

How COVID-19 is Changing Philanthropy and Responsible Business Practices in Africa

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The Coronavirus (COVID-19) has spread across the globe with devastating consequences. The advent of the pandemic in Africa – in most of the 54 nations that make up this young, beautiful, vibrant yet fragile continent – holds important lessons for the practice of corporate citizenship and responsible business.

There is Power and Promise in Collective Philanthropic Action

The COVID-19 crisis triggered an outpouring of homegrown corporate philanthropy and community solidarity at an unprecedented scale. One good example is South Africa's Solidarity Fund which has so far mobilised over 2 billion Rands (about \$105 million) to combat the health and socio-economic aspects of the crisis. Another example of this is the partnership of leading businesses in Nigeria under the Private Sector Coalition Against COVID-19 (CACOVID), to support the Nigerian government's humanitarian response to the crisis with over 21.5 billion Naira (about \$56 million).

This collaborative philanthropic action, in the spirit of the United Nations Sustainable Development Goal 17 on Partnerships, demonstrates the power of private sector response. The private sector has stepped up in ways African governments – themselves perceived as corrupt, inept and now impoverished by the plunge in commodity prices – could never have done alone. However, there is still room for greater cohesion and accountability in the private sector response.

Responsible Business Action is a Marathon, Not a Sprint

It is important that the response of businesses at this moment is not a solitary act of charity but a long-term commitment to strengthening the social fabric. The COVID-19 crisis reveals a torn social fabric with most Africans living precariously at \$1.90 a day. A long-term institutional approach is needed when considering that – from the World Health Organization records – in the current pandemic, people over 60 years of age in Asia, Europe, and North America are known to suffer severe cases of COVID-19. With the median age in Africa being 19 years, Africa's youth may seem a significant protective barrier in this pandemic. However, widespread malnutrition, anaemia, malaria and tuberculosis in African nations may result in a higher incidence of severe forms of COVID-19 in younger patients. These endemic immunity-suppressing conditions combine with weak public health infrastructure and the exodus of doctors to "greener pastures" to invite a more robust approach to CSR.

Africa's business leaders must now reflect closely on how their initiatives positively impact government priorities under the United Nations Sustainable

Development Goals (SDGs). According to the United Nations, 587 million Africans; making up 60 percent of the continent's population live in overcrowded and unsanitary urban slums. In Africa's urban slums – from Alexandria, Makoko, to Kibera – the social distancing needed to fight COVID-19 is impossible to enact and citizens balk against lockdowns which bar them from eking a living from informal sector jobs. Yet the battle against the virus will be won or lost in the continent's poorest communities and there is a long road to socio-economic recovery ahead. The private sector at all levels has remarkably established relief funds to ameliorate the present suffering but the true test for corporate citizenship lies ahead in long-term and collaborative engagement with structural poverty and related sustainable development challenges.

Tackling Social Challenges Can Drive Business Innovation

Faced with the spread of COVID-19, businesses responded with agility to recreate their products and services in safer, more accessible and affordable forms. Governments and startups in Africa instituted measures to push cash transactions toward digital payments, limiting physical exchanges of cash as a vector “community spread” of the virus. Yoco in South Africa encouraged the use of contactless payment options on its point of sale machines. Nigeria's Paga made fee adjustments allowing merchants to accept payments from Paga customers for free to reduce the handling and exchange of cash. Safaricom, the creator of the M-Pesa mobile money, waived fees on transfers below the 1000 Shilling (about \$10) threshold. These financial service providers demonstrate that working from the strength of their core business competencies, Africa's businesses can innovate around this pandemic and pivot towards market-creating opportunities to meet the needs of the poor and vulnerable. As Rosabeth Kantor, Professor at Harvard Business School, puts it: “Companies that are breaking the mold are moving beyond corporate social responsibility to...social innovation. They view community needs as opportunities to develop ideas and demonstrate technologies, to find and serve new markets, and to solve long-standing business problems.”

There is Scope for More Private Sector Action on the Environment

The current crisis throws up possibilities for business commitment in the transition to the low-carbon economy. While we are yet to see whether some of the changes in investing and behaviour induced by the crisis will last beyond the lockdowns, we do know that new and resource-efficient habits have been formed, potentially moving businesses to more responsible production and consumption as well as increasing investment in clean energy. The abrupt shift by schools and businesses to teleconferencing platforms like Zoom and remote

work in Africa's bustling metropolises may eventually ease demand for fossil-fuel based transport as businesses cut all but essential business travel, migrate training online and explore remote work options. Lockdowns coupled with poor power supply from the grid may also force African households to explore affordable renewable energy options. Businesses investing in affordable low carbon and renewable energy solutions could emerge from the crisis in a better competitive position to their carbon-heavy counterparts help secure the health and financial resilience of African households.

There is a hopeful story in the way the Coronavirus crisis has inspired responsible business practices across Africa. The Coronavirus crisis teaches us that it is possible to forge new corporate alliances and inclusive business models for the common good, activate multisectoral networks for positive social change, disrupt and transform failing systems of public service provision and demonstrate purposeful corporate leadership and business innovation beyond individual brands and the glossy photos of the latest sustainability report.

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