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CSR Funding for Wellbeing of Society as a Whole: During and After Covid-19

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Abstract

Cultural and religious speculations are very much supportive of the fact that Indian companies always come forward to help the penurious. World health organization (WHO) has declared Coronavirus (COVID-19) as a pandemic. Considering the present situation the Indian government declared the situation of the pandemic in the country. To support the current crisis ministry of corporate affairs declared that under schedule VII of Indian CSR policy funds spent by companies to support the government under the umbrella of corporate social responsibility (CSR). In this crisis, almost every company registered under the Company's Act of India are coming forward voluntarily to support the nation by indulging in healthcare and sanitation, meeting the specific requirements of equipment and medicines. Corporate organizations like Power Finance Corporation has contributed rupees 200 Cr. to the PM Care Relief Fund and Tata have contributed rupees 500 Cr. for Covid-19 patients and many more. Normally it's been perceived that the corporates indulge in social work for tax rebates only. But this research aims at bringing the positive side of big business units. Research evidence is very much convincing that corporates are the backbone of our nation and contributes to the growth of any developing or developed nation.

Keywords: Corporate Social Responsibility, Covid-19, Corporate Contribution, Healthcare funding.

Introduction

The concept of corporate social responsibility (CSR) is considered as complex, ambiguous, and controversial (Garriga and Mele, 2004). The critiques are of the view that many of the organizations are indulged in CSR activities for the sake of improving their image in the minds of their stakeholders. Colle et al. (2013) defined CSR standards as the "Paradox of CSR Standards which involves the risk of the emergence within organizations of a thoughtless, blind and blinkered mindset that is counterproductive with respect to the aim of enhancing the actual CSR of the organization". It is a universal fact that the only motive of the business is earning profits. According to the shareholder approach, the social responsibility of any business is to increase its profits (Marrewijk, 2003). The economic approach is also in the similar lines that every economic activity is dependent on the profit motive regardless it is

beneficial to the society or not (Arrow, 2015). This view further strengthens the belief that Nowadays, CSR is used as an image improvement strategy by the big giants.

Perez and Bosque (2012) and Kim et al., (2017) revealed that ethical, economic, and philanthropic CSR had a significant impact on corporate image and helps companies in enhancing their credibility and customer retention. It is believed that the corporates can strengthened their connections and trust with their stakeholders and boost customer loyalty through CSR activities like, creating inclusive, healthy workplaces, ensuring ethical business practices, providing reliable services to customers, and positively investing in the local environment and contributing to social causes especially in difficult times (Deng et al., 2013; Albuerque et al., 2019).

As every coin has two sides, the concept of CSR also has another perspective which shows the positive side of CSR. Opposite to the shareholder approach, the stakeholder and societal approaches are of the view that companies are not only accountable to their shareholders but are also directly responsible for the well-being of the society as they are an integral part of the society and utilizing their resources for profit maximization. Microeconomic theory concluded that the well-being of the human can be increased with higher income. So, economic growth is an important pillar for any organization and makes the organizations more socially responsible with the increasing economic growth (Fuentes and Rojas, 2001). With this, the concept of corporate citizenship comes into the picture which is defined as an "understanding and managing a company's wider influences on society for the benefit of the company and society as a whole" (Andriof and McIntosch, 2001; Moller and Erdal, 2003). It reflects that organizations are not only bounded with their legal duties, but they are also expected to contribute to the well-being of society as a whole and act as a good corporate citizen by investing in corporate social responsibility activities (Loosemore and Lim, 2017). Though there is no consensus built-in defining the corporate social responsibility few authors have explained the CSR as a concept where "companies integrating social and environmental concerns in their daily business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2002; Moller and Erdal, 2003).

The above discussion throws the light on dark as well as the bright side of the corporate social responsibility. Moving ahead, the present study is an attempt to highlight the important fact that how organizations play an important role by indulging heavily in CSR activities during tough times such as COVID 19. During these times, companies are not only restricting to what the government has made mandatory for them that is at least two percent of their profit to spend on CSR but they are raising the bars and act as a ventilator for the economy and the society. There are no sufficient researches that have been conducted to understand the importance of CSR during pandemic situations, so the present study is an attempt to reflect the top 05/10 cases of CSR in the history of India which help in reshaping the economy.

Corporate’s and Corporate Social Responsibility

Relation between corporate and CSR is not new or something that’s been introduced or enforced by Ministry of Corporate Affairs. In context to India it’s very much there from the beginning Hindus call it Dharmda, Sikhs call it Dashant and Muslims call it Zakath (Muniapan & Dass 2008). Al tehse means that donation of some part of your earning for social development of society and it’s been done by every individual of society. With the emergence of globalization and impactful social media the concept of social responsibility done by corporates gained momentum. Otherwise literature supports that concept of CSR was part of interest of academicians from 1850s (Balza and Radojicic, 2004; Smith, 2003), but in recent times indulgence by research institutions and publicity by corporates for making people aware about the benefits of social work and NGOs (non-government organizations) popularized the concept (Garriga and Mele, 2004). The Corporate’s investment in CSR helps in building a positive image of caring and sharing for social goods (Gao et al., 2014). Also, while focusing on CSR activities corporates have received greater attentions on their concerns on environmental and social issues in recent years (Ludbrook et al., 2019). Though CSR in developing countries is considered more as a response to government pressures on focusing on social and environmental concerns so as to gain government support (Ji et al., 2019) but corporates have come forward by themselves to initiate helping hands during crisis period. This, reflects the picture of collaboration between Corporate’s and government. Figure 1 shows the amount spent by companies on CSR projects in the year 2019.

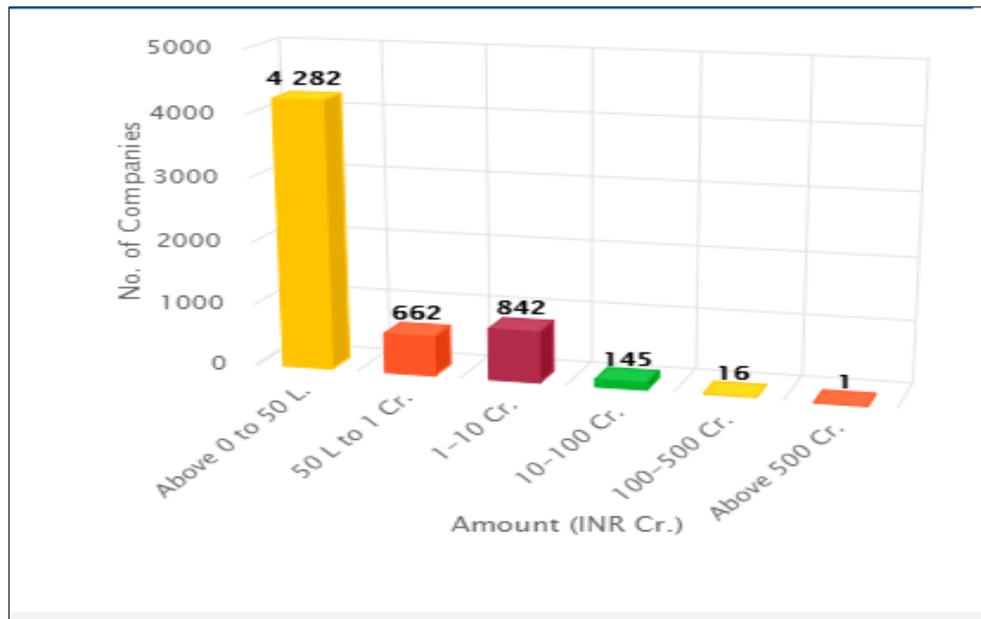


Fig 1: CSR Expenditure in 2019
Source: <https://www.csr.gov.in/>

Also corporates have spent on the social development which has been bifurcated state wise. The amount of money spent by corporates on social development has been evident from the figure 2 given below.

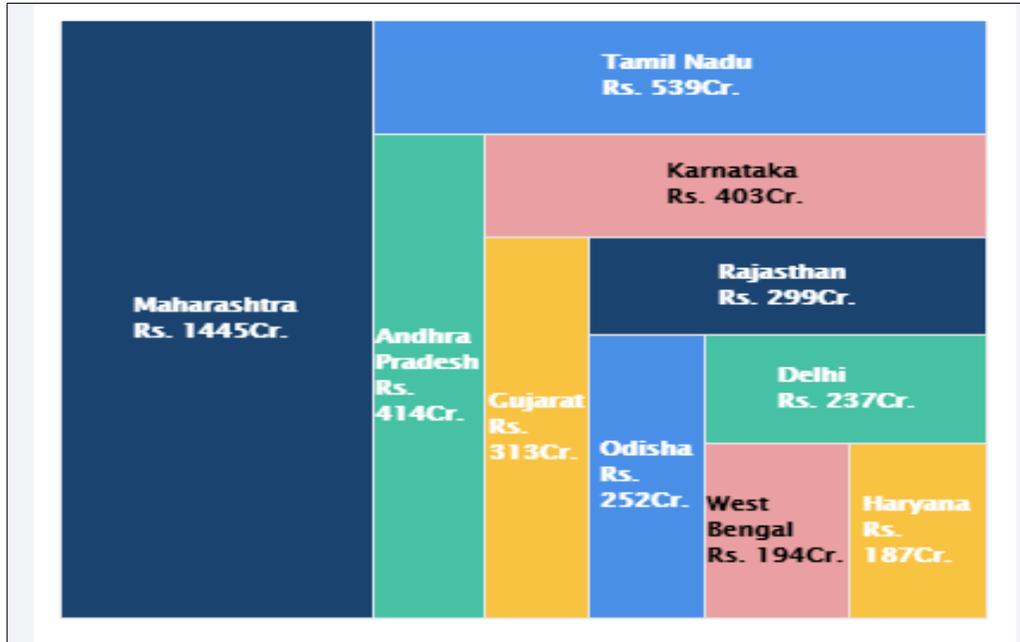


Fig 2: State wise CSR Expenditure
Source: <https://www.csr.gov.in/>

Form the above data it's very much clear that it's not only in this current situation of pandemic that corporates are coming forward to help the society and government. They were already practicing and investing in various above listed community development programs under the umbrella of corporate social responsibility. Hence it's the high time that one could believe that business of business is not only doing business for profit maximization. Nowadays, the worth of being a respectable corporate citizen has gone beyond the superiority and satisfaction of just offering simple philanthropic support to the needy. But today corporates are practicing strong and consistent policy for CSR practices for becoming a foundation of the uniqueness and pride of many brands by making customers aware about the same. Nowadays corporates are working much more than that by offering work from home services to their employees to keep them happy and health and at the same time contributing financially and by services to help the community and society at large.

CSR during COVID-19

Sudden outburst made by the attack of virus has heated the every part of world very badly. The global pandemic Covid-19 as considered by World Health Organization (WHO) has tremendously disrupted the socio-economic situation of the whole world causing unprecedented impact on the global economy similar to 1930s Great Depression (Euronews, 2020).

The pandemic has resulted in causing both short-term and long-term impacts world-wide. The short-term impact being widespread lockdown and social-distancing globally. The long-term impact being tremendous changes in economic, social, political, cultural and modern marketing, corporate social responsibility and consumer ethics (He & Harris, 2020).

Even UN has called for united actions and efforts to build more strengthened, inclusive and sustainable economies post Covid-19 pandemic that can face global challenges, like environmental changes, socio-economic crisis, pandemics, and others with more resilience (UN. Org, 2020).

In current scenario, it has become very difficult for the government to control the things and resources standing alone. In this pandemic times corporates, business firms have come forward to help the local citizens to help the governance by backing up them with unconditional support of money and resources. So that every individual can be made available with basic psychological needs to essential medical needs.

The corporates across the globe, have not only resisted unethical business practices and profiteering during this pandemic situation, but have been seen engaging themselves in various CSR activities especially for providing assistance to fight against the virus. For instance, various manufacturing companies in UK have transformed their factories into outlets for producing ventilators, PPE kits and hand sanitizers. Corporates in UK have donated their campaign funds to promote social cause.

Even, Vodafone has contributed their part of CSR as providing free access to unlimited mobile data for its many bi-monthly and pay monthly customers due to more use of internet for carrying out office and study work at home (BBC, 2020).

Jack Ma foundation and Alibaba foundation have also donated test kits and other medical equipments to many countries around the globe to fight against Covid-19 (BBC, 2020b). Talking about India, many of the corporates in India have donated big amount of money to the PM care relief fund and along with that they are providing consistent and continuous support for food, sanitary napkins, masks, medical kits etc to the local volunteers by collaborating with local NGO's.

The following table discusses the various activities undertaken and funds utilization by Indian corporates before and during COVID-19 pandemic. This will help the individual to decide upon CSR has not been done for image building only and CSR activities are not limited to one sphere as well.

Table 1: CSR activities before and during CRISIS

Sr. no.	Company Name	Year	CSR Funds	CSR activity	Year	CSR Funds	CSR Activity
1.	IDFC FIRST Bank	2020	Indian rupees 5 cr. In PM care fund	1.5 Lakh Masks being provided to the frontline and essential services workers. 100,000 meal packets being distributed to the migrant laborers without work, slum dwellers, and children. Free commute services being provided to the frontline medical staff - Doctors, Nurses and the support staff.	2019	20.82 cr.	Entrepreneurship & Livelihood Women Empowerment Women Empowerment Sanitation Education
2	Tata group of companies	2020	Rs 500 Crore	25,000 food packets and 5,000 grocery/ration packs being provided to the underprivileged communities. Self-help groups being supported to manufacture home-made certified masks and sanitizers to be distributed to hospitals, vendors and health-workers. Awareness drives being initiated to spread awareness about coronavirus. Modular treatment facility being set-up for infected patients. Increase in manufacturing of testing kits to increase per capita testing.	2019	Rs 20.39 Crore	Health Education Employability Environment
3	Power Finance Corporation Ltd (PFC)	2020	Rs 925 Crore	Financial assistance of Rs. 50 lakh being provided to Indian Red Cross Society in Rajasthan. Health Masks and Sanitizers being distributed.	2019	Rs100.50C rore	Sanitation Skill development Empowerment program Rural infrastructure development Promoting use of renewable energy
4	Coca Cola	2020	INR 100+ Crores	Help being provided to the healthcare system including testing facilities and Personal Protective equipment's (PPEs) for health workers and communities. The relief programs being initiated by aiming to benefit and positively impact over 10 lakh lives across the country.	2019	Rs. 16.23 crores	Entrepreneurial Skill development Education Employability Livelihoods Enhancement
5	ICICI Group	2020	Rs 80 crore to the 'PM Cares Fund' Rs 20 crore to state governments and local authorities	Over 2.13 lakh surgical masks, over 40,000 N95 masks, 20,000 litres of sanitizers, 16,000 gloves, 5,300 personal protection equipment (PPE) suits, 2,600 protective eye gear and equipment like 50 thermal scanners and 3 non-invasive category ventilators being provided to various state departments and hospitals. The Group promised to serve the people who are at the forefront of the fight against COVID -19 pandemic.	2019	Rs. 149.93 crores	Education Employment Vocational skills Livelihood enhancement projects Rural development Preventive health care and sanitation and making available safe drinking water Measures for the benefit of armed forces veteran, war widows and their dependents Women empowerment Environmental sustainability Swachh Bharat, reducing inequalities

Source: Compiled by Author

CSR does not only mean to the right thing but at a right time for the right cause Indian corporates are standing by the side of common man and proving big financial support to the government to fight against COVID-19 crisis. By the starting of year 2020 has brought relatively new elements for corporate activities, this crisis situation has given new shape to CSR policies and practices.

Government has announced that PM CARE funds are eligible for 100% tax rebates. Companies are not limiting themselves to PM CARE fund only they are indulging into much more and bigger than that. As mentioned in the above table corporate giants are coming forward and helping the needy beyond the limit. Even government has announced that all the following activities will be recognized under the umbrella of CSR:

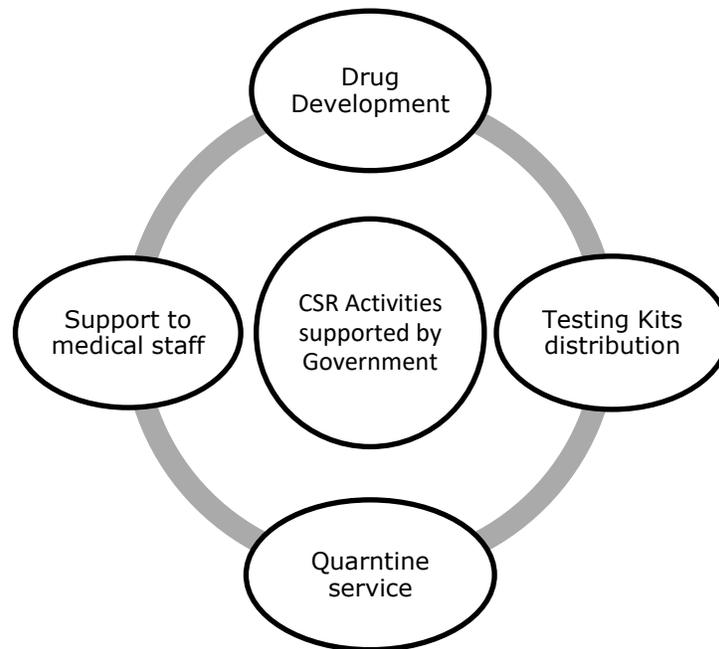


Fig 3: CSR activities supported by Indian Government during COVID-19

Source: Compiled by Author

Indian government along with corporates in India has worked in the direction of development of drugs for dealing with Covid-19. Corporate organizations like Dr Lal Path Labs have announced a contribution worth Rs 1 crore to PM’s Citizen Assistance and Relief in Emergency Situation (PM CARES) in order to stand by government in its battle against coronavirus. Even, Infosys Foundation has partnered with Narayana Health City to open 100-bed quarantine facility for Covid-19 patients, especially ones belonging to the economically weaker sections of the society. Also, Infosys has come forward to provide ventilators, testing kits, masks and PPE (Personal Protective Equipment) and other protective gear for the doctors and for frontline healthcare

workers. Apart from development and distribution of drugs and testing kits, corporate organizations have come forward to ensure access to food and nutrition for the underprivileged section of the society. Reliance industries' chief Mukesh Ambani also committed Rs 500 crore aid to PM CARES Fund along with providing Covid-19 hospitals, free food, fuel and other transportation facilities to the medical and paramedical staff.

Tata Sons contributed Rs 1000 crore to fight Covid-19 and many more Indian corporations have served their helping hands to fight against this pandemic. Hindustan Unilever Ltd. contributed Rs. 100 crores and also reduced price of Lifebuoy sanitizers and provided sanitizers, Domexbathroom and floor cleaners, soaps, hand washes and health kits to hospitals and underprivileged persons. These cases supports the fact that almost every company registered under Company's Act of India came forward voluntarily to help the common man of the nation. This research helped at bringing the positive side of big business units. Research evidence is very much convincing that corporates are the backbone of our nation or for the growth of any developing or developed nation, they contribute a lot.

Conclusion

Economy was very much backed by the support of business houses by offering different services to the people of India. These are named under the umbrella of CSR. Some people say that it's mandatory that's why corporates are indulging into social work projects so that they can enjoy tax benefits. But voluntary involvement of Indian corporate house during the time of pandemic has made us witness the change of mind of common man towards these big organizations.

On the grass root level, Indian companies are doing marvelous job. That's beyond the imagination and expectation of common citizen. So need of the hour is to recognize their efforts and appreciate them, as positive reinforcement always comes up with exceptional results. And by looking at the figures of CSR contribution done by big giants the researcher can imagine that very soon every Indian will possess quality lifestyle by having access to basic psychological needs. As an author and researcher we firmly believe that decisions taken up by authorities of India in the time of crisis are highly appreciable as once we will be able to save the lives of our people definitely we will save our economy too. Literature supports that economy can be boosted to next level after serving in this epidemic by our policy makers, corporation and support of common man and definitely all these will be backed up by continues support of big business corporates. As of now corporates are supporting their employees by providing flexibility of work from home, doing online efforts through video conferencing for emotional and mental well-being of associated employees (www.India.csr). Once this epidemic will pass, corporate and government will join their hands to bring prosperity and stability in the economy.

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