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- Nov 30 2021
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## For multinational corporations, there is a call to rise for the greater good

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Global corporations can proactively work towards sustainable and ethical development, particularly in the post-pandemic recovery



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This article is part of the series [Colaba Edit 2021](#).

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During the COVID-19 pandemic, governments across the world have faced new social, political, and economic challenges. Corporations have had to adjust the way of doing business, several businesses shut down even as digital businesses benefitted tremendously. Humankind had to adjust to a new normal. The pandemic has

underscored the fact that countries and institutions cannot work in isolation; there is a clear interdependence. The pandemic has given us a chance to course correct various aspects of our lives. Whether humankind takes this opportunity or simply picks up from where it left off will show our true character. In the post pandemic era, multinational corporations (MNCs) can play a role at the national and international level. But it is difficult to visualise this role without revisiting what the world ought to focus on.

Food, clothing and shelter are basic human needs, but they remain unmet in many parts of the world (even as several nations are large consumption economies). The pandemic also showed the weaknesses in the prevalent healthcare systems, and even developed countries could not cope well. An environmental crisis is raging, but countries are yet to agree on concrete steps to tackle the issue. At the same time, high-value companies are not involved in providing critical human needs but are focused on materialism. Technology is progressing by leaps and bounds but efforts to solve real world issues remain inadequate.

Amid this backdrop, for long-term human good, it is important to create a fresh blueprint. So how can MNCs contribute to this process?

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First, MNCs in similar fields should adopt ethical practices for their businesses at an international level. Not all governments swiftly enact or change laws to address legal issues arising out of new technology or business models. For instance, although cryptocurrencies have been around since 2009, many countries are yet to ascertain or enact rules for it. The focus should not only be on compliance but on identifying what is the right thing to do in a given situation (such as while adopting AI, what practices ought to be implemented). This will also establish a level playing field. A case in point is the experience in India where, in the [absence of any regulations for cryptocurrencies](#), crypto exchanges [adopted self-regulation](#).

Second, global investors must act as change agents. The international investing community must focus on supporting businesses that solve real world issues. Investments have been made in areas such as electric vehicles, clean renewable energy, education technologies, microfinance, research and innovation, tourism and delivery platforms, which provide opportunities to improve the lives of people across the world. The Twitter tussle between UN World Food Program (WFP) Executive Director David Beasley and Tesla chief Elon Musk on the role of billionaires in solving global hunger has seen [many suggestions](#) being made on how US\$6 billion can help (Musk had stipulated the figure and [asked how it would “solve world hunger”](#))—from agricultural reforms (such as smart seeds, drought-proof water supply and climate-resilient crops) to the [WFP’s detailed plan](#). This shows there is plenty of scope to enact change, and investors must focus on these aspects as well.

Third, MNCs must focus on sustainable development, particularly the aspects of overproduction and waste management. The garment industry, for instance, [reports 30 percent to 40 percent overproduction](#); and around [85% of textiles](#) discarded by US consumers are [dumped into landfills or burned](#), including unused textiles and unsold clothes. In the absence of strict laws to govern the kinds of material used in production, often non-environment-friendly materials are used. These do not decompose in landfills. This problem needs to be solved at all ends of the value chain, from producing environment-friendly products to effective waste disposal and requires extensive consumer awareness.

During the pandemic, global pollution rates dropped significantly due to reduced industrial activity. While normal industrial activity resumes, MNCs must accelerate the use of clean energy. The India-led International Solar Alliance has seen 125 countries come together to harness solar energy. This spirit of cooperation provides MNCs an opportunity to deploy capital, technology, and management skills for the greater good.

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While companies are realigning their supply chain in new jurisdictions, they must consider environment impact assessments, even in the absence of any mandatory legal requirement to do so. Supplier countries may not have stringent environmental norms, but MNCs must themselves contractually impose stringent conditions until the last point of the supply chain. [Reports show](#) that lower-tier suppliers are unequipped to handle sustainability requirements, since they may not have the expertise, resources or knowledge of social and environmental practices and regulations. Therefore, in addition to contractual obligation, MNCs should also strive to provide expertise and infrastructure so that lower-tier suppliers are able to adhere to the standards. To illustrate, despite India being the pharmacy of the world, deaths due to antimicrobial resistance is high, [highlighting irresponsible supply chain management](#).

Fourth, MNCs must look to enhance healthcare systems and solutions across the world, as seen during the COVID-19 pandemic. MNCs in the health industry should render their expertise and work with governments to build and enhance robust healthcare systems and develop platforms for telemedicine to ease access. National governments must revisit regulations to encourage such developments.

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Fifth, large corporations must focus on human capital management. The “great resignation”—a [term coined by Anthony Klotz](#) to refer to the surge in resignation rates amongst the workforce in the post-pandemic era—appears to be on the rise in the post-pandemic world, with employees prioritising non-work aspects of life, and [adopting approaches](#) such as work-life integration, i.e., “an approach that aims to create more synergies between different areas of life, including work, family, friendships, well-being, community, health, etc”. MNCs will need to develop policies that take into consideration the diverse lifestyles of their global workforce with the aim of retaining most employees. At the same time, the pandemic has also provided a great opportunity to tap talent across the world as location is irrelevant in the remote working environment. And with numerous startups emerging as a result of the pandemic situation, MNCs must provide investment and collaborative support.

The pandemic accelerated use of technology, leading to higher possibility of human resource redundancy. At the same time, due to great resignations there would be several skilled people taking it easy. MNCs could tap this talent to upskill their workforce and keep them employable.

Finally, an important role for MNCs, particularly those in the media and publishing space, is to spread positive news in an effort to create a positive spiral.

## Conclusion

Overall, MNCs have a great opportunity to become global change agents. Instead of waiting for governments to take necessary steps for ethical and sustainable development, MNCs can adopt a proactive role. Social, political and economic factors may restrict national governments from adopting policies that are solely meant for the greater good. In such situations, MNCs take voluntarily take the lead on certain fronts, for instance, environmental-friendly policies.

As the Sanskrit adage goes, *vasudhaiv kutumbakam* (the world is one family). If MNCs and all other stakeholders absorb and implement this simple message, we may see a new world.

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