

'Better Together': lessons from private sector responses to COVID-19

[B]usiness is changing the way it engages with communities. Classic modes of philanthropy and corporate social responsibility are being re-worked in the light of a situation which is both an immediate humanitarian emergency and a trigger for long-term changes in how societies function.

The global COVID-19 pandemic has highlighted the importance of solidarity between government, civil society and business on how to respond to the crisis in the immediate term, as well as for achieving better long-term outcomes in terms of sustainability and resilience. What are the lessons and emerging good business practices that can shape future multi-actor dialogues and partnerships to address COVID-19 and other crises of human security?

This paper looks at examples gathered by the [Better Together](#) website, launched by the UN Business and Human Security Initiative at LSE IDEAS in April 2020. It highlights trends in business social initiatives and actions for impact, and how the private sector is reacting to the multiple forms of vulnerability and human insecurity exposed by the crisis. Its aim is to draw preliminary conclusions from diverse cases in many different locations and settings, about new practices as they emerge in responding to the pandemic, and what this experience means to corporate responses to other societal challenges. Several patterns are detectable. Chief among them is that business is changing the way it engages with communities. Classic modes of philanthropy and corporate social responsibility are being re-worked in the light of a situation which is both an immediate humanitarian emergency and a trigger for long-term changes in how societies function.

DURABLE AND COMPLEX ENGAGEMENTS

Many of the companies interviewed highlighted the importance of developing targeted social strategies which address specific pressure points and identified vulnerabilities, and then aligning business strategy with those social needs.

Many of the initiatives reported to the website reflect a 'thicker' form of engagement between business and local populations, than those seen pre-pandemic. Companies have sought to deepen their relations with communities and other stakeholders in order to come up with integrated and targeted responses to a complex set of problems triggered by the pandemic. Rather than rolling out generalised responses, or routine engagement strategies, business has sought to understand the nature of fragility revealed by the crisis and adapt

how it interacts with communities. Increasingly business is entering into two-way dialogues with local societies to understand their needs and how best to combat the effects of the pandemic.

According to Colombian mining company [Cerrejon](#), this meant understanding how already marginalised communities rely on income generating activities which were hit by the crisis. Not only did communities need humanitarian aid such as water and food but they were suddenly dependent on and demanding support from the government even triggering social unrest. The company had a role in both providing immediate assistance but also defusing the underlying tensions caused by disruption to the local economy.

Notable initiatives reflect the multidimensional nature of the current emergency, rather than adopting a single strand focus. An awareness of the multidimensional nature of COVID-19 and the need for business to reinforce government efforts in protecting the most vulnerable sections of society is a feature of many business strategies.

This shift towards comprehensive and integrated forms of engagement between business and communities has short- and long-term implications. The most successful interventions in response to the pandemic have taken a transversal approach, addressing not only immediate needs, but also structural weaknesses and cross-cutting problems such as marginalisation, precarious livelihoods, and public services. They have been people-centred, focusing on how social problems are manifested in everyday needs and threats to individuals and communities.

GOVERNANCE OF CORPORATE INITIATIVES

As companies confront social challenges, how they organise interventions and, the willingness to work alongside other actors from the public and civil society sectors, pooling resources and expertise, and a higher level of accountability are becoming hallmarks of best practice social engagement.

The COVID-19 pandemic has highlighted the responsibility of all sectors to tackle its immediate and long-term impacts. The pressure is on diverse actors to work together in targeted, effective and innovative ways. Partnerships are a way to create multilateral initiatives at local level and to connect different levels of policy and action. They show how a solidarity is emerging between the State, businesses and civil society, with a concern to address fragility as a core priority. An awareness of the need for business to reinforce government efforts in protecting the most vulnerable sections of society is also a feature of business strategies, highlighted on the Better Together web portal.

From these beginnings later initiatives showed a higher level of social innovation as business acted as both a convenor and partner of critical collaborations across the public, private and charity sectors to target root causes and the structural fragilities revealed by COVID-19. A group of food retailers including Marks & Spencer and Aldi in the UK set up the [Neighbourly Community Fund](#) providing micro-grants of up to £400 towards food provision, emergency supplies, practical support, running costs, transport and other essentials.

Companies sought to deepen their relations with communities and collaborate with other stakeholders in order to come up with integrated and targeted responses to a complex set of problems. Global construction materials group CEMEX explains that 'it was important to listen and learn by what we did and did not do in previous crises.' The company used its dialogue with stakeholders to devise protocols, communication strategies and ensure operational continuity. A key lesson was to strengthen the company's social capital prior to encountering crisis in order to have a culture in place which then enables the company to adapt to rapidly changing circumstances and in order to have collaborators who are already enabled and with the capacity to work with the company. CEMEX has a decade of experience working on projects such as sustainable urban communities. When COVID-19 struck, the company strengthened its network of partners which in one project area includes the university Tecnológico de Monterrey, Fundación FEMSA, and a local network of 32 community committees, leaders, NGOs and public schools. Together they formed the 'Solidarity Network Campana-Altamira' providing donations, logistic support, and setting up facilities for residents.

Collaborations that began by providing short-term assistance, via cash or in-kind donations, for example food or hand sanitisers, morphed into engagements that address long-term human security conditions. Food security, medical supplies and drinking water were a focus for many of the early private sector interventions. Naturgy, a Spanish energy provider, is one example of companies providing relief in the form of a moratorium on energy bills. In the US and UK supermarkets and food producers from the Co-op to Mars worked with charities to support food banks and schemes to alleviate immediate risks of hunger and food security.

From these beginnings, later initiatives showed a higher level of social innovation as business acted as both a convenor and partner of critical collaborations across the public, private and charity sectors to target root causes and the structural fragilities revealed by COVID-19. A group of food retailers including Marks & Spencer and Aldi in the UK set up the [Neighbourly Community Fund](#) providing micro-grants of up to £400 towards food provision, emergency supplies, practical support, running costs, transport and other essentials.

Some companies began to organise medium and long-term training schemes to focus on economic insecurity as well as support for healthcare, to go beyond short-term crisis response and take responsibility for improving the resilience of population groups, worst hit by the multiple effects of the pandemic. As one extractive company noted: 'We are a temporary presence compared to communities, so must make sure we foster sustainable and autonomous communities for the future.'

Companies are also looking more closely at their value chains, and how these can give rise to vulnerabilities, which are latent and inter-connected. The aim of COVID-19 response strategies is to make these vulnerabilities more visible and use interventions to improve people's ability to counter them. Garment manufacturer [Inditex](#) for example, the parent of brands that include Zara and Massimo Dutti, was one company among others in the sector which helped develop the "COVID-19: Action in the Global Garment Industry", coordinated by the ILO, with The International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC). Global action aimed to create sustainable systems of social protection for the industry, with a focus on Bangladesh, Cambodia, Ethiopia, Haiti, India, Indonesia, Myanmar and Pakistan.

A key area for increasing the level of protection across extended value chains is in relation to women workers. Across the world, the gendered impacts of COVID-19 are mounting, threatening to erase advances made to gender equality and women's and girls' rights over the past three decades. The pandemic has underscored and, in many cases, intensified the devastating effects of discriminatory structures and toxic social norms that overwhelming impact women and girls. Gender-sensitive and gender responsive measures to mitigate any unintended negative consequences of their activities, have become more relevant, alongside tools and opportunities for women's economic inclusion and empowerment. Increasingly, companies are committing in-kind and financial contributions to mitigate the economic fallout from COVID-19. While the immediate relief companies have offered is welcome, the business community can significantly impact the workplace, marketplace, and communities beyond social investments, and in turn, contribute to greater gender equality. Inclusive policies can assist in women's economic and livelihood security, particularly in providing safe working environments, pay parity and salary transparency, flexible working hours, continuing education and transport services.

Examples from French companies suggest that ethical issues are central to the governance aspects of social interventions, and in setting up COVID-19 response initiatives. Companies are keen to demonstrate a sense of responsibility and engagements via partnerships that emphasise inclusive and action-oriented strategies and have a strong communications component.

[Schneider Electric](#), a large multinational company in the supply and automation of digital solutions, has mobilised some 400 partners in 60 countries to help young people return to school. While working on the development of educational programmes the company also aims to provide food and protect the elderly.

For [Veolia](#), another transnational in services such as water management, waste management and energy services, the emphasis is on commitments which go well beyond compliance while avoiding excessive procedures. For [Total](#) energy this ethical dimension means building management of community dissent into its recent engagements: recording the number of complaints they receive; the follow-up of these complaints, for example by setting up mechanisms that allow local communities to follow a process to file a complaint and then resolve it through dialogue and amicable conflict resolution in compliance with environmental and social standards.

Despite an increasing recognition of the importance of multi-stakeholder partnerships to providing protection and resilience to communities affected by COVID-19, there is very little guidance for the private sector on how to partner well with government and NGO actors who may have a very different *modus operandi*. The UN Partnership Acceleration 2030 Agenda for Sustainable Development launched in 2019 aims to develop a partnership ecosystem and recognises that more systematic supportive structures are required. Local communities are central to the kind of multi-stakeholder action envisaged by partnerships for SDGs. Business contact with communities is most direct and the potential for transformative change is strongest at local level. Yet many blockages exist for constructive relationships. Where companies have well established links with local communities and other actors, they have been able to mobilise faster and in a more targeted way.

Latin American companies pointed to the importance of past relationships and experiences that they could draw on when faced with the COVID-19 crisis. Companies are also able to overcome legitimacy issues and doubts about their competence if they already have experience of working alongside community groups. This is important for taking forward partnership agendas and suggests that systematic support for companies in building and sustaining constructive relationships locally is needed.

Arcelor Mittal which set up the Ebola Private Sector Mobilisation Group (EPSMG) in 2014 in response to the Ebola outbreak in west Africa, has given thought to how best structure multi-actor response mechanisms such as the EPSMG. At the outset of the corona virus pandemic companies including Arcelor swiftly moved to reactivate the group. The company had previously decided against institutionalising EPSMG, but it hoped the project could become a cohesive regional platform, attracting partners and generating leadership to ensure a coordinated and collaborative private sector [response](#) to the region's current and future challenges.

How private sector interventions are governed is also about building societal resilience against future shocks. Cerrejon commented that companies are a 'temporary' presence, compared to communities so corporate social interventions need to foster sustainable and autonomous communities. 'In future we need to work in alliances in territory and avoid being seen in place of the government. But companies have also learned that creating bigger impacts – and this is more achievable in partnerships with other companies and the public sector – also assures that investment programmes are likely to be sustainable.

CEMEX also worked to ensure that even crisis responses were consistent with SDGs, so that broader sustainability goals were not relegated or deflected by quick impact interventions. Companies spoke of how the pandemic had highlighted a need to ensure more coherence between long-term goals and strategies on the one hand and ad hoc responses on the other.

FINANCIAL SERVICES

Small businesses, entrepreneurs and individuals experienced financial hardship as one of the most immediate consequences of the pandemic, and the effect of lockdowns on economic activity. The South African Future Trust (SAFT), established by Nicky and Jonathan Oppenheimer, supports small and medium enterprises impacted by the coronavirus pandemic, providing financial relief via interest free loans to permanent employees of South African small, medium and micro-sized businesses (SMMEs) who are at risk of losing their jobs or suffering income loss.

This was one example of the business community engaging to use its credit and financial capacity to provide short term relief. Another was the Impact Investment Exchange's offer of a revolving facility providing small short-term working capital loans and refundable grants to help enterprises overcome the financial shock caused by COVID-19. The aim of the initiative is to support vulnerable businesses, in particular those that are pursuing Sustainable Development Goals linked to the themes of women empowerment, climate action, resilience. Mastercard committed up to \$300 million in COVID-19 responses directed at helping small businesses and financially vulnerable communities around the world. A partnership was established with Grameen America to support the transition of low-income women entrepreneurs to digital banking to digitize their operations and access microloans. Another key partnership Mastercard established is with the Community Reinvestment Fund to help small businesses access federal relief.

Mastercard is also engaging with several hundred national and local governments around the world to facilitate electronic disbursements. In [Africa](#), Mastercard Foundation partnered with Shining Hope for Communities (SHOFCO) as part of the Foundation's COVID-19 Recovery and Resilience Program to build community resilience in 10 urban slums in Kenya during the COVID-19 pandemic. Other partnerships were with the Kenyan and Ethiopian Red Cross and the Africa Centers for Disease Control.

CONNECTIVITY

The potential of financial services to provide short-term relief also underlined the importance of connectivity and digital facilities to combat the disruption to livelihoods, increasing inequality and a sense of solidarity and social cohesion in the wake of the pandemic. In Colombia, the UN Development Programme mobilised a campaign alongside business and government to promote digital solutions as the effects of the pandemic worsened the situation of remote rural territories, which were already struggling to be connected – literally and metaphorically – to peacebuilding, stabilisation and development plans.

BT's [Skills for Tomorrow](#) programme in partnership with digital skills organisations, was about measures to tackle the long-term effects of the pandemic and linking these to upskilling in the face of the technological revolution. The programme addresses people's confidence, their digital literacy, and online safety, as a means to make positive efforts to tackle inequality, enhance productivity and security and increase increasing tech talent.

LONG-TERM LESSONS FROM THE PANDEMIC

The examples of numerous ad hoc and continuing strategies by companies in response to the pandemic show that the private sector is increasingly prepared to work closely with others to understand pressure points and act effectively to protect communities both in the short-term and strengthen social, health and economic ecosystems. One company talked of the COVID-19 response as being one of 'disruption', coming up with alternatives as to how business can focus on gaps which will be deepened by the crisis. Business, often before government, had its sights set on recovery and how global and local societies could emerge from the pandemic with more resilience.

The examples also illustrate a shift in the transformative potential of the private sector and a more conscious leadership by companies. They were able to act at multiple levels – on the ground but also in conversations with global and national policymakers to mobilise and co-design initiatives to address problems and plan for recovery.

This points to lasting changes from the crisis in terms of the way some companies approach sustainability issues. The pandemic has been a learning experience, for working with other actors and for creating horizontal, two-way dialogues with communities. Many executives spoke of being more aware of how to generate trust and foster autonomous communities as a result of their experiences.

The website and the partnerships examined by Better Together by definition only capture the most engaged companies who are attempting to be progressive. Often, they are those with already developed corporate responsibility, community engagement and sustainability programmes. However, they highlight possible future avenues for thinking about multi-stakeholder interventions, the role of business in crisis response and definitions of corporate responsibility. ■