions of corporate responsibility are being shaped by the interplay of two

new developments: (i) the refinement of individual responsibility by international criminal tribunals; and (ii) the extension of responsibility for international crimes to corporations under domestic law. The complex interaction between the two is creating an expanding web of potential corporate liability for international crimes – imposed through national courts.

## **United Nations Global Compact**

An initiative by former United Nations Secretary General Mr. Kofi Annan launched at the World Economic Forum in Davos in 1999, the Global Compact is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. As the world's largest, global corporate citizenship initiative, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets.

The Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from major instruments of international law. One of the principles, No. 6, deals with discrimination, and includes discrimination on the basis of social origin

The website of Global Compact reinforces what has been stated on discrimination in this Guide throughout: "From a business point of view discrimination does not make sense. It is an issue that should be of concern to all businesses because discriminatory practices in employment and occupation restrict the available pool of workers and skills, and slow economic growth for society as a whole. The lack of a climate of tolerance results in missed opportunities for development of skills and infrastructure to strengthen competitiveness in the global economy. Finally, discrimination isolates an employer from the wider community and can damage a company's reputation, potentially affecting profits and stock value."

## **The Global Compact Network in India**

Global Compact in India was launched at a high-level meeting of Business Leaders in Mumbai on **4 December, 2000** and over 100 leading organizations from India have joined the initiative to date. In **November, 2003** the Global Compact Society (GCS) was formed and registered in New Delhi as an all India forum for organizations participating in the UN Global Compact. Thus far, 41 Indian organizations from public and private sector companies, professional bodies and institutions have joined the Society as founding members and a Governing Committee has been established.

Most recently, in **September, 2007** the Confederation of Indian Industry (CII) and the Global Compact Office entered into a Memorandum of Understanding whereby the CII formally strengthened its commitment to advancing the principles of the UN Global Compact – both in India and around the world. CII further pledged to build the capacity of corporations operating in India and around the world to implement the principles of the Global Compact within their business operations, and to leverage the delivery capacity of the Global Compact through the organization's "Centres of Excellence".

### **European Parliament Resolution (2006/2007)**

The European Parliament took on the subject of the plight of Dalits in India, issuing a Resolution in February 2007. The Resolution was preceded by an Opinion of this parliament in 2006 emphasizing that despite the promising trade relations between Europe and India the EU is urged to implement measures for **"the promotion of equal opportunities in employment in private EU-based companies and investors, the encouragement of Dalit-inclusive development programmes and the use of indicators to measure Dalit inclusion in the new economy"**.

The Resolution reiterated its expectation that EU development programmes in India include specific measures to ensure that minorities such as Dalits are able to close the wide gap with the rest of the population regarding the attainment of the Millennium Development Goals (MDGs). It recalled its demand that Council and Commission give priority to the promotion of equal opportunities in employment in private EU-based companies and to encourage EU-based companies **to implement the 'Ambedkar Principles'** (Employment and Additional Principles on Economic and Social Exclusion Formulated to assist All Foreign Investors in South Asia to Address Caste Discrimination).

Finally, the European Parliament, instructed its President to forward the resolution to the Council, the Commission, and the Governments of the Member States, the President, Government and Parliament of India, the UN General-Secretary as well as the heads of the UN Sub-Commission on the Promotion and Protection of Human Rights, the ILO and UNICEF, the World Bank and the IMF.

During her visit to India in November 2007, Germany's Chancellor Ms. Angela Merkel invited civic groups to gather information about the implications of the caste system in India. The difficulty for outsiders to identify Dalits was one of the issues she raised. The meeting lasted for one

hour. The Chancellor extended her moral support to the participants and encouraged them to fight caste-based discrimination.

## **US Congress Resolution**

In July 2007, the US House of Representatives passed a resolution pledging to outlaw caste discrimination in India – its largest trading partner and close ally in the Asian region.

The resolution by the House of Representatives stated: "That it is the sense of Congress, as the leaders of the United states and the Republic of India have expressed commitment to the values of human freedom, democracy, and the rule of law, it is in the interests of the United States to address the problem of the treatment of the Dalits in India in order to better meet mutual social development and human rights goals".

On discrimination and employment of Dalits, the resolution urges that "procedures exist to detect and remedy any caste discrimination in employment conditions, wages, benefits or job security for anyone working with organizations receiving funding in India from the United States Government" and is "encouraging United States citizens working in India to avoid discrimination toward the Dalits in all business interactions."



## Principles to Follow and Guidance to Use

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Human rights have traditionally been seen as political issues external to the immediate operating responsibilities of companies. Some large businesses have come in the line of fire for human rights abuses over the years. Over time, the business community has been sensitized to the need to integrate human rights perspectives in their operations which are now increasingly a part of the lexicon of companies' Corporate Social Responsibility (CSR) policies – often in conjunction with policies to promote diversity.

Multinationals and foreign companies are often more shocked by the existence of caste discrimination in India and the degree of economic and social marginalization of Dalit communities, than indigenous companies who have long lived with it. Big brand names, in particular, are soft targets for campaigning organizations and many are now becoming more astute in dealing with diversity and discrimination issues in the workplace and beyond.

Having said this there is a fair degree of confusion as to what a company's legal obligations on caste discrimination are in a country such as India.

In the absence of formal guidance to the private sector on appropriate conduct to both avoid caste discrimination, as well as promote positive discrimination, a number of international and national non-governmental initiatives have emerged, most notably, the formation of the International Dalit Solidarity Network (IDSN), consisting of a number of national platforms in caste affected countries in South Asia, human rights organizations and national Dalit Solidarity Networks in several European countries. There is also a Dalit Freedom Network in the USA. In South Asia several Dalit networks and coalitions have developed in India and Nepal, and more recently in Sri Lanka, Pakistan and Bangladesh. A number of the European and US Networks have begun to engage with private sector companies based in their territory who are outsourcing or in other ways expanding in South Asia, and India in particular. In the UK, dialogue with several companies and particularly four banks - HSBC, Standard Chartered, Lloyds TSB and Barclays, - has led to a growing level of understanding. There is also an increasing amount of research, showing that foreign companies in Indian may be drawing from too narrow a section of the population to demonstrate true diversity and tap genuine merit.

# Principles, Tools and Declarations

## 1. Ambedkar Principles

Foremost among these efforts are the Ambedkar principles, referred to formally as the **“Employment and Additional Principles on Economic and Social Exclusion Formulated to Assist all Foreign Investors in South Asia to address caste discrimination”**.

The Principles suggests numerous ways in which the Dalit workforce can be strengthened to enable them to compete among equals. The Principles do not propose a quota system which businesses largely reject as anti-meritocratic, but instead promote a system of conscious inclusion.

The main Employment Principles are firmly rooted in, and seek to build upon, the labour rights that are already supported by the international community - Governments, trade unions and employers' associations alike - in the form of the conventions of the International Labour Organisation (ILO).

The Additional Principles on exclusion have been derived from several international standards such as UN Global Compact. Another source for the Ambedkar Principles are the Global Sullivan Principles, which date back to anti-Apartheid days and state that companies will 'work with Governments and communities in which we do business to improve the quality of life in those communities, their educational, cultural, economic and social well being and seek to provide training and opportunities for workers from disadvantaged backgrounds'.

One finds similar commitments in the OECD Guidelines for Companies and the (draft) United Nations Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with Regard to Human Rights.

Companies supporting the Ambedkar Principles are asked to make an annual report on their progress as part of their corporate social responsibility reporting, and also to consider engaging in some form of external audit.

### Employment Principles

Companies endorsing the Employment Principles will contribute to the implementation of existing national anti-discrimination laws and policies, acting in the spirit of internationally recognized human and employment rights and putting into practice the general commitments found in international standards, as referred to above.

Specifically, companies are urged, among other measures, to:

- ❖ Include in any statement of employment policy a reference to the unacceptability of caste discrimination and a commitment to seeking to

eliminate it; develop fair and objective recruitment, selection and career development processes with the involvement of Dalits themselves

- ❖ Develop and implement a plan of positive action, including training on caste discrimination for all employees and making specific reference to Dalit women.
- ❖ Publish annually a report on progress in implementing these Principles

### **Additional Principles to address Economic and Social Exclusion**

Under the Ambedkar Principles, investors who support its Additional Principles are enjoined to:

- ❖ Seek to place a proportion of supply and/or service contracts with local enterprises from socially excluded communities;
- ❖ Support educational projects for socially excluded communities at all levels and in the form of training for posts at executive or management level.
- ❖ Require that all corporate support to community development programmes in caste-affected countries or areas include the participation of Dalits in both planning and implementation, and that they receive at least an equal share in any benefits.

Discrimination is not something that companies should be concerned with only in the employment context; it is also relevant to other areas of company practice and its relation to wider community. A company can be involved in discrimination either directly or indirectly.

**Direct discrimination** occurs whenever a company policy practice treats one particular group of people from others. To avoid it companies must seek to treat employees fairly. **Indirect discrimination** occurs when an apparently neutral policy adversely impacts a certain group of people. The best way of avoiding indirect discrimination is to make sure that the employment related decisions are objective factors such as merit, skill, experience etc.

There are several tools to check the compliance with Dalit rights.

### **2. The Human Rights Compliance Assessment HRCA Check**

The **Human Rights Compliance Assessment** (HRCA) is a computer programme that runs on a database containing 350 questions and 1000 corresponding human rights indicators, from over 80 major human rights treaties and conventions. It allows each company to select and modify the information in the database to suit its type of business and area of

operations. Running the HRCA produces a report which identifies the company's areas of compliance and non compliance with human rights. In addition, the overall performance is quantified so that continued improvements can be measured in a regular basis.

There exists a 'Quick Check' version of the HRCA comprising of approximately 10% of the HCRA stuff related to most essential human rights issues that accompany must consider in relation to its activities. Whereas access to the full HCRA tool requires an annual fee, access to Quick Check is free. **To access HRCA click on to [www.humanrightsbusiness.org](http://www.humanrightsbusiness.org)**

The HRCA covers discrimination in the following areas:

1. Employment practices - which deal with rights of an individual employed by the company or seeking employment in the company.
2. Community impact - which deals with the right of individuals residing in societies which are affected by company activity or product.
3. Utilities and services - which deals with rights of individuals using essential goods and services which are provided by the company such as educational, housing, and medical facilities.

The majority of the questions in the Dalit check fall in the first category – employment practices the check also contains a number of questions on promotional activities. These questions do not form part of compliance check but suggest how to promote and support this cause within their sphere of influence.

This methodological framework builds on a dissection of human rights laws into negative and positive duties. Most human rights give rise to four complimentary duties - respect, protect, promote and fulfill. Whereas the Governments are the primary duty bearers in relation to protecting, promoting, and fulfilling human rights, companies have their responsibilities as well.

In all these four areas companies do have positive obligations, that is - 1) in relation to their workers, 2) in relation to the use of their products, 3) in relation to people residing on company land, 4) in those cases where the company de facto replaces the Government.

Companies must ensure that far reaching effects of their operations do not negatively affect people or communities. At this point, it is essential to note that discrimination against the Dalits in India is so deeply ingrained in the Indian society that not taking pro-active action will automatically result in discriminatory action, directly and indirectly. In international human right language it is known as "special measures".

### 3. Dalit Discrimination Check Tool

The Dalit Discrimination HRCA Check – has been developed by the *International Dalit Solidarity Network (IDSN)* and Human Rights & Business project of the *Danish Institute for Human Rights (DIHR)*. The aim of the cooperation has been to develop a widely accessible resource tool to help companies deal with human right issues relevant for their particular operations.

**The draft DDC has been tested.** The consultation and testing process has been carried out involving some European companies operating in India. The final DDC is expected to be launched in 2008.

The DDC will be accompanied by a set of explanatory guidelines on how to confront caste discrimination, in the company's own practices as well as in the supply chain. It will be designed to serve as a support tool for companies that have signed up to the Ambedkar Principles. It will contain approximately 25 questions in the following areas:

1. Employment Practices: deals with the rights of the individuals employed by the company or seeking employment within the company
2. Operational Practices: deals with the rights of the individuals employed by the company or seeking employment within the company
3. Utilities and Services: deals with the rights of individuals using essential goods and services which are provided by the company, such as educational, housing, and medical facilities
4. Supply Chain: deals with supply chain issues

Each of the 25 questions will be supported by an explanatory paragraph and a list of 'suggested indicators' will be provided to help guide the user in determining whether or not the company is in compliance and how to answer the overall question. The tool will also be accompanied with suggestions for promotional activities. This section does not directly form a part of the DDC, but suggests how the company can promote and support the human rights of Dalits within their sphere of influence.

Upon completion the DDC will be freely available at:  
**[www.humanrightsbusiness.org](http://www.humanrightsbusiness.org)**

### 4. Human Rights and Business Learning Tool

This learning tool by the *Office of the United Nations High Commissioner for Human Rights (OHCHR)* has been prepared in collaboration with the *United Nations Global Compact Office* and the *United Nations System Staff College*

(UNSSC). It has been developed following a period of consultation with companies participating in the UN Global Compact concerning their learning needs in relation to human rights.

The objective of the tool is to help managers and CSR professionals in companies participating in the UN Global Compact to understand what human rights are and how they are relevant to their business operations. While the course is designed to be directly useful to Global Compact participants, it may also be relevant to companies not yet participating in the Global Compact.

The Learning Tool is web-based. It is accessible at [www.unssc.org/web/hrb](http://www.unssc.org/web/hrb). The tool focuses on the two Global Compact human rights principles and related concepts of spheres of influence and complicity.

The course comprises three modules:

Module 1: Introduction to Human Rights

Module 2: The Concept of Sphere of Influence

Module 3: The Notion of Complicity

Module 1 considers human rights from the perspective of Governments and businesses and reviews some examples of how companies impact on human rights.

Module 2 looks at the term “sphere of influence” of a company: workplace, supply chain, marketplace, community, and government, allowing a company to map the sphere of influence.

Module 3 focuses on the important area of complicity in human rights abuses. Broadly speaking, corporate complicity is the idea that a company is contributing in some way to the human rights abuses committed by others. Corporate complicity is distinct from the situation in which a company is itself engaging in human rights abuse.

It will be of most relevance to larger companies, in particular those which operate in countries or regions where conflict and human rights abuses are prevalent and those in sectors with greatest potential impacts, for instance the extractives sector. The risk of an allegation of complicity is reduced if a company is aware of its sphere of influence and has taken action to integrate a respect for human rights into its core business policies and practice.

The tool is interactive with links, exercises and case studies. As the tool is web based, it will be updated regularly. Further modules may be added as well.

## **5. Ethical Trading Initiative (ETI) Base code**

The Ethical Trading Initiative (<http://www.ethicaltrade.org>) is an alliance of companies, NGOs and trade unions working to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions.

The Ethical Trade Initiative (ETI) has developed a code of labour practice - the 'Base Code' - reflecting the most relevant international standards with respect to labour practices which will be used as the basis of its work. Principles of the ETI Base Code include the right to freely chosen employment and non-discrimination.

ETI member companies are expected to adopt this Base Code, or to adopt their own code so long as it incorporates the Base Code. The Base Code which is accompanied by a set of general principles concerning implementation provides a foundation for ETI's philosophy of learning.

A recent independent impact assessment of ETI, or rather of the companies impact in several countries, has found that combating discrimination has had only limited success thus far and is one of the most challenging tasks of any company.

## **6. Global Reporting Initiative (GRI)**

The Global Reporting Initiative (GRI) has pioneered the development of the world's most widely used Sustainability Reporting Framework. It is a large multi-stakeholder network of thousands of experts, in dozens of countries worldwide. GRI is a collaborating centre of the United Nations Environment Programme.

The core of the Framework is Sustainability Reporting Guidelines. It is supported by Protocols and Sector Supplements. National Annexes will soon be developed for use in conjunction with the Guidelines, and will address country or regional sustainability issues.

The reporting is done through indicators for disclosing performance regarding Environment, Human Rights, Labor, Product Responsibility and Society.

The Dalit Discrimination Check is included in the Human Rights Performance Indicators. It elicits disclosures on the impacts and activities an organization has on the civil and political human rights of its stakeholders. The Aspects within these Performance Indicators are based on internationally recognized standards, primarily the United Nations Universal Declaration of Human Rights and the ILO Declaration on the Fundamental Principles and Rights at



Work of 1998 (reflecting the eight Core Conventions of the ILO). The Indicator set addresses three general areas:

- ❖ Incidents related to basic aspects of human rights;
- ❖ The capacity and knowledge enabling the organization to effectively address human rights, including training and internal procedures; and
- ❖ The organization's integration of human rights into its external business relationships either through investments or suppliers.

The indicators cover investment and procurement practices, non-discrimination, freedom of association and collective bargain, child labour, forced and compulsory labour, indigenous people's right etc.

The supporting documents e.g. Protocols define key terms in the indicator, compilation methodologies, intended scope of the indicator, and other technical references. Sector Supplements complement use of the core Guidelines by capturing the unique set of sustainability issues faced in different sectors such as mining, automotive, banking, public agencies and others.

GRI reporting can be done in printed version or online at <http://www.globalreporting.org/ReportingFramework/G3Online/>. Further details can be obtained at [www.globalreporting.org](http://www.globalreporting.org)

## **7. Delhi Dalit Declaration**

The Delhi Dalit Declaration was issued and unanimously adopted in 2005 in the presence of nearly 1000 delegates (among whom included a sizeable number of women) from all over the country at the National Summit on Reservation in Private Sector organized by several organizations across India including the National Campaign on Dalit Human Rights (NCDHR), National Conference of Dalit Organisations (NACDOR) and the Indian Institute of Dalit Studies (IIDS).

Delegates at the National Summit charged that positive changes had been too small and too slow and that Dalits continued to suffer from high level of deprivation and inequality in the attainment of improved levels of living.

For example, they noted that 70% of SC rural households depend on wage labour, compared to only 40% among others. Recognizing that there is considerable evidence of economic discrimination in various markets - labour, employment, business, services, access to financial capital, sale of certain commodities, private educational institutions and private housing – the participants demanded multi-dimensional strategies and legal safeguards.

In particular, in their demand for a national Reservation Policy for Private Sector, they called for the following clear-cut principles:

1. It should apply to multiple spheres, namely private employment, market, private capital market, agricultural land, private education and housing, access to inputs and services, products and consumer-goods
2. It should be based on three safeguards
  - a. Legal safeguards in the form of equal opportunity laws of non-discrimination containing provisions of anti-discrimination in access to labour, land, capital, consumer goods, education, housing etc.
  - b. Quotas in proportion to population to ensure fair participation of Dalits in private employment, private business or capital, access to agricultural land, market inputs, product-market and consumer goods-market and educational institutions.
  - c. Monitoring Mechanism in the form of an Equal Opportunity Commission

Many demands are related to creation of assets:

- Capital Market Reservation and Compensatory Measures
- Quotas in Agricultural Products by State and Private Sector
- Control over Forest Products
- Reservation in Contracts of Government and Private Sector
- Reservation in Educational Institutions
- Compensation Policy in Improving Ownership of Agriculture Land
- affirmative action/Equal Opportunity in Transnational and Multinational Corporations
- Separate Administrative Monitoring Mechanism to monitor the private sector reservation policy.

## **8. Kathmandu Dalit Declaration**

The Kathmandu Dalit Declaration of the International Dalit Solidarity Network in December 2004 appeals to actors in of the international arena including transnational corporations to cut Dalit discrimination short.

Bilateral agencies are asked to implement affirmative action measures for proportional employment of Dalits, including women, in all development activities. The World Bank and Asian Development Bank are encouraged to incorporate an analysis of caste exclusion into Corporate Social Development Strategies. As part of their commitment to good governance, the World Bank

and Asian Development Bank should establish an ongoing dialogue with Dalit NGOs and representatives at all stages of the decision-making process.

The Private Sector investing in or operating in caste-affected countries should support and implement the existing instruments dealing with caste-based discrimination and the corporate sector.

- ▶ Adopt specific policies pertaining to human rights and ensure that, within your sphere of influence, these principles are also implemented by all suppliers and business partners.
- ▶ Ensure that infrastructure investments are carried out in consultation with marginalized groups, including Dalits, and prioritize access of these groups to the fruits of these investments.
- ▶ Ensure compliance with nationally mandated affirmative action programs. Where no such programs exist, companies should voluntarily institute and implement affirmative action programs for Dalits.
- ▶ As a specific development of the above, adopt and implement the Ambedkar Principles. Raise awareness among international aid agencies, the private sector, transnational corporations, and Governments on the prevalence of caste discrimination and recommend appropriate interventions similar to those outlined in this document.

## **9. The Hague Declaration on the Human Rights and Dignity of Dalit Women**

This Declaration was adopted on 21 November 2006 by Dalit women delegates from India, Pakistan, Nepal and Sri Lanka and by international organizations after two days of deliberation, highlighting the triple discrimination Dalit women face, as Dalits, as women and as poor. Although the private sector is not specifically mentioned in this Declaration, the participants do draw attention to better access to education and economic assets of Dalit women: "Many are landless daily wage labourers who are systematically denied access to resources", is being recalled, and are prevented "from enjoying their basic human rights, particularly to dignity, equality and development."

The Recommendations dealing with economic issues call for disaggregated social data on grounds of gender and caste; the restoration of lands earmarked for Dalits and register them in the name of Dalit women or jointly with men, and register legal land titles in their names of which a minimum of

five acres of land should be registered in women names only; equal and living wages to Dalit women without discrimination; and eradication of the practice of manual scavenging and bonded labour.

## Government Action and Corporate Response

In India one is beginning to see the emergence of more conscious voluntary efforts to empower Dalit workforces and communities. The picture is mixed and good and bad practices can be evidenced around the country - but there is movement.

### National Legislation and Reservation Policy

The beginning of the current spate of Government initiatives can be traced back to June 2003 when **President Kalam** stated in a speech that "the Government is sensitive to the issue of "affirmative action" including reservations in the private sector, and is committed to faster socio-economic and educational development of the Scheduled Castes".

In August of that year, the Manmohan Singh Government announced that it would constitute a group of ministers to examine private sector reservation. The Confederation of Indian Industry (CII) however opposed it, and in June 2004 stated that the Government should 'work to upgrade skills of the weaker sections of society' to make them more employable.

Subsequently, the Justice Venkatachaliah Commission, which was appointed to review the working of the Indian Constitution, proposed that privatized public enterprises would still be bound to the reservation policy as if these enterprises had never been privatized. In June 2005 the Government withdrew this proposal.

It was **Prime Minister Manmohan Singh's speech at the CII national conference in April 2006 which set the ball rolling on affirmative action**. "I urge you to assess at a firm level the diversity in your employees' profile and commit yourself voluntarily, making it more broad-based and representative. Such affirmative action on your part can be a crucial component of the inclusive society we hope to build," the PM had said in his address.

The PM's exhortation was followed by CII and Assocham setting up a taskforce headed by Tata Sons director J.J. Irani to draft an action agenda for the industry on affirmative action. A co-ordination committee on affirmative action in the private sector was also constituted in October 2006, headed by principal secretary to the prime minister, T.K.A. Nair.

In March 2007, in a significant move, the Department of Industrial Policy and Promotion (DIPP) asked India Inc to incorporate data on Dalits recruited from January 1, 2007 onwards for the first time in their annual reports for

the financial year ending March 2007. The DIPP sees compliance with this as a litmus test of whether the private sector is committed to affirmative action.

According to media reports, the Department was not convinced with the voluntary instances of affirmative action taken by companies and has indicated it will enact legislation for mandatory reservation in the first quarter of 2007-08 if voluntary action taken by the private sector turns out to be insufficient. Since then the Government has refrained from making job reservations mandatory following a firm commitment on voluntary positive action from by industry bodies like Associated Chambers of Commerce and Industry (Assocham) and Confederation of Indian Industry (CII).

This, at least, was the view circulating for much of 2007, which is why this has been such a high-watermark year for a discussion of Dalit rights and the private sector.

But **consensus between business associations was not easily reached.**

### **The Indian Express reported on 13 July 2007:**

With apex chambers not reaching a consensus on issues related to increasing SC/ST representation in the private sector through affirmative action (AA), Principal Secretary in the PMO T K A Nair will hold a meeting with the chambers on Saturday.

The meeting will take stock of the progress made on AA by the private sector. The industry has broadly accepted the government's push for AA in the private sector but opinion is still divided among industry chambers on issues such as creation of a baseline data among various industries on their present SC/ST employee base (called baseline data compilation), selection processes where industry would give weight to SC/ST candidates who meet the minimum criteria.

While baseline data is crucial to ascertain the progress made by industry after introducing AA, on the selection process, the PMO note clearly says, "In the recruitment procedures, the companies could select from a band of suitable/competent candidates so that SC/ST candidates falling within the band of eligible persons could be recruited."

On both these issues, the industry chambers - CII, FICCI and ASSOCHAM – are not in consensus. For instance, in the case of baseline data, only 100 companies associated with CII have been forthcoming while some others (FICCI) have expressed "apprehension" for asking such information from their existing employee base.

On the issue of giving weight to SC/ST candidates, while CII has accepted "positive" discrimination, chambers such as ASSOCHAM want this to be left on individual companies. Government officials told The Indian Express that these two issues are some of the important points of discussion in the eight-point agenda tomorrow.

The J.J. Irani taskforce, opposed any legislative curbs on the private sector's freedom to hire, drafted a voluntary code of conduct instead **on Affirmative Action Project** by industries. It developed proposals in four areas, i.e. the development of entrepreneurs, improving employability, ensuring better education and implementing 'positive action' and proposed that companies disclose the status of positive action in their annual reports.

500 CII member companies have signed its Code of Conduct on Affirmative Action, including the Tata group companies, M&M, Infosys, Godrej, Hindustan Unilever, Ashok Leyland and Fortis. The Code has been inspired on what has gone on in South Africa and the USA and it aims entirely on Dalits (and Tribals). The companies support English teaching, give interview training, consult with Dalit leaders and are developing a database of Dalit entrepreneurs. Their **Concrete Steps Programme** proposes milestones for creating a hundred entrepreneurs from SC/STs, establishing coaching centres for 10,000 students in 10 Universities, and offering coaching also for appropriate entrance exams. 50 new scholarships are to be established for Dalits (and tribes) in national institutes of excellence and five overseas scholarships.

## **CII Code of Conduct for Affirmative Action**

1. The Company affirms the recognition that its competitiveness is interlinked with the well being of all sections of the Indian society.
2. The Company believes that equal opportunity in employment for all sections of society is a component of its growth and competitiveness. It further believes that inclusive growth is a component of growth and development of the country.
3. The Company affirms the recognition that diversity to reflect socially disadvantaged sections of the society in the workplace has a positive impact on business.
4. The Company will not practice or support conscious discrimination in any form.
5. The Company does not bias employment away from applicants belonging to disadvantaged sections of society if such applicants possess competitive skills and job credentials as made public.
6. The Company's selection of business partners is not based on any considerations other than normal business parameters. In case of equal business offers, the Company will select a business partner belonging to a socially disadvantaged section of society.
7. The Company has/ will have a written policy statement on Affirmative Action in the workplace.
8. The Company has/ will have an employment policy that is in the public domain. It may place such policies and employment opportunities on its website to encourage applications from socially disadvantaged sections of society.
9. The Company makes / will make all efforts for upskilling and continual training of employees from socially disadvantaged sections of society in order to enhance their capabilities, and competitive skills.



10. The Company has / will have a partnership programme with educational institution/s to support and aid students from socially disadvantaged sections of society.
11. The Company has / will have a senior executive accountable to the CEO to oversee and promote its Affirmative Action policies and programmes. The senior executive presents / will present a biannual report to the Board of the Company about such policies and programmes.
12. The Company further has a policy to maintain records on Affirmative Action.

The Company makes available its learning and experiences as a good corporate citizen in Affirmative Action to other companies desiring to incorporate such policies in their own business.

### **Recent National Debate on Private Sector Reservation**

Earlier the proposal of the Union Government on Dalit/Tribal reservation had faced a sharp reaction from the private sector. According to industry bodies, the concept of reservation without reference to merit could have a distorting effect. They opposed the move as being anti-industrialization and said it could lead to job reductions. It was said that "if 1,000 staff are supposed to be employed, 5 per cent reservation would mean we have to recruit 50 people we may not need."

However, between May 2004 and July 2006, there seems to have been a sea change in attitude. We have seen the adoption of the CII/ASSOCHAM Affirmative Action Programme, though it was only the beginning of a flurry of initiatives:

- ASSOCHAM to oversee adoption of the PCS by its members through its Council.
- CII and ASSOCHAM to compile information on industry-wide progress on PCS
- In cases of deliberate non-compliance with the proposed Code of Conduct, the matter will be referred to the Councils for appropriate action.
- CII to appoint an Ombudsman to oversee initiatives on PCS by its members

But not all announced initiatives have actually already seen the daylight yet. The CII Ombudsperson idea remains on paper only for the time being:

## Govt, pvt sector take middle path

[http://timesofindia.indiatimes.com/India/Govt\\_pvt\\_sector\\_take\\_middle\\_path/articleshow/2204410.cms](http://timesofindia.indiatimes.com/India/Govt_pvt_sector_take_middle_path/articleshow/2204410.cms)

15 Jul 2007

NEW DELHI: An ombudsman with regional benches will be set up by each chamber to ensure that companies adhere to the voluntary code of conduct in assuring jobs for SC/ST candidates.

For the government as well as the private sector, Saturday's affirmation was a middle path of sorts given that companies did not want a legislation mandating quotas and the government was not keen on forcing reservation from the very beginning.

While the decision taken at a meeting between T K A Nair, principal secretary to the PM, and industry chambers seemed to have settled the issue, officials were unwilling to write off quotas. "The private sector has agreed to the proposal to ward off legislation. We will report back to the government and probably go to the Cabinet which will take the decision," said an official.

After meeting, chamber representatives indicated that the government might soon come out with a list of districts where investment by companies and hiring of a certain number of SC/ST candidates would entitle firms to tax sops, but officials said the plan was yet to be approved by Centre.

What was, however, decided at Saturday's meeting of the coordination committee on affirmative action was the launch of focused skill development initiatives by industry chambers so that companies could not complain of their inability to hire for want of qualified SC/ST candidates. Chambers have also been asked to look at other options, including raising resources to fund affirmative action programmes.

"Employability of SCs and STs will be improved. What is done voluntarily will be successful. Zor, zabardasti nahin chalegi. (Force won't work)," CII president Sunil Mittal said after the meeting.

But the fear of quotas did force chambers to fall in line on almost all aspects. So, if some industry representatives had found it tough to do a headcount of existing SC and ST employees, there were no indications to that effect on Saturday.

While the chambers were already participating in the public-private partnership initiative to adopt 300 ITIs during the current year and develop them as centres of excellence, they agreed to top up financial incentives to ensure that the available seats for SC/ST students were filled up.

When the Government initiated the reservation debate, the mandate was about jobs alone. But since then, the action plan has gone a step ahead by offering business opportunities for Dalits.

The Plan promises:

- Larger companies shall create at least one entrepreneur from SC/ST a year. To begin with, 100 entrepreneurs will be created in the first year, to be scaled up in the future. This will be in accordance with the company's quality, productivity and cost standards to build business partnerships in supply and distribution value chain.
- Quality and cost being equal, companies will give preference to enterprises with promoters, partners, and proprietors, and/or workers in majority from SC/ST.
- CII and ASSOCHAM to maintain a database of entrepreneurs from among businesses owned and promoted by SC/ST.
- CII and ASSOCHAM will facilitate the creation of business partnerships between enterprises owned and promoted by SC/ST.

There are also promises of training and fellowships for SC/STs. The Action Plan, however, uses "affirmative action" in place of "reservation". The plan rejects any fixed 'quota', and any law to regulate them.

### **Reservation in private sector: in competition with public sector, would "level-playing" principle of competition apply?**

At another level, in order to provide a gateway to job seekers and employers, the Government of India has formulated the National Employment Service scheme (NES). Notification of vacancies arising in all the public sector establishments and non-agricultural establishments in the private sector employing 25 or more workers is compulsory. The primary objective is settlement of job-seekers either through regular jobs or through self-employment. To improve the employability of the job-seekers, collection of employment market information, career counseling and vocational guidance are inbuilt in the system.

The Act also makes it obligatory on the part of such employers to furnish employment returns which give information on employment, vacancies occurred, mode of recruitment of persons in the vacancies occurred, occupational distribution of employees and educational requirements for those occupations etc.

The use of NES by the industry has declined over time. Only 9.8% of the total labour force is in the registers of NES, out of which only 0.4% of the number registered is placed mostly in lower level public sector jobs. Studies further revealed that private factories and enterprises do not use NES in any significant way in recruitment. Thus, the only institutional mechanism for ensuring a fair and non-discriminatory process of recruitment has not found favour from the private employers.

In turn informal channels of recruitment have been employed by private industry on a large-scale basis. In such a scenario, the obvious conclusion is that the social composition of these insider groups and channels is presumably from socially better-endowed sections.

Now that we know that Dalits are discriminated in the labour market, the persistence of cultural, economic and social prejudices suggest that compelling arguments can still be made for positive action or reservation in the private sector to level the field of recruitment in line with the public sector.

### **Positive Case Studies: promoting Dalit human rights**

On the whole, however, the corporate sector does recognize the urgent need to improve the status of Dalits in the workforce, but there is considerable disagreement about methods that can or should be used to improve their status.

Industry bodies have proposed a variety of measures for development of education and skill, entrepreneurship and business through improved access to financial capital. Most of them also suggest the need to give preference to the persons from disadvantage section in employment subject to merit on voluntary basis. They also suggest preference in supply of capital by public sector banks to the disadvantaged groups to enable them to undertake business. But they are silent on the role of private banks. A few have suggested informal and voluntary preference in employment for Dalits with or without incentive subject to merit.

This informal affirmative action policy, however, is supposed to be based on voluntary initiative of corporate sector without any legal compulsion or monitoring mechanism. In fact the corporate sector suggests provision of incentives by the government to the firms which give some share in their employment to Dalits. Nor do they suggest any legal safeguards against discrimination in employment. Only one Chamber suggested American-style affirmative action policy with legal safeguards. None of them favor quotas and monitoring.

The following provides a breakdown of the positions taken by India's leading industry bodies:

### **FICCI**

The FICCI suggested three measures which include:

- (a) definite medium and long term plan for educational and skill development through Government and private partnership for SC/ST
- (b) development of entrepreneurship with well-defined affirmative action policy for financial institutions to supply capital to vulnerable groups for setting up businesses;
- (c) awarding Government licenses and contracts to SC and ST and preference to the SC/ST in Government procurement, and
- (d) some representation of the disadvantage communities in private sector employment on a voluntary basic with substitutive incentives to the firms following the preference in the forms of tax-breaks.

### **CII**

CII favours a programme of affirmative action in term of voluntary preference in employment. But it focuses on economically vulnerable section irrespective of caste, creed or religion. It emphasizes improving employability and entrepreneurship capacity for self-sustaining ventures. CII thus suggest measures for:

- (a) education development by member companies through scholarship, adoption through linkages of company school with Government schools in improving educational infrastructure, upgrading teachers skills, helping ITI (Indian Technology Institute) to upgrade, preference to economically backward students in companies vocational schools, and training centres,
- b) various measures by CII companies to develop entrepreneur skill and help artisan to strengthen macro-enterprise and self help groups, generate resources for them and help set up enterprises.

### **ASSOCHAM**

ASSOCHAM (Associated Chamber of Commerce) favours an American-style affirmative action policy in employment, education, housing, health facilities by 'giving preference in employment to Dalits if merit

is equal to those of non-Dalits. It also suggests that a mechanism could be evolved to address grievances, in case of discrimination based on community, sex and caste.

## **Case-study in UK Companies Involved in India**

The Dalit Solidarity Network (UK) has been engaged in dialogue with several UK-based companies for several years. This began through small **shareholdings** held in banks and oil companies. It was a useful way of initiating dialogue, as a shareholder can put a question in the AGM asking a company expanding in India what they are doing about caste discrimination, in the light of their commitment to diversity and equal opportunities. A meeting can be requested and is rarely refused.

There is also opportunity to speak directly with senior management over lunch or coffee. This resulted in a rapid learning curve by company Chairmen, as they did not wish to appear ignorant. One Chairman of the largest foreign bank in India admitted he had never heard the word 'Dalit' until he got a DSN letter.

This tactic has led to ongoing discussions at a senior level with HSBC, Standard Chartered, Lloyds TSB and Barclay's banks, and also Shell and ICI. It is noticeable that, with other companies approached out of the public eye, we get less response.

From the dialogue Lloyds TSB sponsored the launch of the **Ambedkar Principles** on employment and economic exclusion at the London School of Economics. It led to a meeting with the HSBC Chair, who then invited a DSN member to go to India and look at bank activity in terms of employment, social responsibility and other areas. The visit included contact with Standard Chartered and Barclays, the report creates opportunity for further discussion. HSBC was the first foreign company to sign up to the Confederation of Indian Industry Code of Conduct on Affirmative Action. The initiative has been significant in raising the profile of caste with international companies.

## **Walk the talk**

The industry associations are also trying to adopt more strategic approaches to addressing the challenge. For example, FICCI has identified 27 districts out of 110 districts in the country where Dalits make up a substantial part of the population, which it will promote as investment destinations. It has sought support from the Government for this process by providing **fiscal incentives**.

For its part, Assocham has created the Assocham Foundation for Inclusive Growth of Dalits **to monitor** its efforts in the field. The chamber says it trained 1,000 people in just six months in 2007 in skills such as carpentry, sewing and making footwear, out of which 360 went on to start their own business.

More consciously caste-led employment appears to be a growth area of the future. Naukri.com, India's biggest online **recruitment service**, with over 10m subscribers, anticipates that companies will soon actively seek low-caste recruits and now asks job-seekers registering with it to include their caste.

According to the Director of the Bangalore-based, International Institute of Information Technology (IIIT) which along with Infosys provides special training for low-caste engineering graduates who have failed to get a job in the industry.



## What Companies can do

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In May 2007 **Prime Minister Manmohan Singh** presented a **10-point Social Charter** to the General Meeting of CII. The Prime Minister was asked to share his views on “Inclusive Growth – Challenges for Corporate India”.

“Employment generation is one important pillar of any strategy of inclusive growth”, the PM said. “However, I do recognize that we have a long way to go in addressing the needs and concerns of all sections of our society, especially the poorest among us”.

Emphasizing the role and responsibilities of Government, he invited the CII leadership to be a partner in making India a more human and just society: **“We need a new Partnership for Inclusive Growth based on, as what I would describe as, a Ten-Point Social Charter.”**

Point three expects pro-activity from industries in **“offering employment to the less privileged, at all levels of the job ladder”**. “The representation of Scheduled Castes ... in their workforce and staff must increase. I am therefore encouraged by CII’s Report on Affirmative Action. I commend your example. I hope it will be widely emulated.” The Prime Minister further emphasized its implementation by time-bound measures.

The other points are dealing with education and health of workers, upgrading of their skills and initiatives on entrepreneurship, but also on other issues such as corruption, the environment and encouragement of socially responsible media.

For 60 years, successive Governments in India have been struggling to uphold the constitutional guarantees provided to Dalits, of equality, freedom, justice and human dignity. These have been hard to deliver. While absence of real political will continues to be a charge leveled against politicians, the rise of Dalit political parties and the success of leaders such as Mayawati in Uttar Pradesh, underscore their importance in the national electoral calculus, and suggest that this is one issue that will not go away. Delivering on millennia of injustice, however, will require a concerted effort not just by politicians and bureaucrats, but by businesses, civil society and other actors.

**This is a central message of this book: business has much to give - and to benefit from – the cause of Dalit human rights.**

There are some areas where business interventions of the right sort can make a real major difference to the quality of life and opportunity of Dalits across India.

### (a) Land rights

One of the toughest areas is providing land rights to landless Dalits peasants.

The ownership of land comes with affluence, which empowers people to break out of the vicious cycle of poverty. Possession of a permanent asset such as land allows people to educate their children in high quality schools provide them skill based trainings and success in later life by qualifying for high paying jobs. This in turn enables their children to receive good education and the cycle continues in the next generation.

The externality in economics concept believes that when the situation of one member of a marginalized community is improved, then it can elevate several members of her/his family. And when the situation of an entire community is improved, then it elevates future generations. For companies it easily translates into a High Return on Investment – A Social Investment.

Land is a scarce natural resource that has been subject to law and property regimes more than any other natural resource has been. However distribution of land is unequal and only a couple of states have made progress in redistributing land. As a result, on one hand there are record food grain stocks and on the other hand, over 200 million Indians are underfed and millions are undernourished.

The World Bank Report, *India: Achievements and Challenges in Reducing Poverty* reported that landlessness is by far the greatest predictor of poverty in India— even more so than caste or illiteracy.

In Karnataka, the Government has introduced **Bhoomi** – a computerized land record system. Private entrepreneurs from the IT industry have led this initiative. The success of Bhumi means a step towards lowering the dispute on land titles and in the long run increased empowerment of the marginalized. Over time, new partnerships between the Government, industry leaders and civil society have made the state achieve substantial poverty reduction.  
[http://www.comat.com/solutions\\_and\\_services/Government/bhoomi\\_and\\_records\\_project.html](http://www.comat.com/solutions_and_services/Government/bhoomi_and_records_project.html)

Apart from the policy and implementation issues concerning land entitlement, the past few years have seen the rise of a new entity – the Corporate, who competes for the same natural resources (land) that the Government, rich landowners/mafia and the actual owners/title holders do.

The development projects like setting up of industries, mines, dams, and shopping malls have induced large scale displacement without proper implementation of rehabilitation plan.

In establishing their market and areas of operation, companies should take care that they do not impinge on the rights of the local community. In case of necessary displacement, the corporate should ensure that the community is consulted about the entire process, that there are no incidents of forcible displacement while receiving appropriate and fair compensation.

Today, external pressure from stakeholders is mounting on companies to start making a move into playing a greater role in society. Whatever the drivers, there is no denying the fact that there is need for greater initiative in Corporate Social Responsibility than there was a few decades ago.

Companies can assist Government with technology to minimize land disputes. Among the toughest challenges in the E-Governance landscape in India is the digitization and management of paper land records which often date back to the previous century. Land records document is one of the basic documents issued by the Revenue department to its farmers. The Land records Information (KHATAUNI) is a prime requisite for making decisions related to the land investment, development and management. Land records computerization will help in issuing land documents online and timely availability of updated information.

Automated land records have the capacity to enhance the state coffers directly through lower costs and increased revenue generation. Land records also directly touch almost every farmer citizen.

Alternatively, enterprises can bring in international best practices with the resources at their command, including the best farming technology, irrigation investment to increase efficiency of small land owners. Apart from all the criticism that it draws, corporate farming may be a way forward. Come to think of it, a farmer who hitherto was working on a lonely furrow would get provident fund, leave, travel concessions and other accoutrements of office if only he agrees to join the agricultural company's ranks as an employee-farmer.

## **(b) Skills development for livelihood**

### **Ambedkar Development Corporation programme develops talent pool**

BANGALORE: Thanks to a training programme launched by the Ambedkar development Corporation, Scheduled Caste and Scheduled Tribe candidates will get jobs in business process outsourcing (BPO) and telemarketing wings of companies such as UTI Bank, HDFC, SGT, LOGIC Systems and Eye-Fi.

Chief Minister H.D. Kumaraswamy on Saturday gave away appointment letters in BPO companies to 30 of the successful SC/ST candidates. The training programme of the Ambedkar Development Corporation had been launched in collaboration with the Adityaa Training Academy (a unit of Adityaa Call Centre) for the benefit of SC/ST candidates.

A maiden venture of the corporation, the objective was to convert the potential talent pool into a readily employable force. By virtue of training the SC/ST unemployed graduates and literate candidates in the programme, there was bound to be jobs for those who complete the training.

About 30 of the 600 trainees had been selected for telemarketing and BPO jobs in the corporates and banks across the State. The duration of the training is two months and 15 days on the job training (OJT) in the call centre. They are trained on English grammar, telephone etiquette, customer facing skills, objections handling, and American accent. They are given role-plays, audio files, self-learning and live calls handling, according to the corporation Managing Director M.K. Baladeva Krishna. There is a weekly and monthly evaluation. Those who pass the monthly evaluation are put on to fast track and OJT. The training has been started in Bangalore, Mysore, Hubli and Gulbarga from March 21. At least 175 to 200 candidates are likely to get employment.

The **Livelihood Advancement Business School (LABS)** of Dr. Reddy's Foundation promotes tailor-made programs targeted at youth in the age group of 18 -35 years from economically weak sections of society. LABS enables them to gain access to opportunities for sustainable livelihood and growth in the new economy. There are 26 new-sector curricula within the LABS framework, each of which is selected only after thorough survey of opportunities and requirements in the sector. Each 90-day program is a complete package of skill-based training, in line with market demands and current technology.

Since its inception in 1999, LABS had so far created over 103,047 new economy livelihoods in the last few years in India, Vietnam, Indonesia and Sri Lanka, and aims to create 1million livelihoods by 2010. [www.drreddys.com/](http://www.drreddys.com/)

The biggest challenge in India today is to create income generating ventures for about 440 million rural families living below the poverty line. Needless to say that majority of them are Dalits. This population do not have start up capital nor skills and lack credit worthiness in the eyes of credit banks.

India's informal economy engages 93 % of the workforce. Globalisation has created a great demand for a skilled workforce in the informal economy that is responsive to emerging market needs and is equipped with knowledge. For people, especially those in the informal sector to get productive employment, it is crucial to acquire skill sets with strong labour market linkages.

India has 5,100 Industrial Training Institutes and 1,745 polytechnics compared to 5,00,000 similar institutes in China. The USA boasts 1500 trade training programmes compared to India's 171. Vocational Education and Training institutes in India are characterised by outdated, structurally rigid,

centralised syllabi without much attention to market conditions or multi-skills relevant for life long learning processes. The present approach to vocational training is handled by 17 different Ministries!

The public sector training institutions tends to cater largely to the formal sector, though a new National Skills Policy is in the making in collaboration with the ILO. This initiative is supported by the Planning Commission of India constituting a task force on skills development. The Task Force will make recommendations on how to meet the requirements of skilled labour for India's growing economy in the Eleventh Five Year Plan. It is headed by the Chief Mentor of CII.

In October 2007, the Union Rural Development minister asked the private sector to help build up the rural economy through skill upgradation and entrepreneurship development among the rural workforce by way of technological assistance and micro credit at reasonable rates of interest. He invited the champions of Indian industry to come forward for providing necessary skill development training and financial help to the rural entrepreneurs and artisans and support the Government's Swarnjayanti Gram Swarozgar Yojana (SGSY) schemes.

## **FRIDAY, JUNE 15, 2007**

PUDUCHERRY: The Confederation of Indian Industry will train 100 volunteers belonging to Scheduled Caste and Scheduled Tribes here on tourism related projects, the Puducherry unit of the CII said on Friday. The CII, in a press release, said that the CII Director General Lt General (retired) S S Mehta and the chairman of the Puducherry chapter C Chinnaswamy held talks with Lt Governor Mukut Mithi and Chief Minister N Rangasamy recently and expressed CII's readiness to train the youths in such projects.

The CII would also work jointly with the Industrial Training Institute (ITI) here to upgrade ITIs in India, as visualized by the Centre. Faculty from industries would be sponsored to upgrade ITI students' skills here and also to prepare the curriculum, wherever necessary, the release said.

An Emergency Management system would be put in place in the Southern region with necessary facilities. The CII urged the Puducherry administration to go in for a partnership to carry out these programmes. The Director General also felt that the Pondicherry university could have a tie up with foreign universities to enable students from the Union Territory do courses of the universities abroad from here.

### **(c) Education**

Education levels among Dalits is alarmingly low. There is no doubt that Dalits face innumerable obstacles and discrimination in entering schools and

getting quality education in spite of legislation and policies to provide education to all. This essentially means that Dalits start their educational and professional life with a large structural deficit on which they can never catch up. It keeps them confined to low end jobs and confirms their stigma which is purely based on a self-reinforcing system of discrimination and low self-esteem. To ensure that Dalits can develop themselves in accordance with their talents and interests, like any other person, and has access and opportunities to jobs on the basis of individual merit, massive private sector support to quality education is essential.

## **28 June 2007, Thursday**

One more step ahead in contributing towards development of the country, ASSOCHAM will be sponsoring 300 SC/ST girl students living below poverty line free Management degrees at the Bachelors or Masters level.

To implement concrete steps by Indian Industry on inclusiveness for Scheduled Casts and Scheduled Tribes submitted to the Prime Minister, last year, ASSOCHAM recently decided to provide 300 girls below poverty line (BPL), free education along with boarding, lodging, clothing, books etc., at the Bachelors or MBA level. ASSOCHAM will also help them to get jobs.

In a statement issued after a meeting, its President Venugopal Dhoot said, "ASSOCHAM – Rai Foundation" would be implementing the decision with immediate effect. The eligible candidates could approach ASSOCHAM on [singh@assochem.com](mailto:singh@assochem.com) or Rai Foundation at [delhi@raifoundation.org](mailto:delhi@raifoundation.org).

ASSOCHAM has already organized ten skill development programmes for the SCs/STs at various levels and are also inching towards entrepreneurship development programmes. At the Centre created by ASSOCHAM at Kanpur, so far 200 SCs have been extended help to start their own income generating businesses, said the Chamber President.

ASSOCHAM President said, last month the chamber has signed a MoU with the ANaRDe Foundation for joint initiative for SC & ST inclusive development. Under the economic development programme ASSOCHAM- ANaRDe enables poor and needy people to take up some income generation activities as per their interest and background.

These institutions shall provide training to such people and link them to banks for credit and to the Government for incentive schemes, if any. The institution will also help them in the marketing of their produce. Various training programmes organized by ASSOCHAM-AnaRDe include skill upgradation training, new skill development, training dissemination of technology and its appropriate use, Entrepreneurship development training and training on forward and backward linkages, etc. ASSOCHAM-AnaRDe has helped over 7 lakhs people under its economic development programme.

It may be mentioned that ASSOCHAM would be extending help to the AnaRDe Foundation which runs four huge schools (primary to higher secondary standard) in Rawalsar, Naguma, Vinjalpur and Dodhia village of Jamnagar District of Gujarat state as model schools for quality education.



Programmes focusing at propagating better thinking among the children, strengthening their patriotic feelings, discussions, competitions etc. are emphasized in these schools so as to have an all-round development and produce better citizens for future. ASSOCHAM-AnaRDe also undertakes various rural development activities with the help of school teachers and children.

In a report submitted to the Prime Minister last year ASSOCHAM while opposing the legislation for reservation had committed that:

i) Industry will endeavour to reflect greater representation of Scheduled Castes and Scheduled Tribes in its new recruitment at all levels, and expects its efforts to become visible within the next year.

ii) Companies will strengthen their Human Resource systems for enhancing access and opportunity to applicants from Scheduled castes and Scheduled Tribes with equal qualifications and competence for employment.

iii) Companies will be encouraged to provide for more executive positions through appointment/promotions from Scheduled Castes and Scheduled Tribes.

iv) ASSOCHAM will develop advocacy and information programmes for companies on employment policies for greater participation of Scheduled Castes and Scheduled Tribes.

ASSOCHAM Promoter Chambers Bombay Chamber of Commerce & Industry, Cochin Chamber of Commerce & Industry, Indian Merchants' Chamber, Madras Chamber of Commerce & Industry and PHD Chamber of Commerce & Industry and other leading Chambers have joined ASSOCHAM in this regard, said Dhoot.

He further said that ASSOCHAM shall train entrepreneurs from socially and economically backward amongst SC and ST communities at District Industry Centres in association with the local industries and corporates.

The Chamber has also proposing to help establish coaching programmes in universities to lower dropout rates amongst students of Scheduled castes and Scheduled Tribes. Such programmes are currently being undertaken by institutions such as IIMs. In the first year, 10 universities will be identified for programmes covering 10,000 students with the objective of escalating to 50 cities and 50,000 students by 2009.

Dhoot also said, he has constituted a special task force under the Chairmanship of former ITC Chairman K.L. Chugh and a concrete action plan shall be announced soon.

#### **(d) Health**

No one will work if not healthy. Malnutrition and poor or discriminatory access to already mediocre health facilities make it extra difficult for Dalits to be healthy and productive workers.



The Government health care facilities, the only option available to the impoverished are under funded and poorly managed. They are often short of qualified personnel and supplies including medicines and other essentials. In most cases these facilities are far from the village and poor families find it difficult to afford transport.

#### **Ranbaxy Community Health Care Society (RCHS)**

operates 7 mobile health care vans in the northern and central parts of India covering 90 villages and urban slum localities having a population of about 2 lacs. Each mobile health van is managed by a team of one doctor, one Auxiliary Nurse Midwife (ANM) and one driver. A team of 34 personnels, which include 9 doctors and 15 paramedicals are devoted full time to this programme.

Each van is equipped with provisions for doing minor procedures like copper-T insertion or vasectomy, immunization, laboratory tests and antenatal check up and is also fitted with an audio visual set to impart health education.

[www.ranbaxy.com/socialresponsibility/communityhealthcaresociety.aspx](http://www.ranbaxy.com/socialresponsibility/communityhealthcaresociety.aspx)

The practice of untouchability is an additional impediment to access to health for Dalits. A survey in 565 villages across 11 states reveals that in 73% of villages, Dalits cannot enter non-Dalit homes, and in 33% of villages non-Dalit health workers will not visit Dalit homes. Because India's Dalits have little access to medical care, their children receive no vaccinations and preventable infectious diseases rapidly.

The Government has invited private sector in rural health care in several occasions. It cited that the reason why private sector had not entered the area yet is cost of infrastructure and maintenance and the rural population's inability to pay for the service. To facilitate the private sector to play a great role, the Government suggested across-the-board tax concessions for rural health care services, allotment of land at concessional prices and reforms in medical education to bring primary health care to the fore. The Prime Minister of India has announced Health Insurance Schemes for 400 million unorganised sector workers. In the first phase, it will benefit workers and families living Below Poverty Line in the unorganised sector. The beneficiaries under this scheme called "Aam Aadmi Bima Yojana" will be issued smart cards with social security number for the purpose of identification.

The premium to be charged under the scheme will be Rs.200 per year per member of which the Centre is likely to bear 75 per cent of the cost. The Government is analysing a couple of schemes like possibility of public-private partnership to boost the health sector which would provide an opportunity for private participation in rural health care. Public Health Foundation of India ([www.phfi.org](http://www.phfi.org)), a public-private health initiative, is already launched by Prime Minister Manmohan Singh to fill gaps in the

healthcare sector. It aims to train more than 1,000 public health professionals annually. The Bill & Melinda Gates Foundation is providing a \$15-million grant to support the initiative. McKinsey & Company, along with other private sector players, is working in a *pro bono* capacity to support the cause.

### **(e) Dalits become entrepreneurs**

#### **India Inc in dark on SC/ST uplift**

While the United Progressive Alliance government wants to spread the spectacular gains made by India Inc in the last few years to scheduled castes and scheduled tribes, there are no reliable data on their participation in business, either as employees or as employers. The government, industry and civil society groups agree they have no data, which they admit are the building blocks for any action for inclusive growth.

They, however, agree on one thing — that the participation of scheduled castes and scheduled tribes in business is low, zero in large enterprises, and slightly more in small enterprises. The representation in states like Jharkhand, where their population is high, could be slightly higher. According to Economic Census, 1998, enterprise distribution under the social group of "Owner" is 7.7 per cent for scheduled castes, 4 per cent for scheduled tribes and 33.1 per cent for other backward castes. Not only is the data almost a decade old, it is hotly contested by social activists.

"We completely disagree with these numbers. Dalits are being denied ownership in all fields. Even in kirana stores, their proportion is absolutely nil," said Paul Diwakar, convenor, National Campaign for Dalit Human Rights.

Rosemary Vishwanath, a Bangalore-based consultant who works on issues confronting the socially weaker sections, said, "I do not understand what they mean by an entrepreneur. I don't know whether we can term a roadside cobbler an entrepreneur." Ashok Bharati, convenor, National Conference of Dalit Organisations, said, "Their entrepreneurship is almost negligible."

Milind Kamble of Pune-based 125-member Dalit Indian Chamber of Commerce and Industry, said, "If the proportion of scheduled castes and scheduled tribes in business was so high, what was the need for us to protest the economic imbalance all this while?"

However, Diwakar conceded there had been an improvement in the last three decades. "Some pockets of South India have seen a positive change, with Dalits entering fields like tourist services and prawn culture," he said.

There are other indications too. The Confederation of Indian Industry has been running an entrepreneurship development programme for young people from the economically weaker sections for several years. "We now realise that most of them belong to scheduled castes and scheduled tribes. Several of them have done well and employ a large number of people," said a functionary of the industry association.

Most Dalits are confined to the occupation of their caste and like their fate in education it stifles their employment opportunities. There is a straightforward linkage between Dalit entrepreneurship and the private sector. Procurement, already indicated by the Global Reporting Initiative and FICCI, can provide such a linkage. Buying goods and services by Dalit business providers can give Dalit entrepreneurship an enormous boost. Often one finds that business relations are partially based on caste relations between buyers and suppliers, and given the dearth of Dalits in business, their opportunities to 'break in' into an existing business relationship can be difficult, even if there are economic reasons for doing so.

To follow-up to the CII/ASSHOCHAM Affirmative Action Programme, procurement from Dalit dominated businesses can be more effective than any quota or reservation system. Preferential treatment to Dalit entrepreneurs should not compromise on the quality and price of delivered goods or services. This may put Dalits in a disadvantaged position given their hampered access to technology and education. Tax relief to companies sourcing from Dalits entrepreneurs is one way of going forward. At the same time, buyers should use tax savings to make the Dalit undertakings a full-grown economic entity by providing vocational training, the introduction of new and modern technologies, smart marketing strategies and other tools allowing Dalit entrepreneurs to become full fledged economic actors.

One can also assume that empowered Dalit entrepreneurs will deliver more efficient and effective because they know what it means to be living on the fringe of a society. Once a better economic and social position has been attained, the person in question will do everything possible to maintain and improve its market share in a certain business.

Even without tax breaks, the private sector can more actively pursue this procurement path. It may take time and efforts to empower a Dalit entrepreneur, but a long-term business relationship combined with vision and tenacity will eventually lead to a more inclusive India with all its attached advantages, to Dalits, to India Inc., and to India's society as a whole.

## **Conclusion**

India is a proud democracy, but an incomplete one. As has been shown by many quotations in this Guide, the Prime Minister of India is the first one to highlight this fact. Most Indians share his views, as reported by the Business-Standard in July 2007:

## Most Indians see caste divide as blot

While the 3,000-year-old tradition of caste divide continues to be a blot in the face of a resurgent India, the good news is that most Indians today realise that the caste system is actually holding India back by posing a big barrier to social harmony.

According to a survey conducted by the BBC World Service on the 'attitudes' of Indians pertaining to their national identity and the Indian marketplace, **55 per cent of those interviewed say caste issues were the main factor hindering the progress of the nation.**

Almost **two-thirds of respondents feel caste discrimination is still a "barrier to social harmony" in India.** The findings of the survey go against the widely-held belief that the effects of caste bias will be miniscule on India's future.

"This poll shows that caste is not a fading social problem but that caste abuse continues to restrain India," PTI quoted Joseph D'Souza, President of the Dalit Freedom Network, as saying.

"Caste segregates India in every social arena: from marriage to hiring practices to politics. Caste will continue to divide India until transformation begins among the lowest castes to negate the ill-effects of caste-discrimination," D'Souza points out.

According to BBC World Service, a nationally representative sample of 1,616 Indians was interviewed in the survey which was conducted by international polling firm GlobeScan and its research partner in India.

The survey also found that **twice as many people (48 per cent) would rather work for a private company than for the government (22 per cent).** Forty-seven per cent agreed that "corruption is a fact of life which we should accept as the price of doing business in today's world," although younger people were less tolerant of corruption than older people.

And though Indians agreed on the need for India to be an economic superpower, they were less sure they were seeing the fruits of recent economic growth. **Asked whether India's economic growth over the past 10 years had benefited them and their families directly, exactly 45 per cent said that it had while as many disagreed.**

Caste discrimination in India is a controversial topic. Some readers will dislike our explanation of the origin of the caste system, others will say that caste is nothing but a colonial invention to divide the Indian people. A third person may argue that caste is a tool of politicians to obtain the support of a 'vote bank'. One can even find Indians openly stating that caste does not exist in India.

Whatever the origin, scope or magnitude of the caste system in India, what matters to us is the effect caste has on a large chunk of the population of India. What matters is that many men, women and children in India are not

being perceived as equal citizens. What matters is the discrimination these people face.

No one likes to be discriminated. It frustrates and angers individuals and groups, inviting intolerance and violence. Discrimination undermines a society as a whole.

If this Guide has been contributing to provide you with a clear picture that discrimination generally, and caste discrimination in particular is detrimental to personal happiness, economic efficiency and social justice we will consider it a success.

If you are part of the private sector, we hope you have been taking advantage of the information we have supplied: that in India there is a general recognition of the negative effects of caste discrimination and there exists an enormous willingness, from all corners of society, to do away with it.

Private business can do much to help, be it out of self-interest or altruism. This short report has reviewed some of the arguments in favour of a proactive approach by India's business community and foreign enterprises. It has provided an up-to-date analysis of the state of the debate between business and policymakers, and provided the views of campaigners and scholars in the front-lines of the issue.

It has also touched upon some of the emerging good practices and tools that responsible corporations can consider adopting – or adapting – to their own business activities and in their communities of operation, as they seek to promote this important public agenda of inclusion and empowerment.

## Further Resources

### CII Affirmative Action: A Report

#### Preamble

India's Founding Fathers envisioned a nation of social equity and justice towards which all stakeholders, including government, society and industry, have made considerable progress.

1. India's socially and economically underprivileged Scheduled Castes and Scheduled Tribes have not been able to realize their full potential due to centuries-old social discrimination.
2. It is the stated objective and endeavour of private industry to supplement efforts of government and civil society to ameliorate this through Concrete Steps for giving better opportunities to socially and economically underprivileged Scheduled Castes and Scheduled Tribes, in all levels of employment, including self employment.
3. Industry believes that a cohesive and integrated society, in which all individuals have access to opportunities for personal growth, will foster inclusive development, propel economic growth and also enhance its competitiveness.
4. Inclusiveness would ultimately be achieved through universal access to quality education.
5. Private sector industry does not take into account caste identities in employment. However, limited data available indicates that a significant number from the Scheduled Castes and Scheduled Tribes are already in employment in private sector industry.
6. Industry believes that competitiveness of enterprise and economy is not negotiable and must be achieved and maintained through knowledge and competence in the rapidly developing Indian economy. To accelerate growth and competitiveness of the Indian economy, institutions must have autonomy and flexibility in order to create and expand job opportunities for all sections of society.
7. Private sector industry is against any legislation that would compromise the sanctity of its non-negotiable freedom of choice in employment.
8. The present socio-economic environment necessitates a more constructive role by industry for achieving inclusiveness and complementing the ongoing efforts of Government and civil society in enhancing social equity.
9. Within the above framework, private sector industry commits to Concrete Steps for social equity, defined as constructive measures for greater inclusiveness in industry for Scheduled Castes and Scheduled Tribes in the workplace, in business partnerships, and in capacity building.

#### Principles

Industry emphasises the following fundamental principles in its implementation of Concrete Steps:

1. For the success of the Concrete Steps, all stakeholders - the government, industry, society, political system and the SC/ST communities - need to work together to rectify

lacunae in inclusiveness relating to India's Scheduled Castes and Scheduled Tribes within a decade.

2. The initiatives for Concrete Steps will be voluntary and self-regulated by companies and industry. Transparency will be ensured through disclosure in the Annual Reports of companies.
3. Competitiveness of companies will remain a primary consideration to align India and Indian industry to benchmarks of excellence in quality and productivity.
4. High economic growth, preferably at double-digit rates, with creation of more employment opportunities is critical for the success of Concrete Steps by industry.
5. Industry believes that its interventions need to encompass all socially and economically backward sections of society. In the context of this report, the Proposed Concrete Steps refer to the Scheduled Castes and Scheduled Tribes.
6. The proposed programme shall not be applicable for the so-called 'creamy layer' of Scheduled Castes and Scheduled Tribes.
7. Industry would be greatly encouraged in its program by government recognition to exemplar companies.
8. Recognizing that Small Scale Industries have limited resources, we appreciate that they may have a problem in implementing the Concrete Steps, and that they will endeavour to do so to the level of their ability.

## Concrete Steps

1. CII and ASSOCHAM will immediately formulate a Code of Conduct which would be progressively adopted by members of CII and ASSOCHAM from October 2006.
2. CII and ASSOCHAM will immediately set up individual Councils to promote, coordinate and oversee industry action for Proposed Concrete Steps.
3. CII will appoint an Ombudsman to oversee initiatives on Proposed Concrete Steps by its members.
4. ASSOCHAM shall oversee adoption of the Proposed Concrete Steps by its members through its Council.
5. CII and ASSOCHAM will compile information on industry-wide progress on Proposed Concrete Steps.
6. In cases of deliberate non-compliance with the proposed Code of Conduct, the matter will be referred to the Councils for appropriate action.

### A. Workplace

Organised private sector industry employs around 2% (~8 million) of India's work force.

- a. Industry will endeavour to reflect greater representation of Scheduled Castes and Scheduled Tribes in its new recruitment at all levels, and expects its efforts to become visible within the next year.
- b. Companies will strengthen their Human Resource systems for enhancing access and opportunity to applicants from Scheduled Castes and Scheduled Tribes with equal qualifications and competence for employment.
- c. Companies will be encouraged to provide for more executive positions through appointments/ promotions from Scheduled Castes and Scheduled Tribes.
- d. CII and ASSOCHAM will develop advocacy and information programmes for companies on employment policies for greater participation of Scheduled Castes and Scheduled Tribes.



## B. Entrepreneurship Development

As 93 % of the aggregate workforce is engaged in agriculture, small and tiny businesses, and the self-employed sectors, Concrete Steps for the creation of entrepreneurs from Scheduled Castes and Scheduled Tribes are necessary for more inclusive economic growth.

- a. Larger companies to mentor and create at least one entrepreneur from Scheduled Castes and Scheduled Tribes a year. To begin with, 100 entrepreneurs will be created in the first year, to be scaled up in the future. This will be in accordance with the company's quality, productivity and cost standards to build business partnerships in supply and distribution value chain.
- b. Quality and cost being equal, companies to give preference to enterprises with promoters, partners, and proprietors, and/or workers in majority from Scheduled Castes and Scheduled Tribes.
- c. CII and ASSOCHAM will maintain a database of entrepreneurs from among businesses owned and promoted by Scheduled Castes and Scheduled Tribes.
- d. CII and ASSOCHAM will facilitate the creation of business partnerships between corporates and enterprises owned and promoted by Scheduled Castes and Scheduled Tribes.
- e. CII and ASSOCHAM will partner with enterprise development institutes such as SIDBI and NABARD for creation of entrepreneurs from Scheduled Castes and Scheduled Tribes.
- f. CII will sponsor training programs in its Centres in Excellence for candidates from Scheduled Castes and Scheduled Tribes.
- g. CII's developmental programmes through Bharatiya Yuva Shakti Trust, Rural Business Hubs, Young Indians, Bihar Project, programme for backward area development, Shiksha and others will include more representatives from Scheduled Castes and Scheduled Tribes.
- h. ASSOCHAM shall organise training programmes for candidates from Scheduled Castes and Scheduled Tribes in association with other leading Chambers situated across the country.

## C. Employability

Due to widespread inability to manage school curriculum, youth from Scheduled Castes and Scheduled Tribes are handicapped in entrance exams to professional courses as well as in their ability to complete these courses. At the same time, due to a mismatch between skills required by the market and the country's higher and vocational education systems, a large gap exists between the requirement for skilled workers in India and their availability. In order to expand the pool of employable personnel from among Scheduled Castes and Scheduled Tribes, industry commits to:

- a. Help establish coaching programmes in universities to lower dropout rates amongst students of Scheduled Castes and Scheduled Tribes. Such programs are currently being undertaken by institutions such as IIMs. In the first year, 10 universities will be identified for programmes covering 10,000 students with the objective of escalating to 50 cities and 50,000 students by 2009.

- b. Partner with government in modernizing the Apprenticeship Training Scheme and induct more apprentices from Scheduled Castes and Scheduled Tribes.
- c. Establish large number of student scholarships for Scheduled Castes and Scheduled Tribes with at least 100 prestigious scholarships for study in educational institutes such as IITs and IIMs and other premier educational institutions.
- d. Establish scholarships in prestigious overseas universities for socially and economically backward amongst Scheduled Castes and Scheduled Tribes. Begin with 5 scholarships in the first year with the objective of escalating to 50 in five years' time.
- e. Provide educational support to students from Scheduled Castes and Scheduled Tribes in entrance exams for professional and technical courses. 10 centres to be established in the first year covering 5,000 students for admission to courses in 2007.
- f. Finance training programmes for Scheduled Castes and Scheduled Tribes at institutions such as CII Centres of Excellence, which are already providing training and consultancy facilities to industry.
- g. Scale up existing programmes for marketable vocational skills such as Dr. Reddy Foundation's Livelihood Advancement Business School (LABS) and CII's Skill Development Initiative.
- h. All programmes for better education and skills upgradation for Scheduled Castes and Scheduled Tribes will also impart soft skills, such as communication skills.

**CII and ASSOCHAM will:**

- ix. Set up database of NGOs for coaching in universities and coaching centres for entrance exams and facilitate industry-NGO partnerships for this.
- x. Work with government in identifying skills commensurate with industry needs in government programmes and courses.
- xi. Continue to associate with the government's 500 ITI upgradation programme.

**D. Education**

In the long run, there is no alternative to high quality universal education to achieve the objective of building an inclusive and integrated society. Industry can supplement and complement the efforts of the Government and other providers of education services.

- . Industry welcomes the cess targeted for education provision as announced in the Budget of 2005-06. Industry will provide inputs in focussing cess funds for quality schools in the 104 districts with a pronounced population of socially and economically backward amongst Scheduled Castes and Scheduled Tribes.
  - a. Industry will partner with NGOs to improve the level of primary education in government and municipal schools, beginning with the 104 districts with a pronounced population of Scheduled Castes and Scheduled Tribes communities. Preliminary focus areas will be teachers' training, better libraries, IT facilities, etc.
  - b. Industry will create a scheme to identify exceptional students from Scheduled Castes and Scheduled Tribes and assist them with financial aid and suitable mentoring through school, college, and/or vocational training till they become self-dependent.

- c. Industry will expand existing partnerships with NGOs for assistance to mid-day meals programmes in districts with pronounced population of Scheduled Castes and Scheduled Tribes.
- d. Companies may consider reserving places for students from the Scheduled Castes and Scheduled Tribes in schools run by them. Companies may establish scholarships for students from Scheduled Castes and Scheduled Tribes in private schools.

### **Milestones for the first year**

#### **Industry:**

- a. Adopt Code of Conduct.
- b. Create 100 entrepreneurs from Scheduled Castes and Scheduled Tribes.
- c. Establish coaching centres for Scheduled Castes and Scheduled Tribes in ten universities for 10,000 students.
- d. Establish ten centres for coaching for entrance exams to professional and technical courses to cover 5,000 students from Scheduled Castes and Scheduled Tribes.
- e. Establish 50 (out of the proposed 100) new scholarships for students from Scheduled Castes and Scheduled Tribes in national institutes of excellence like IITs and IIMs and create 5 scholarships for them to study overseas.
- f. Disclose progress on Proposed Concrete Steps for the Scheduled Castes and Scheduled Tribes in Annual Reports.

#### **CII and ASSOCHAM:**

- a. Develop Code of Conduct for companies to adopt.
- b. Set up Councils for promoting, coordinating and overseeing industry's Concrete Steps.
- c. Help in identifying 100 possible entrepreneurs from Scheduled Castes and Scheduled Tribes.
- d. Increase representation of Scheduled Castes and Scheduled Tribes in training programs as in CII Centres of Excellence
- e. Start building database on NGOs, entrepreneurs, etc. for various components of action plans.
- f. Recognize exemplar companies

#### **Recent Initiatives**

- A National Council on Affirmative Action has been set up by CII.
- The Code of conduct has been sent to CII membership and it is being adopted by India Inc with enthusiasm
- The Concrete steps outlined by the Report on Affirmative Action are being disseminated among industry and the response so far has been most encouraging. CII is confident that the commitment made in the Report would be delivered upon by industry within the first year, i.e. 2007.

## About the Partner Organisations

**The International Labour Organization (ILO)** is devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue in handling work-related issues.

The ILO is the only 'tripartite' United Nations agency in that it brings together representatives of governments, employers and workers to jointly shape policies and programmes. This unique arrangement gives the ILO an edge in incorporating 'real world' knowledge about employment and work.

The ILO is the global body responsible for drawing up and overseeing international labour standards. Working with its Member States, the ILO seeks to ensure that labour standards are respected in practice as well as principle.

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**The Indian Institute of Dalit Studies (IIDS)** was established on the initiative of a network of Dalit NGOs and some academic activists on January 2002 with an objective of undertaking Interdisciplinary and application-based research; To provide knowledge support to civil society organizations working for the marginalized sections; To enable and support the government and other organizations in developing appropriate policies for social inclusion; and To serve as a Resource Centre for researchers, activists and others alike.

The lack of knowledge on the various dimensions of social exclusion, particularly, those associated with the institutions of caste and untouchability, ethnicity, other cultural and religious identities, and the need to help strengthen the civil society organizations, NGOs and the government in their efforts through knowledge empowerment lead to the establishment of the Indian Institute of Dalit Studies.

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**Cordaid** combines more than 90 years' experience and expertise in emergency aid and structural poverty eradication. They are one of the biggest international development organisations with a network of almost a thousand partner organisations in 36 countries in Africa, Asia, Central and Eastern Europe and Latin America.

The counterpart organisations work on various themes, including health care, quality of urban life, access to markets and peace and conflict. Each year around 170 million euros is spent on initiatives in the South. Of that, over 30 million euros is available for emergency aid. A small part is spent in the Netherlands on lobby, public support and consciousness-raising.

## **About the Centre for Social Markets (CSM):**

CSM is an independent non-profit organization dedicated to making markets work for the triple bottom line - people, planet and profit. Through offices in India and the United Kingdom, and an international network of partners and associates, CSM promotes responsible entrepreneurship, ethics and accountability worldwide. Founded in 2000 by Indian social entrepreneur, Malini Mehra, CSM is a values-based organisation committed to sustainable development and human rights.

**From 2007 onwards, CSM has focused its attention on three major programme areas where it will seek to bring challenge and leadership:**

(1) **Climate Change** - lead a major public engagement initiative - 'Climate Challenge India' - to promote a pro-active domestic response to climate change in India;

(2) **India as a Global Player** - examine India's emergence as a player on the global stage with particular reference to sustainability and human rights issues; and

(3) **Corporate Responsibility** - focus on core research, education and policy dialogue on issues such as diversity and climate change as India Inc. goes global.

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## **Centre for Social Markets**

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