



ONLINE DISCUSSION SUMMARY

WHAT IS THE ROLE OF BUSINESS IN TACKLING THE CORONAVIRUS?

26 MARCH 2020

“THIS CRISIS HAS THE POTENTIAL TO RESHAPE BUSINESS AND SOCIETY, ONE WAY OR ANOTHER. THE DIRECTION THAT TAKES DEPENDS IN A LARGE PART ON HOW BUSINESS REACTS WITH REGARDS TO EMERGING OPPORTUNITIES AND WIDER SOCIAL RESPONSIBILITIES - IT WILL TAKE A LEVEL OF HUMANITY NEVER EXPERIENCED TO DEFEAT THIS VIRUS.”

Myriam Sidibé, Initiative Lead, Handwashing Expert, Senior Fellow, Mossavar-Rahmani Center for Business and Government, Harvard Kennedy School

The coronavirus pandemic is not only a global health crisis; it is also a crisis for our global economy and our society. Whilst we will all be affected, it will hit those who are already vulnerable the hardest: those living on low and insecure incomes with poor access to healthcare and social support, particularly those living in emerging markets and the global south.

Now, more than ever, there is an urgent need for businesses to leverage their considerable expertise and resources in partnership with others, to make a difference.

As part of our response to the crisis, Business Fights Poverty convened an online discussion on 19 March 2020¹ to find out about the current impacts of the crisis on business and the communities in which they operate; immediate priorities and best practice; and how businesses can partner across sectors to support immediate action and longer-term resilience. This report summarises the main findings and points to some of the many examples of leadership and best practice that are already emerging.

WHAT IS THE CURRENT SITUATION, AND THE IMPACT ON BUSINESS AND OTHERS?

We are already seeing the negative impacts that border closures and lockdown measures are having on entire industries including air transport, hospitality, tourism and events. SMEs are particularly at risk, but even large companies are faltering as stock markets plummet. The crisis will have its most dramatic impact on the less visible sectors of our society - informal sector workers, those working on zero hours contracts and in the gig economy, renters, small-scale farmers and traders - as well as the unpaid care workforce, the majority of whom are women,² who do domestic work and care for the sick, the elderly and young children.

The response to the crisis has been polarised. On the one hand, panicked shoppers are clearing supermarket shelves and some are profiteering from people's fear. On the other hand, many businesses and communities are joining together to help the vulnerable.

¹ https://snipbfp.org/coronavirus_action

² https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633166.pdf

“It is clear that the impacts for people and economies around the world are going to be unprecedented in recent times. My concern is about the disproportional impact that will be felt on the most vulnerable, and those living in countries where health systems and social safety nets are weaker.

Zahid Torres-Rahman, Co-Founder and CEO,
Business Fights Poverty

Business must step up. Covid changed the whole customer relationship paradigm... How do you think Corporation A will be able to sell products to communities it hid from in their hour of need. All of a sudden no one is “bullet proof”!

David Laurel, Shared Value Practitioner,
Shared Value Initiative

BUSINESSES SHOULD PLUG INTO RELIABLE SOURCES OF INFORMATION ABOUT THE SPREAD OF THE VIRUS AND THE ACTIONS REQUIRED TO COMBAT IT.

WHAT SHOULD BE THE IMMEDIATE PRIORITIES FOR BUSINESS, AND WHAT ARE SOME GOOD PRACTICES?

1. STAY INFORMED.

Businesses should plug into reliable sources of information about the spread of the virus and the actions required to combat it.

Businesses can use their existing communications infrastructure to transparently, regularly and thoroughly inform their employees, customers and supply chain partners.

LATEST UPDATES

For the latest updates rely on the WHO, Centres For Disease Control (CDC), major international media outlets and your national health department. It is a good idea to follow a few of these organisations on social media to keep up to date as well as monitoring normal news channels.

If you would like to learn more there are a few online free courses available and regular updates via podcasts. Several organisations are also compiling coronavirus resources. Here are a few examples:

- [Free course](#) (Future Learn)
- [Free course](#) (Coursera)
- [Lancet resource list](#) (more technical)
- [Global Handwashing Partnership resource list](#) (more practical)
- [WHO resource list](#) (mix of materials)
- [LSHTM are hosting regular Q&A sessions online and recorded:](#)

There is also quite a lot of guidance online for how COVID-19 could affect businesses and how to respond. The first port of call should be to check in with the guidance your national government is giving.

- [CDC's advice](#)
- [Example of the UK's advice to businesses](#)

Sian White, Research Fellow, London School of Hygiene and Tropical Medicine

2. ACT NOW TO REDUCE TRANSMISSIONS.

Promote understanding of the disease, its symptoms and appropriate behaviour among employees; provide sufficient personal protective equipment and handwashing facilities, set up a reporting system for any cases and contacts; limit travel and physical connectivity; and establish systems for remote working to eliminate meetings and travel. Maximum flexibility will be required to adapt to significant disruption to normal working practices.

3. LISTEN TO KEY STAKEHOLDERS

It is crucial that businesses understand the particular challenges for key stakeholders when developing their business contingency plans. This is especially true for businesses that are heavily reliant on the value chain. Co-creating solutions will ensure that the measures put in place are most likely to be effective. For example, businesses will need to help workers with sick pay, facilitating their caring responsibilities, and communicating clearly to reduce uncertainty and stress. Small businesses within the value chain may need changes to their payment terms to ease cash flow difficulties.

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HOW CAN BUSINESS PARTNER WITH OTHERS TO SUPPORT IMMEDIATE ACTION, AND WELL AS LONGER-TERM RESILIENCE?

1. BUILD YOUR OWN RESILIENCE

Chinese companies, forced to confront the reality of coronavirus shutdowns, provide a blueprint for successfully altering business practices. As storefronts shuttered their doors and workers stayed in place, savvy business owners shifted their sales strategy to avoid heavy losses. For instance, the cosmetics company Lin Qingxuan in Wuhan closed 40% of its stores — but the brand's 100+ beauty advisors took to digital platforms like WeChat to engage customers virtually and increase online sales. As a result, its sales in Wuhan achieved 200% growth compared to the prior year's sales. Businesses closing stores should find ways to keep employees earning a paycheck by selling on social media, putting email lists to good use or using a video tool to reach new leads

Michael Michener, Vice President, Product Policy and Innovation, USCIB

Businesses will need to innovate to cope, adapt and transform their operations to weather the crisis and build financial resilience for the long-term. Again, this requires engaging with all key

stakeholders to ensure that changes are relevant and effective. For example, many businesses will be looking to take their sales online, and can work with their value chain partners to redesign products and processes. In the long term, companies can build on the measures taken to cope with coronavirus to develop more flexible working conditions which will enable all employees to balance work with their other responsibilities - an action that will particularly benefit women and reduce the gender pay gap. Additionally, consider how existing employment contract models can be revisited to provide improved security for workers.

Many businesses are already taking a radical problem-solving approach, working alongside government and civil society to support immediate preparedness for those countries in which the virus has not yet taken hold, and urgent responses where it is prevalent.

Companies can leverage both their core business (eg brands, products, services) and their philanthropic donations. The focus should be on the short-term who are most vulnerable in their supply chains, and in the communities in which they operate - including on short-term health and their long-term livelihoods.

2. LEVERAGE EXISTING RESOURCES TO HAVE A WIDER IMPACT.

COVID-19 is a test of our “system’s” ability to address a legitimate public health threat with an unknown trajectory. Multiple sectors must leverage knowledge, expertise, networks, and resources to produce better public health outcomes. Being prepared with a plan and being proactive is the name of the game in prevention, mitigation and management of risk and adverse consequences of any threat.

Our future depends on how all of us – government officials, policymakers, business and civil society leaders and our fellow citizens react.

Scott Ratzan MD, internationally-renowned public health expert, Executive Director, Business Partners for Sustainable Development (BPSD), an initiative of USCIB and The USCIB Foundation.

3. “BUILD FORWARD” TO A BETTER FUTURE

The corona shock is jump-starting creation of a ‘wellbeing economy’ where the economy serves the wellbeing of people, not vice versa. It’s a sad way to get there, but it’s a big mindshift that we need to embrace.

Caroline Ashley, Head of Economic Justice, Oxfam GB

There is a need even now to start thinking about this long term, even while resources are prioritised for short-term response and to ‘build forward’ to an economy without carbon, less travel, protected and secure workers, investment in care services, and where business that serves stakeholders is the mainstream.

Jodie Thorpe, Senior Fellow, Business and Development Centre, Institute of Development Studies (ODI)

Once the initial crisis is over, the long-term effects of the pandemic are likely to be transformative for our society and business models. The case for transitioning from a shareholder-first to a stakeholder-first model of capitalism has never been stronger. The need to provide inclusive growth and to reduce global inequality has never been more blindingly obvious. As we look ahead to the continuing challenges of climate change and the transition to the future of work, businesses need to heed the hard lessons we learn over the next year and build new models of business with human wellbeing and sustainable purpose at their centre. Businesses can engage with their key stakeholders, including their shareholders, to reimagine their role in a changed world.

HOW YOU CAN GET INVOLVED

COVID-19 poses a new challenge that requires new approaches to solve the most pressing local, national and international issues.

Working together with public and private sectors, we can advance a society where our livelihoods are not threatened. Partnerships with competent and credible leaders in business and government can create the resilient society to address COVID-19 and any future disaster we may face.

Scott Ratzan, Business Partners for Sustainable Development (BPSD)

BUSINESS FIGHTS POVERTY IS COORDINATING AN URGENT PROCESS ACROSS BUSINESSES TO ACCELERATE LOCAL ACTION AND SUPPORT REAL-TIME BEST-PRACTICE LEARNING ACROSS MARKETS. TO FIND OUT MORE AND TO GET INVOLVED VISIT:

<https://snipbfp.org/coronavirus>

Business Fights Poverty is coordinating an urgent process across businesses to accelerate local action and support real-time best-practice learning across markets. To find out more and to get involved visit:

<https://snipbfp.org/coronavirus>