

Focus 57 - Coping up with the Corona Crisis: India Inc shows the way with Nobel Corporate Social Responsibility Initiatives

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Abstract

The start of 2020 has been rough and despicable for individuals, corporates, governments, and nations at large. Being forced in one's abodes, juggling between work and household chores, with restricted movement in public spaces and essential commodities delivered through e-commerce platforms – this has become a way of life or rather 'the new normal'. Public life has shifted from handshakes to 'Namastes' (predominantly an Indian gesture), to wearing masks and surgical gloves and the frequent application of sanitizers. The fear of being a victim to the novel corona virus is intrinsically linked with a list of precautions such as disinfecting groceries, washing clothes, intake of herbal supplements to increase immunity and most importantly maintaining social distance norms. With an alarming number of Covid patients and a fragile medical structure, how is India coping up with the Novel Corona crisis? This article helps in understanding the pivotal role of corporate funding to the Indian Government intended to curb and contain coronavirus within the country.

Tracking down the Novel Corona Virus in 2020:

The coronavirus outbreak was first reported in Wuhan, China in the month of December 2019. The Chinese Government took some stringent steps to contain the deadly virus. The world at this point was subtly aware of the virus; the World

Health Organization (WHO) had a series of media briefings before calling it a 'Pandemic' (Branswell, 2020). The virus has been acting like a whirlwind, impacting almost every nation on the planet. As of now the countries most affected are Italy, Spain, France, the United Kingdom, the United States of America, Russia, Japan, South Korea, India - and the list goes on. In addition to this there are both online portals and mobile phone applications offering real time data with respect to active cases, deaths and recovered patients. One such mobile phone application helping netizens in India to track confirmed or susceptible covid patients is called the 'Aarogya Setu' (Cruze, 2020), an application that also helps in taking self-assessment tests for Indians and through Bluetooth technology helps to track unhealthy citizens.

In India, an application like Aarogya Setu has become compulsory download for all mobile phones. But it is also extremely helpful for Government authorities to keep a check on the disease outbreak in the country. In physical terms, India is the seventh largest and the second most populous country in the world. In simpler terms, India has 28 states and 8 Union Territories, each with a distinct Chief Minister and elected Government. Being a Quasi Federal structure, the states and the Centre - especially Prime Minister of India Narendra Modi - have been organizing video conferences so as to discuss progress in the regions (within states) and apprise political colleagues about the magnitude of the situation. Having said that, the entire country has been colour coded into three brackets such as Green, Orange, and Red - depending upon the degree of the outbreak of the virus. For those regions such as Maharashtra, Punjab, Delhi that fall under the red category we see an immense onus on the public health care system to help in speedy recovery.

India's health care system is fragile and unable to cope with the requirements of a large population of 1.38 billion citizens. Just when the corona virus outbreak was at a tipping point, pharmacies ran out of sanitisers, masks, disinfectants, and medicines such as Crocin, paracetamol and others. The panic purchase was not just limited to medicines but had a snowballing effect on both essential and non-essential items as well (Sen, 2020). And in the midst of the virus outbreak and a wave of anxiety-stricken purchases we witnessed the announcement of a month-

long lockdown. Along with it came the humble announcements by the Prime Minister, Chief Ministers and other ministers urging citizens to abide to the law of lockdown and enlightening all about the fragile medical infrastructure. Incidentally, during this time, many doctors and nurses posted photos and status online so as to encourage citizens to stay at home while they medically supervised patients. On the other hand, the medical staff also informed the public at large about the deficiencies of testing kits, protective suits, masks, surgical gloves, goggles, ventilators, hospital beds and others. The shortage was rampant and consistent throughout the country (Machina, 2020). To bridge the gap, corporates or India Inc joined forces with the government to bridge this medical deficiency (Robinson, 2020).

Since the coronavirus outbreak, the production of raw materials in many countries - especially in China - have been brought to a halt, followed by no import of materials. This resulted in a lack of manufactured goods. In short, profits slumped, economic growth nose-dived, loss of jobs/ unemployment was around the corner - all of which was nothing but a recap of the 2008 economic crisis - if not worse. Despite all the negative points highlighted by the production/manufacturing companies, these companies have pitched in funds and even employees have helped the Government in these desperate circumstances. This was not limited to the supply or production of medical materials - many companies went ahead and provided meals and economic safety nets to many migrants/ daily wagers / informal workers stranded in different parts of the country. The total number of informal workers currently stands between 100 million to 125 million people who leave their villages, families, and homes to find work far away in sectors such as cleaning streets, running factories, building roads, and constructing houses.

This article helps in understanding the pivotal role of corporates in helping the Indian Government curbing and containing coronavirus within the country. Corporates, in spite of experiencing negative growth (Ganesh, 2019), have come in forefront and offered help in many ways under the arm of Corporate social responsibility (CSR). This article will be divided into three sections. The first section will briefly focus on the understanding of Corporate Social Responsibility in India. The second will focus on how India Inc has helped in the Government of

India in fighting covid in financial, medical, and social terms. And finally, the third section focuses on corporate redrawing of a new social platform for India and other nations in the post covid world.

Conceptualizing Corporate Social Responsibility in India

Corporate Social Responsibility or CSR is understood as Corporates being engaged in socio-economic activities to promote development and well-being in areas of their operation. This is usually referred to as a voluntary engagement or a tie-up between corporates and non-governmental organizations; however, in India it is a legal affair. India is the only country to have mandated a law - the Companies Act of 2013- that prescribes all business conglomerates to allocate a 'stipulated' expenditure for socio-economic activities. Companies have agreed to spend at least 2% of their net profits for CSR-related initiatives. The list of initiatives where companies must invest their CSR funds are as follows: eradicating extreme hunger and poverty; promoting education; promoting gender equality and empowering women; reducing child mortality and improving maternal health; combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; ensuring environmental sustainability, employment enhancing vocational skills, and social business projects; contributing to the Prime Minister's National Relief Fund or any other fund set-up by the central government or the state governments for socio-economic development and relief; and contributing to funds for the welfare of the scheduled castes, Tribes and other backward classes, minorities, women and others. Furthermore, under the Companies Act, preference must be given to local areas and areas where the company operates.

Even before CSR was mandated in India, some big companies such as Tata (Tyagi, 2018), Birla and Mahindra were already engaged in philanthropic activities from historical times, even since before 1947. They were pioneers in laying foundation stones for cities, educational institutions, hospitals, and other public leisure activities. This could be one of the major reasons why such companies were listed as preference companies in job markets and enjoyed immense loyalty amongst employees. Despite economic doldrums, these companies continue to form safety nets for formal and informal workers at large. Although CSR appears to be an outward activity by the Corporates towards the local community, these companies

also ensure that employees' financial, health and mental issues are catered as well. Many companies even in Public sector - such as Indian Oil, GAIL, ONGC and others - focused on the physiological awareness of their employees.

Apart from contributing to the nation-building process (for socio-economic development) along with the Government, these companies have also played a categorical role in times of corona crisis. They have helped Indian authorities by providing financial aid and supplying medical equipment'. They have done so since the inception (28th March 2020) of the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund and the Chief Minister's (CM) Relief Fund. There has been a pouring of funds from companies belonging to both private and public sectors. Apart from such big conglomerates, even boring professionals have contributed their one day's salary to the fund. Incidentally, PM CARES funds has been exempted from tax deductions and is categorized as a CSR contribution. Unfortunately, financial contributions made to CM relief fund is not listed as a CSR expenditure as per Government records. The next section will focus on contribution of corporates towards the covid crisis.

Indian Corporates' Noble Contribution for battling out the Corona Conquest

Newspaper reports categorically suggest that prominent India corporates have vehemently contributed to the PM CARES fund. The corporate contribution, both in times of climatic catastrophe and medical emergencies, has been a regular feature and some of the most of prominent companies such as Tata, Reliance, Wipro, Nippon, Asian Paints, and others. Even the working professionals have contributed to the PM CARES fund. According to a recent analysis on IndiSpend, at least Rs 9,677.9 crore (\$1.27 billion) has been collected in the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) fund for COVID-19 relief. These donations have been made during the 52 days since this new fund was announced on March 28, 2020. At least an additional Rs 2,098.2 crore has been pledged to the fund and Rs 7,855 crore has also been earmarked from other government sources (Bhuyan, Salve, 2020).

Some among the prominent donations to the PM CARES fund were made by the following names. IT czar Azim Premji committed Rs. 1000 crore (\$134 million)

through his philanthropic arm, the Azim Premji Foundation. Additionally, the company's workforce of around 1600 employees will work alongside government health workers. The money will be used for humanitarian aid and for beefing up healthcare support targeted at the containment and treatment of the disease. Software developer Wipro Limited has committed another Rs.100 crore (\$13 million), while the engineering services company Wipro Enterprises Limited has donated Rs 25 crore (\$3.3 million). India's richest man Mukesh Ambani has contributed Rs. 5000 million (\$67 million) to the prime minister's fund; Rs. 5 crores (\$660,000) for the relief fund of the chief minister of Maharashtra, Ambani's home state, and an equal amount for the relief fund of the chief minister of Gujarat state, where Reliance's biggest refinery complex is located. This follows a slew of measures announced by Ambani, which range from setting up a 100-bed COVID unit in Mumbai to providing free meals across multiple cities and a daily production of 100,000 masks by Reliance. Ratan Tata, who chairs India's oldest philanthropic outfit, Tata Trusts, the biggest shareholder of the group's holding firm Tata Sons, has earmarked Rs. 5000 million (\$67 million) towards tackling the pandemic. This sum is said to cover the costs of protective gear, ventilators, testing kits, the establishment of modular treatment centres and training for healthcare workers. Billionaire banker Uday Kotak - who founded and runs the Kotak Mahindra Bank - has made a personal donation of Rs. 25 crores (\$3.3 million) to the prime minister's fund. This is topped by Rs. 35 crores (\$5 million) pledged by the bank, of which Rs. 25 crores (\$3.3 million) will go towards the prime minister's fund and Rs. 10 crores (\$1.3 million) towards the Maharashtra chief minister's relief fund.

The Indian decorative paints company Asian Paints, which is controlled by three billionaire families, has announced a Rs. 35 crore (\$5 million) fund for central and state relief efforts. Japanese paint maker Nippon Paint is providing financial assistance to over 1,000 painters by providing a digital currency card that can be used to buy essential items. Bollywood actor Akshay Kumar, who was ranked by Forbes as the fourth-highest paid actor in 2019 with \$65 million in earnings, has committed Rs. 25 crores (\$3.3 million) to the prime minister's welfare fund. The country's richest sporting body - the Board of Cricket Control in India (BCCI) - has also announced a Rs. 51 crore (\$7 million) contribution to the prime minister's

relief fund (Raghunathan, 2020).

A Way Forward in the Post Covid World:

Certainly, the above-mentioned companies have exorbitantly donated to the cause of fighting the covid crisis. On sympathetic and emotional grounds, these companies are scoring full marks. However, on a professional level, the latest reports suggest that laying over their employees has become a standard operating procedure in these terrible times. Many informal workers are out of a job and desperate to return to their hometowns. The same situation lurks over formal workers as well, who are relying on their depleting savings and other investments. The nightmare of the 2008 crisis has already begun!

With India under lockdown for over two months, with a predominant hope to contain the corona virus outbreak, cases continue to rise - with fluctuating numbers between containment and non-containment zones within the country. The lockdown in India was planned in a gradual manner, with an extension of two weeks before unleashing a host of relaxations - starting with airline operations, opening offices, factories, and limits to social gatherings. The fact is that eradicating the virus is a long battle and accepting it as a part of our lives - it is the new normal. The inception of *Aatmanirbhar Bharat* / Self Reliant India (PTI, 2020) has begun as well!

The Government of India is involved in a complex flux situation, unsure whether to open the economy or continue with the lockdown (currently India is under Lockdown, Phase 4). If the Indian economy continues closed and even bereft of trade, more people will be out of jobs, small businesses will suffer, poverty levels will rise - all of which will create more divisions between the rich and poor sections of the society. On the other hand, gradual entries in airports, offices, factories and so on following standard operating procedures will leave an ample opportunity for the pandemic to increase its magnetite at various levels and eventually become out of control (medically). The Indian health sector continues to suffer due to lack of investments and unavailability of testing kits, protective suits, and masks. This is especially true in those regions of India (containment zones) where positive cases have gone beyond 10,000 but there are no hospital

beds available in overcrowded Intensive Care Units (ICU). Even if hospital beds are available, private hospitals currently charge Rs 4000 for covid tests and the prices of hospital beds or even keeping a patient in ICU are such that only the rich or upper middle classes can afford. For those who belong to the lower sections of the society, even going to a Government hospital for check-up or a covid test is a great risk.

In short, the post covid world is characterized by a list of precautions - of do's and don'ts'. Anyone one interacts with can be infected and contagious. Moreover, the big fat Indian weddings and festivities in the country will portray a restricted attendance and social distance norms will continue. In both retrospective and introspective ways, this pandemic has highlighted that nature always finds its ways to reclaim the public space and often goes beyond the horizon so as to remind humankind that the planet is shared and no one can claim ownership over it.

"We have a chance to do something extraordinary. As we head out of this pandemic we can change the world. Create a world of love. A world where we are kind to each other. A world where we are kind no matter what class, race, sexual orientation, what religion or lack of or what job we have. A world we don't judge those at the food bank because that may be us if things were just slightly different. Let love and kindness be our roadmap."

Johnny Corn

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