
UNIVERSITY OF THE PEOPLE

PHIL 1404-01 Ethics and Social Responsibility - AY2024-T2

Learning Journal unit 8

Instructor: Cynthia Donnelly

Introduction

In the past few years, the notion that companies should not only pursue profits but also give back to communities has become increasingly prominent. This concept of corporate social responsibility (CSR) has garnered greater attention. Unilever, an international consumer goods company, has pioneered a creative CSR approach through its Project Shakti initiative in rural India. Project Shakti seeks to empower socioeconomically disadvantaged women by helping them become micro-entrepreneurs who can attain financial security for their families. Specifically, the program enables the women to earn an income by supplying Unilever products to customers in their local villages. Through this business model, Participants gain new skills and a measure of independence that enhances both their economic and social well-being (Byars and Stanberry, 2019). As companies increasingly seek shared value outcomes, Project Shakti offers an exemplary case study of corporate programs that benefit both society and the bottom line.

I believe Unilever likely has mixed motives for sponsoring the Shakti program. On one hand, the program provides important social benefits by economically empowering rural women and enhancing their livelihoods. However, it also expands Unilever's market reach and boosts profits by creating a direct sales network to distribute its products in remote areas. The program achieves both social impact and business returns.

Despite its conflicting interests, Unilever is not inherently a bad firm. The outcomes of the program - increased incomes and confidence for rural women - are still highly positive regardless of Unilever's underlying profit motivations. The program creates shared value, benefiting both society and Unilever's bottom line. If Unilever respects its Shakti entrepreneurs and invests adequately in their training and support, the mutual benefits mean the model should be viewed positively.

Project Shakti promotes both corporate and personal sustainability. For Unilever, it builds a sustainable distribution model relying on local networks and relationships rather than extensive infrastructure investments. It also promotes loyal micro-entrepreneurs who sustain demand for Unilever's products. For the rural women, sustainable incomes, increased knowledge, and access to support networks help sustain their livelihoods over the long-term.

The Shakti direct sales model could likely be replicated with different products and in new geographical areas. The success factors - recruiting and training local micro-entrepreneurs to sell products in their communities - do not seem specifically tied to the current products or region. Adjustments would need to be made for new contexts, but the core model seems adaptable. The key would be ensuring adequate support and interaction with the sales entrepreneurs to meet their needs and the needs of their customers sustainably over time.

Conclusion

In conclusion, while Project Shakti benefits Unilever through an expanded rural distribution network, the program transforms the lives of women micro-entrepreneurs in profound, positive ways. No profit motivations thus do not discredit Unilever's broader commitment to enhancing livelihoods. Shakti promotes intertwined sustainability for Unilever and the entrepreneurs. Additionally, the direct sales model seems readily adaptable to new regions and products - though Unilever must ensure continued support for the sales force wherever implemented. In enabling shared value, the initiative sets a standard in socially conscious corporate programs with mutual benefits for both business and society.

Byars, S. M., & Stanberry, K. (2019). Business ethics. OpenStax College and Rice University. Retrieved from: <https://openstax.org/details/books/business-ethics>

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