

## INDIA INC HAS BEEN A 'FORCE FOR GOOD': DR NIRANJAN HIRANANDANI

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*As businesses restart operations in India following the series of lockdowns, Dr Niranjana Hiranandani, President of the National Real Estate Development Council (NAREDCO), and also President of the country's apex industry body ASSOCHAM, shares with R M Consulting his views on how well companies here have fared in upholding the principles of stakeholder capitalism since the outbreak of the coronavirus pandemic in the world's 2nd-most populous nation.*

**Q. Do you feel that big business has come across as a force for good during this trying period? Or could it have done better?**

Ans. I don't think the differentiation would be based on size; India Inc. has done the best it could have, under the circumstances as they unfolded. Let me also say that scores of migrant labour walking long distances back to their villages is a shame for humanity; as a nation, we are all guilty of the suffering they underwent.

Getting back to India Inc. being a 'force for good', we need to factor in the fact that in the initial days of the lockdown, the impact of the COVID-19 pandemic was not understood in light of the series of lockdowns that unfolded; as a result, the initial response was more in light of handling things for 'a few days'. Then, as the lockdowns kept increasing, the realization set in that this was not a simple problem. So, from taking care of migrant labour till the *Shramik* Special trains enabled their return to their home states, to enabling 'work from home' for largely urban white-collar human resources, I would say that India Inc. did fairly good.

CSR activities kicked into high gear as India Inc. reached out to the needy. What largely happened was that as a 'force for good', India Inc. also kept most of its good work anonymous – so there's a lot of good that's happened, and no one stood up and took credit for it, which is the right spirit of doing good work.

**Q. How do you expect protectionist tendencies increasing worldwide following the coronavirus outbreak coming in the way of businesses being able to achieve their full potential and benefit society?**

Ans. The 'new normal' in a world where we co-exist with Corona will have to be accepted. Protectionist tendencies have been around since some time now – from 'America First' to 'BREXIT' and similar moves across nations worldwide; business will have to work their way around these, and find their own niche markets and segments. Whether this will call for more joint ventures with a local partner; or a locally registered company – there are various options which will be considered and implemented.

When it comes to business organizations being able to achieve their full potential and benefit society, I guess the world, in which we co-exist with Corona, there will be new ways to achieve such goals. Across countries, the business environment is one where, in some aspects, localization makes sense, and then there are some other aspects where globalization still seems to make sense. As the situation unfolds, we will see new paradigms being implemented, and business will achieve potential and also benefit society – it just might take a tad longer, and via different routes.

**Q. How challenging has it become for a corporate to follow the principles of stakeholder capitalism in a post-Corona world?**

Ans. We, in India, are just coming out of the series of lockdowns, our fragmented supply chains gradually being pieced together. International business is 'on hold', and no one knows how the fiscal will end – results of the first quarter (Apr-Jun) 2020 are expected to be bad.

In this scenario, the impact of the Corona pandemic has, in effect, become the ultimate litmus test for stakeholder capitalism, and let me explain how. As I understand it, 'stakeholder capitalism' is about ensuring the long-term preservation and resilience of a company, and effectively proving that it had embedded itself within society. Taking this as the pointer, how companies co-exist within the society will make the difference.

In the post-Corona world, it will be clear which companies truly embodied the stakeholder model, and which ones only paid lip service to it while maintaining fundamentally, a short-term profit orientation.

That is still some time away. We are yet to recover and get back to work in the real sense – and then, wait for a quarter of proper work happening (hopefully, Jul-Sep 2020) before these aspects become clear.