

INTERNATIONAL LABOUR STANDARDS AS CORPORATE SOCIAL RESPONSIBILITY FOR DECENT WORK AGENDA IN DIGITAL INDIA

Written by Vijayalakshmi Suresh

Assistant Professor, TNDALU, Chennai

ABSTRACT

CSR, the Corporate Social Responsibility has been accepted widely in India with great enthusiasm. The inception of CSR in new Companies Act, 2013, clearly gives the mandate to the industries with great turn over to practice CSR for the development of society and social welfare. National CSR policy and CSR portals displaying the industries participation in the community. A successful five years' journey of CSR since its inception has been portrayed as the duties of 'corporate citizenship'. The duties have become mandate. Now the concept CSR of India has to include many important aspects due to the transformation in the idea of industry. Any transformation in the industry will result in the loss of traditional and conventional jobs and creation of new set of jobs. With the advent of the fourth industrial and digital revolution in the globalisation period there is every possibility of loss of jobs by millions of people around the world and India is not an exception. It is rather challenging situation in India as it is a land of masses. The complex issue is the attitude of National and Multinational companies towards the labourers and their standards in the new automation arena with new skills. This article addresses one of the new challenges of accepting the International labour standards as CSR.

The International Labour Organisation with systematic framework has given the guidelines to promote labour standards as one of the CSR. This is well supported by International Labour Organisation and other United Nations agencies. India has to bring the labour standards as one of the CSR by reflecting the ideals of UN and ILO for decent work agenda in digital India.

(*Keywords:* labour standards, CSR, multinational, companies, corporate citizenship, social welfare, responsibility)

INTRODUCTION

India is not new to the concept of Globalization and CSR, we heavily experienced the exploitation of the Multi- National Companies during colonization which aimed only at their profit and made huge profit at the costs of poor workers. When East India Company, since its entry in 1600, had been exploited land and labor without any social responsibility the world silently witnessed it. It happened even before the industrial revolution and their exploitation of land and labour in UK .It would not be surprising if we discuss the prosperity which was earned by East India Company in India. In 1600 East India Company entered India, it started maximizing their production and profit by sheer exploitation of all forms of resources in India. The Globalization before the independence was successful with help of the rulers of India then. It gained momentum in India at the stake of nationalism. India became a slave to global companies. It aroused the national feelings among the subjects to fight against the foreign elements. The fight for nationalism brought Independence to India and nationalism preserved, The Constitution has been constructed with all safeguards to protect the nationalism. In 1991 a new economic policy has been introduced in India stating the pure nationalism efforts were not enough for the growth of a country thus Liberalization, Globalization and Privatization (LPG)

poicy to be introduced in India for its further development and increase its competitiveness globally. The definition of ‘State’ under article 12 of the constitution has been limited only to the industries under the control and management of the Government. The globalization increased industries outside the coverage of ‘State’. The companies and industries in LPG arena certainly work out their profit over welfare. The Constitution of India emphasizes socialist and welfare state by declaring “socio –economic justice” in its preamble and the scope of constitutionalism in LPG arena is yet to be defined and expanded to accommodate LPG policy and social welfare. Now one step still ahead, India has become ‘digital India’. The evolution has been going on as Colonized India, Nationalized India, Globalized India(unlike before independence) and Digitalized India.

The questions are,

- Will the multi- national companies in Digital India compensate their exploitation of land and labour of India?
- Can a private company come under the ambit of “State”?
- Will it be possible to make a private company to be responsible to the land and masses?
- How do they compensate?
- Do they have any responsibility towards the society from which they are prospering?
- If they get rights to use land and labour of India, will the rights couple with any duty?
- If so, the duty is, will it be enforced by domestic laws?
- How can we make them socially responsible?
- Whether CSR a duty?, if so, can it be enforced?
- What are the consequences if International Labour Standards (ILS) are made mandatory as one of the CSR?

- Whether decent work agenda be accomplished, if ILS is made as CSR in digital India?

Article 51 A of Indian Constitution frames the fundamental duties of citizens, likewise the Companies Act, 2013 frames the duty or a social responsibility of “corporate citizens” under section 135(1). With the advent of globalization and digitalization in India, the FDI and disinvestment policy gained momentum and now it has reached a greater level. The concept of ‘State’ is diluted and the disinvestment policy gradually shifts Indian economy from socialism to utilitarianism point of view. In digital India the dominance of internationalism over nationalism and machines over human is becoming prominent. The surplus labour in India are vulnerable to this environment. The balancing concept need a mechanism to check the MNE in Digitalization. The Companies Act, 2013, in its section 135(1) aims the companies of all nature to have a social responsibility for ‘common good’ which values socialist and egalitarian principles while practicing utilitarian ideas. The idea of common good is very well explained in the words of the Chairman CSR committee,

"CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth."

The above quote fixes a responsibility on the shoulders of industries with heavy turnover to take care of the society and social good of the land where they are making profits. It shows a

clear cut duty of big enterprises to the land where they are making prosperity. The origin and evolution of CSR nationally and internationally involved a great deal of academic debates and reached to a stable and sustainable level. The current status of CSR is to take this wonderful concept to the next level by addressing the new challenges and utilising the opportunities for the sake of industry and the society.

NEW CHALLENGES AND OPPORTUNITIES OF CSR IN PROMOTING LABOUR STANDARDS

The schedule vii of Companies Act 2013 enumerated the following issues to be addressed as corporate social responsibilities,

- Hunger and poverty
- Education
- Gender equality and empowerment of women
- Child mortality and maternal health
- Combating diseases
- Environmental sustainability
- Vocational skills
- Social business projects
- Contributing to funds for social purposes
- Relief and funds for SC, ST and underprivileged people
- Technology incubators
- Rural and Slum development
- The other matters as may be prescribed by the government

The matters mentioned above are not exhaustive but illustrative. The above are the policy rules included in Companies (Corporate Social Responsibility Policy) Rules ,2014. After a deep research this paper explains the idea- ‘Promotion of labour standards through CSR’ which is the initiative, and recommendation of International Labour Organization-ILO. India is abundant in labour force and the plethora of multi -national enterprises exploit the labour force without increasing the labour standards. It is the need of the hour to enlist labour standards in CSR rules. This article substantiates the topic with a few International documents, instruments and practices.

INTERNATIONAL LABOUR ORGANISATION AND CSR

International Labour Organisation (ILO) since its inception in 1919 has been endeavored to promote social justice along with the economic justice. During the globalization era the private multi –national enterprises play a vital role in the economy and its ultimate aim is to maximize the production and profit .In the process of maximizing the profit the employers should address the work place challenges without fail. ILO in its conventions and documents very cautiously observed and framed guidelines for employers, government and other authorities to ensure work place rights and labour standards. Labour standards which ILO emphasizes are eradication of child labour, promoting health, safety and welfare of workers, right to work, improving working conditions and industrial relations etc., Guy Ryder (2015)p 4. quoted in his article as follows

“Today’s responsible businesses need a comprehensive rights -based approach responding to national development priorities”.Guy Ryder (Director- General ILO) also emphasized fair globalization includes decent work to men and women and children get access to education for which the private sector would be a major player in achieving sustainable goals.

ILO key declaration and documents for promoting International Labour Standards as CSR in the private corporate sector are as follows

- MNE Declaration, 1977
- Declaration on Social justice for a Fair Globalization,
- Decent work in UN Agenda 2030

MNE DECLARATION

Tripartite declaration of principles concerning Multinational enterprises and social policy was the document adopted by ILO in its 204 session in November 1977, and the last amendment made in 329th session, in March 2017. In this document it clearly explains the pros and cons of accepting multinational enterprises (MNE). The MNE usually brings a new set of employments, maintain good standard of work culture, influx of capital and technology etc., at the same time there is a possibility of forced or compulsory labour, not providing social security to the labourers, child labour practice, unequal employment opportunities and treatment, no employment and income guarantee, no freedom of association, lack of safety, health and welfare measures etc., were some of the labour standards addressed by ILO. It wanted there must be some sort of corporate responsibility to be placed in the form of CSR on the multinational companies for social welfare. ILO very clearly states the meaning of CSR as it's a voluntary act by the private and multi-national enterprises to be responsible for a socially just society. While companies along with making of profit to some extent come forward to promote labour standards. Globalization and technological advancement transforms the industry into a level where the developing countries have to prepare the country and the labour work force in digital era. It is a positive attitude to make the companies in digital era to promote labour standards through CSR. The economic policy of India to encourage foreign direct investment

and disinvestments policy to boost business and economic growth of the country, while doing so ILO wants the countries to improve labour standards.

DECLARATION ON SOCIAL JUSTICE FOR A FAIR GLOBALIZATION, 2008

ILO in its next declaration for labour standards and CSR is promoting social justice for globalization, the preamble of the ILO Constitution categorically stated universal and lasting peace can be established only by achieving social justice. After Globalization and digitalization became inevitable ILO emphasize that the countries to create new sets of employment promoting labour standards by ensuring social dialogues, right to decent work and social protection. In OECD-ILO conference in 2008 on CSR, the Opening Remarks for ILO delivered by Mr. Stephen Pursey, Director, Policy Integration & Statistics Department and Senior Advisor to the Director General

"Globalization has had a positive impact for many but the benefits of increased international investment and trade have not been evenly spread within and between countries. As highlighted by the World Commission on the Social Dimension of Globalization, it is clear that neither a fair globalization nor decent work can be achieved without the contribution of the private sector."

Hence placing a responsibility on private sector and multinational companies to promote labour standards help in avoiding exploitation of labour force in digital India. This document powerfully laid down the ILO values towards the labour standards and was adopted in its 97th session of International labour conference. The document analyses the transformation from rural to urban ,men to machine on one side and the growing inequality, informal economy and unprotected labour force due to the transformation of industry. Not only that when the

production gets internationalised and digitalized, the local labour force that too countries like India with abundant labour force should not be left unattended or go unnoticed. ILO in the document gives its complete support to all the countries to implement the principles and the values of ILO.

DECENT WORK AGENDA 2030

ILO in its sustainable development goals for the first time placed private enterprises on the table to place responsible on their shoulders to achieve economic, environmental and social standards. In an article “Exploring the Interface of CSR and the Sustainable Development Goals by Norma Schönherr, Florian Findler and André Martinuzzi”. The obligation of CSR are as follows,

- In consonance with the goals of the society to achieve sustainable development
- Considering things beyond corporation
- Assess the environmental impact

The United Nations Agenda 2030 is a very clear mandate to all profit making companies of digital era. They have to run a business without forced labour, child labour, poverty and hunger. The voluntary responsibility by the profit making companies is the need of hour for sustainable development

The UN Global Compact Action Platform on Decent Work points out the following as CSR

- Respect human rights
- Uphold freedom of association
- Elimination of all forms of compulsory labour
- Social protection

- Gender equality

ILO mandates decent work for all for the sustainable development.

CONCLUSION

India legalized CSR in Companies Act ,2013 under section 135(1) as it signed the ILO document to achieve sustainable development goals. It made a mandate and placed certain responsibilities on private and multinational companies. Many countries considered this as a bad move but if we see the display of National Portal of CSR it is obvious that the private companies are ready and come forward to do good to the economy, environment and society. In the view of private and multinational companies India is a huge market and doing a business here is highly profitable hence the CSR is need not to be an obligatory. It can be made professionally. After five years of successful completion of CSR in India it is a high time to have ILO 's idea of International labour standards as one of the CSR. It can be gradually implemented. The automation process of industries and the heavy influx of global companies with highly technological and digital advancement shall not be a threat to the abundant unorganized workers in India if the promotion of labour standards is made as CSR. In the centenary year of ILO, we want its goals to be registered in digital India.

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