



Covid-19 Corporate Social Responsibility and Beyond

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Abstract: *State takes responsibility to manage the affairs of its citizens i.e. it comes to the rescue to save the citizens of the country at the times of natural or manmade catastrophe. However, there are obvious limits to the capacities of the state. At the time of external or internal disturbances we need concerted efforts to overcome the situation. In this regard various business houses joined hands with the government and civil society to defeat the evils of the coronavirus. This research has tried to explore how corporations came into the scene with their various efforts like building medical infrastructure and logistics supports such as hospitals, transportation of oxygen, corona kits, and team of doctors etc. Despite being not obligated to work for the pandemic and related rescue programmes they contributed a lot. Therefore the objectives of this paper is to explore the potentials of corporations and to find the ways to motivate the businesses to harness their expertise to help the community at the time of distress beyond their mandatory Corporate Social Responsibility (CSR), so that they may remain ready to conquer the unforeseen situations like pandemic.*

Keywords: *Corporate Social Responsibility (CSR), Civil Society, Catastrophe, Covid-19.*

1. INTRODUCTION

In very simple words CSR can be defined as the relation between business and community. CSR is the way of business by framework of a triple bottom line, known as People, Planet and Profit (3Ps) (Yesudhas, 2017). Companies Act 2013, made it mandatory for the firms to invest a certain amount of their profits for CSR however it also contributes to the image building of businesses by creating goodwill and stakeholders satisfaction. Historically, the nature of CSR has been philanthropic where big corporations invested huge amounts for the social wellbeing. However Companies Act 2013, by prescribing a limit of 2%, made it mandatory.



Outbreak of Covid-19 pandemic brought tough times for the society. Socio-economic circumstances of the nations became worse (Upadhyay & Rathee 2021). Increasing pressure from the civil society on corporations worldwide forcing them to act as a socially responsible organization motivated companies to reform and expand their CSR strategies to fit the dynamics of the world (Droppert & Bennett, 2015). Therefore responding to various epidemics and demographic shifts such as HIV/AIDS, SARS (Severe Acute Respiratory Syndrome), MERS (Middle East Respiratory Syndrome), Ebola and Covid-19, firms across the world took commendable steps to endorse societal well being (Mahmud, et. al, 2021). However in India there has already been a culture of philanthropy by the firms. Many organizations have contributed a lot for the well being of the society. Again after the outbreak of the pandemic, the voluntary and philanthropic covid relief work started being done by the corporations, it showed the commitment of the firms to fight for the societal needs in the time of crisis. The contributions made by the companies to fight coronavirus have been placed under the CSR activities by the government. During the pandemic people united worldwide to fight the common evil, however the contributions of the businesses across the world and India are commendable. In India during covid-19, companies such as Reliance, Tata Group and Infosys started contributing donations for Covid relief, and various other firms joined hands to make their human and material contributions in the fight against coronavirus. Wipro and Azim Premji Foundation spent more than 1000 crores by providing a huge capacity intermediary Covid Care hospital in Pune and have distributed food to 32 crore people. Cipla, Mankind, Vedanta, Mahindra Group, ITC, BPCL, ICICI Foundation, L&T, Walmart, HUL, Citigroup and many more companies contributed huge amounts of funds and took various initiatives to safeguard the interests of communities across India (India, 2022). All these efforts show that corporations have played a proactive role to win the battle against covid-19 pandemic (Observer Research Foundation, 2022). So, this becomes imperative to explore how companies can play a vital role for the communities during such unforeseen conditions like Covid-19.

CSR and Schedule VII

Section 135 of the Companies Act 2013, states that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy (Companies Act, 2013) (India CSR, 2023). And the list of areas on which CSR initiatives are to be taken are mentioned in Schedule VII (Shin, et. al, 2015). And these are updated from time to time by various amendments. And the following are some of the activities that businesses may include in their CSR policies:-

- (i) Eradicating hunger, poverty and malnutrition, promoting healthcare and sanitation.
- (ii) Promoting education
- (iii) Promoting gender equality, empowering women, setting up old age homes and day care centers.
- (iv) ensuring environmental sustainability, ecological balance, animal welfare and contributions to clean ganga funds.
- (v) Protection of national heritage, and art and culture.



- (vi) Measure for the benefit of armed force veterans and war widows and their dependents.
- (vii) Training to promote rural sports.
- (viii) Contribution to the Prime Minister's National Relief Fund.
- (ix) Contribution to incubators or research and development projects and contributions to public funded universities.
- (x) Rural development Projects
- (xi) Slum area development
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities (Companies Act, 2013).

Given the Covid-19 catastrophe, and encouraging the corporations effort in a recent notification the Ministry of Corporate Affairs (Government of India) included and clarified that funds spent for Covid-19 relief related work would be treated as funds spent for CSR (Poddar, et. al, 2022).

Theoretical Framework

The relation between Corporate Social Responsibility and community can be studied by various sociological theories. However the most appropriate sociological theory that best underpins this research is social contract theory. According to this theory the business is obliged to act responsibly, not only because of its commercial interests, but also because it fits with the underlying expectations society has for how business should function. The regulation of business as a social institution and its integration with other social organizations, such as the family, are both necessary. (Virtus Interpress, 2023).

Review of Literature

Pradhan & Ranjan (2010), in their paper 'Corporate Social Responsibility in Rural Development Sector: Evidences From India' attempted to study CSR in the special context of rural development. And they tried to examine whether the corporates consider rural people as stakeholder, initiatives taken for the socio-economic development of rural areas and the mode of implementation of CSR programmes as part of their corporate strategy. And concluded that the companies regard social responsibility as an important issue and all the surveyed companies have CSR policies and practices. And they took a wide range of CSR initiatives like livelihood, education, healthcare, agriculture and infrastructure development have been carried out. These initiatives have a positive impact on the overall development of society. However, they suggested, local people must be involved in planning and implementation, social audits must be done by an external agency, the government should act as a facilitator and the annual reports should be prepared by the companies to highlight the company's commitment for the social responsibility. Kumar (2019) in his article focussed on key issues and challenges faced by firms for CSR implementation in India and they found that lack of community participation, need for capacity building among civil society and NGOs, lack of transparency among local implementing agencies are creating a hindrance in rural areas. Again Berad (2011), in his study found that CSR is now considered as an important activity for business' agenda but the need for a more trustworthy indicator of development in the field of CSR is one of the primary challenges that must be overcome.. If the corporation incorporates such responsible mechanisms it can help businesses and larger society get positive outcomes. And it will benefit



the environment also. Mahmud, et.al, (2021) in their paper titled “Corporate social responsibility: Business responses to coronavirus (COVID-19) pandemic” found that CSR leaders in the United States adopted various mechanisms to protect communities and employees through diversified CSR initiatives for Covid relief. Nair, et. al. (2021) in their study while SDGs are relevant, there is a need to reorient the priorities to reflect new normal. To effectively address the demands of the post-Covid-19 world, they advised making slight adjustments to the current goals and aims through greater links with CSR.

Research Gap

After going through various available literature it has been found that there is no study which shows the contributions of businesses and how they can play an active role during catastrophic situations like covid-19 by joining hands with governments and civil society, in a sociological manner.

Objective

To explore the potential of corporations to help the community at the times of crisis beyond the mandatory CSR.

To find the ways to motivate the businesses to harness their expertise to help the community at the time of distress.

2. METHODOLOGY

The study is exploratory and descriptive in nature. Companies which have played a major role in Covid relief have been chosen by following purposive sampling method. These companies have been figured out by deeply analyzing and going through various print and online literature such as newspapers, blogs, respective company’s websites and media.

3. RESULTS AND DISCUSSION

Descriptions of Covid relief initiatives taken by various companies are-

As soon as possible, Reliance Foundation and Reliance India Limited teamed up to support the country's fight against the coronavirus. It fervently strove to support India and immediately mobilized efforts to ensure that nations triumphed in the war against the coronavirus. It made full use of both its human and material capabilities to aid India in overcoming the crisis.

Reliance launched a number of initiatives in mission mode to meet the requirements of the country, including:

Mission Anna Seva:

Any catastrophic event would hurt the vulnerable communities the most and realizing this, during lockdown Reliance reached for the support by fulfilling the food requirements of the marginalized communities. During Pandemic, Mission Anna Seva became the world’s largest meal distribution programme to supply food packets, food coupons and dry rations kits across 19 states and 4 union territories. RIL took the support of more than 200 NGO partners to reach the needy population. Reliance foundation with its partners and volunteers team identified the



families and the communities and reached out to them for their help. Under this initiative more than 8.5 crore free meals are distributed to frontline workers and vulnerable communities (Reliance Foundation, 2022). The programme not only helped daily wage earners, migrant laborers, slum dwellers, old-age-homes, factory workers and orphanages, but the programme also reached frontline workers carrying out essential Covid-19 relief services (Reliance Foundation, 2022). Reliance Foundation also provided bulk rations to community kitchens engaged in serving meals to homeless, laborers and other needy people (Reliance Foundation, 2022). It also provided migrant laborers returning to their hometowns by providing the cooked meals during these challenging times. It served as a lifeline for people returning to their native places from cities. Meals were also provided to truck drivers delivering essential items and facing difficulties as food restaurants were shut down due to lockdown. Reliance petrol stations in various states such as West Bengal, Kerala and Odisha extended support to truck drivers by distributing meals (Reliance Foundation, 2022).

Compassion for all: Care for stray animals:

During the lockdown, stray animals had a difficult time getting food because of the decline in human activity. Reliance also extended its compassion to animals by feeding and caring for stray animals with the help of its partner organization. More than one lakh animals received medication during the epidemic, and grain meal was distributed to birds (Reliance Foundation, 2020).

Mission Oxygen: By producing 1,000 MT of oxygen every day for more than 1 lakh patients, it gave free liquid oxygen to a number of states (Reliance Foundation, 2020).

Mission Covid Infra: More than 1.4 crore masks were supplied to needy people as part of this programme, and more than 2000 beds for Covid treatment were set up at various places (Reliance Foundation, 2020). Hospitals and healthcare facilities were also strengthened.

Mission Vaccine Suraksha:

In Maharashtra, Tamil Nadu, West Bengal, and Kerala, the most vulnerable communities receive more than 40 lakh free Covid-19 immunisations as a result of this. It aspired to reach every single inhabitant, including those who were elderly, homeless, or living in remote areas as well as persons with impairments (Reliance Foundation, 2020).

Supporting rural communities during the pandemic:

In order to overcome issues experienced while enrolling for various government programmes, agricultural, and associated services input, Reliance Foundation Information mServices connected rural livelihood practitioners with government authorities and specialists (scientists, researchers). It also promoted awareness and organized hiring drives for medical, paramedical, and other staff in order to meet the urgent demands. Reliance also provided specialized advice and counseling on various financial support schemes and livelihood chances through virtual conferences for farmers, livestock owners, fisherman, and other groups in rural areas. These services touched over 44 lakh rural Indians with continuing livelihood aid (Reliance Foundation, 2022).

Reliance has proven that it has the motivation and capability to step up to the challenge and mobilize the essential human and material support to the nation by its ongoing support and



endeavor to serve the country and its people during the pandemic (Reliance Foundation, 2021). Additionally, it has been noted that even businesses who had nothing to do with CSR have made significant financial and material contributions to this shared cause.

Tata Group contributed rupees more than 2500 crore and distributed 3.5 million masks and gloves (Times of India, 2021).

Wipro and Azim Premji Foundation, contributed 1,125 crore rupees for setting up an intermediary 450 bed covid care hospital and distributed food to 32 crore people during pandemic (India, 2022).

Infosys spent 200 crore by distributing 2.4 million meals to nearly 1 million people, and these people are mostly poor and migrant laborers. It also distributed millions of masks and sanitiser to frontline workers such as police, medical staff etc (India, 2022).

Cipla committed rupees 25 crore, including 9 crore to the PM Cared Fund, to supply various essential items such as ration kits and meals to migrant workers. The company served nearly 1.5 lakh meals to migrant workers and 1,32,700 masks, gloves etc distributed to doctors and paramedical staff across the country (India 2022).

Mankind Pharma contributed rupees 100 crore to support the families of covid warriors. In addition to this it donated rupees 130 crore to PM Cares Fund (India, 2022).

Vedanta committed rupees 201 crores for PM Cared Funda and welfare of frontline workers, daily wage earners, and employees of business partners (OpIndia, 2020). Under the scheme 'Meas for All' they distributed free meals and dry ration kits to lakhs of daily wage workers and marginalized poor (India 2022).

JSW Group pledged a sum of 500 crore rupees to fight coronavirus (Free Press Journal, 2020).

Mahindra Group at all its plants set up 17 kitchens and distributed over 4.2 lakh meals across its plants to migrant laborers. It also started production of face masks, face shields and aerosol boxes, and distributed nearly 4 lakh face shields across the country (Free Press Journal, 2020).

ITC contributed 215 crore to Covid Contingency Fund (The Economic Times, 2020).

Adani Group pledged rupees 100 crore to PM Cares Fund (Adani Group, 2020)

ONGC contributed a sum of 300 crore rupees to the PM Cares Fund (India, 2020).

BPCL contributed rupees 100.10 crore for covid-19 relief initiatives (BPCL Limited, 2020).

SBI committed rupees 100 crore to PM Cares Fund. Again it contributed 71 crore in the second wave of covid crisis (India, 2020).



ICICI Foundation contributed rupees 100 crore for covid relief work by committing 80 crore to PM Cares Fund and 20 crore to state governments, hospitals, and police forces. It also distributed 2.13 surgical masks and more than 40,000 N95 masks, 20,000 liters sanitisers and 16,000 gloves (India, 2020)

L&T committed 150 crore rupees to PM Cares Fund (Larsen and Toubro, 2020) .

HDFC Bank donated rupees 150 crore to PM Cares Fund, **Paytm** committed a total of rupees 500 crore to PM Cares Fund by paying up to rupees 10 on every transaction made (Free Press Journal, 2020).

Walmart Foundation committed rupees 61 crore to give support to various NGOs which were involved in Civil Relief activities during the pandemic. It also supplied 6,00,000 N95 masks and Walmart, **Flipkart**, **PhonePe** set up on-site vaccination clinics to give relief to households – covering more than two lakh people (Free Press Journal, 2020).

HUL earlier earmarked rupees 100 crore and in addition to that it contributed 1 crore soaps, sanitisers etc to vulnerable communities (Free Press Journal, 2020).

Citigroup contributed rupees 200 crore in general , and 75 crore for immediate Covid relief related essential medical items like oxygen supplies, protective equipment supplies, and testing equipment etc (India, 2020).

Google donated a huge relief fund of rupees 135 crore. Its employees too pooled in rupees 3.7 crore for supporting the marginalized and high-risk communities in India during pandemic (India, 2020).

And so many other companies joined the league by donating huge money and resources to help the society fight covid-19.

Analysis

It is clear that Indian companies have voluntarily contributed huge amounts for Covid-19 relief work above the mandatory limits of CSR. Contributions more than the stipulated CSR requirements by the company shows one interesting fact that companies in India still believe in philanthropy i.e. they are committed for the service of the nation and the social cause (Bhatia & Dhawan 2023). By doing in depth analysis of various initiatives of the companies under study it has been found that the corporations have a very well knitted nexus with various NGOs, expert agencies and civil society which may be utilized at the time of distress. During the pandemic, companies have used their partnering expert agencies and NGOs to mobilize human and material support to various remote areas and difficult terrains across the country. Big corporations have an arranged set of support systems such as doctors, research persons, drivers, lawyers, experts and various other human support systems which makes the implementation of any initiative very easy. These networks of expert systems can be harnessed at times of disaster.



4. CONCLUSION

Since industrial and service sectors combinedly contribute more than seventy percent of the country's GDP therefore the manufacturing and service sector corporations are game changer in almost every realm of development of the country. Given the volume of the turnover and profitability some of the giant business houses like Reliance, Wipro, Infosys, Tata Group and Mahindra hold the capacities to support the country at the times of the various crises. Businesses, during the pandemic have shown that they can come forward for the rescue of the country and its citizens even outside the corporate social responsibility mandate. These corporations have shown their commitments to serve the nation conquering the Covid19 crisis. Therefore they may be motivated and promoted in terms of various financial and non financial and policy support by the state. And the government has done its duty well by incorporating covid 19 relief related CSR activities in the Schedule VII of the companies act. So, it may be suggested that new ways be explored by the government by extending necessary support to corporations and by capacity building and involving civil society to face unforeseen situations like pandemic in future.

Limitations

The main limitation of this paper is that various companies have extended their support in various capacities during pandemic but here it has not been possible to include all them, however major companies having huge turnovers have been chosen to study the dynamics of the covid relief initiatives undertaken by the companies.

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