



## COVID-19 CRISIS : A NEW HOPE OF PHILANTHROPY

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**ABSTRACT** The COVID-19 pandemic caused severe disruption not only to economic activities but stopped the wheels of entire social life. To world even more than global recession. The 40 days lockdown have closed the activities of institutions, corporate, industry and large service sector. The priority to saving the life of the people over their employment was unavoidable but the flood migrant workers starts leaving their places and reverse migrated to their native places especially in villages even after the financial as well as food support by the Government and the various groups of the society. Donation to the Prime Minister Care Fund and direct help to the needy persons is increasing day by day which shows that even in a modern materialistic life, the basic nature of humanity is strong especially in the crisis period. In this 40 days period, society support in this severe crisis gained new heights. This paper is an attempt to analyze the philanthropy support and its share in fiscal support provided by the Government and also find the ways by which we can strengthen the practice in peace time so that we can create a strong base for managing future crisis.

**KEYWORDS** :Covid , Philanthropy , Economic Impact , Social Impact .

### INTRODUCTION:

In the year of 2019 when every nation was concerned about the US-China trade war, International Monetary Fund (IMF) predicted slow global growth and almost each country struggling for maintain the moderate growth rate, the pandemic of COVID-19 completely messed up the outlook of growth unexpectedly in entire world. The World Health Organisation (WHO) declared COVID19 problem as global health emergency on January 2020 and on March 11, it was officially declared as global pandemic. We all know that this pandemic initially started from Wuhan city of China and spread over the world. The death number in certain developed countries like USA, Italy, Spain, Germany, France Britain are very high and severely hit the economy. In India, the early lockdown, fast and effective management of essential medical aid, stimulus package over Rs. 20 Lakh crore (Approx. 10% of GDP) to the weaker sections and most importantly a unique motivation to the Corona warriors helped to control the spread of the disease to a limited part of a large country having 137 Crore population.

### ECONOMIC IMPACT OF COVID-19 IN INDIA

The COVID -19 health crises now converted into economic crises due to shutdown of manufacturing units, business activities, financial markets, investments and most importantly huge reduction in demand. As per the analysis of UNCTAD the initial estimates of economic impact of this pandemic to the world economy says \$ 1 Trillion in 2020 and it may worse further in next two years as the crisis has its multiplier effects. The data of Indian economy and estimates for future growth with the planning to make \$ 5 Trillion economy by 2024 has now become irrelevant and need to correct it in reference to new situation of world and domestic economy arises due to Covid-19. Before covid -19, Indian was the fastest growing economy and its service sector approximately contributed 60% to the economy and generate 28% of employment. But the outbreak of covid-19 changed the entire trend due to nation wide lockdown of 40 days. The estimates of losses to various sectors are merely the quick estimates and the real impact of Covid -19 cannot be estimated in monetary term only. The life of daily wagers, factory workers, street vendors and all other weaker section of the society have been seriously affected and it is witnessed in migration of lakhs of workers to their native places by foot without caring of the distance and arrangement of basic needs. In this unprecedented crisis, Government announced the relief package of Rs. 20 lakh crore in two phases and at the same time the society has also extended full support to the affected peoples. The assessment and estimation of the impact of covid-19 on various sectors, relief packages announced by the Government and the role and share of philanthropy to reduce the adverse impact of the crisis is analyzed below:

**Table No: 1 Sector-wise Estimated Impact from covid-19 between April to June 2020**

	Growth rate Estimates before lockdown (Fy2020)	Growth rate estimates during lockdown (April- June)
Financial , real estate & professional services	6.4 %	-17.30%
Mining & quarrying	1.5%	-14.70%
Electricity , gas, water supply & other utility services	5%	-13.90%
Construction	5.65%	-13.30%
Trade, hotels,transport,communication & broadcasting	5.9%	-9.70%
Manufacturing	3.9%	-6.30%
Agriculture, forestry & fishing	6.8%	-1.30%
Public administration & defence	9%	-0.40%
Overall Gross Value Added (GVA)	11.09%	-9.30%

(Source: Statista.com)

The GDP growth in the year 2019-20 was estimated to about 5% . Different surveys of the economy clearly indicated that this year is very difficult for all world economies and will go in worse conditions due to nation wide lockdowns. The above table shows that the estimates of growth rates before covid-19 crisis and the growth rates during lockdown. The impact of covid19 on growth rates of Indian economy are largely disruptive. The overall Gross Value Added (GVA) decreased from 11.09% to -9.30%. The reports of Acuite Rating & Research says that every single day of lockdown cast \$ 4.64 billion to Indian Economy and the first 21 day lockdown resulted loss of about \$98 billion. The Covid -19 crisis and resultant lockdown decision was unavoidable and the huge loss is not unexpected and therefore at this stage focus should be on the measures for recovery of economy.

### Impact on Manufacturing industry :

Manufacturing industry plays very important role in the growth of every economy. In India it accounts more than 16% of GDP. Manufacturing sector largely stand on the pillar of investment both domestic and FDI. Covid-19 crisis adversely affected the sector and about 15 million ( source: economic times) workforce lost their existing jobs and started returning to their homes. It is uncertain that how much time it will take to make the sector fully functional. As per the initial estimates of UNCTAD , FDI could shrink by 5- 15% because of downfall in this sector. The telcom sector of India already suffered loss of 15000 Crore and the reports of federation of Indian export organization warned that manufacturing sector may face 1.5 crore job losses. Source: Centre for Monitoring Indian Economy (CMIE)

In The first phase, the Government announced some relief package and appealed to the employers not to cut their salary and house owners for not asking house rent from the affected workers. The Central Government has also established PM Care Fund and urged to contribute for providing assistance to the needy persons. In the second phase of relief package, Rs 45000 crore ( Source: Economictimes) have been allocated for electronic manufacturing sector so that the sector can get its pace again.

#### Impact on Travel and tourism:

Travel and Tourism sector severely hit by Covid -19 crisis. The nationwide lockdown forced temporarily suspension of flights and other transportation in India. The large scale of cancellation of travelling and tourism dropped the revenue of this sector. In the month of April-June, tourism industry always on its peak, however this time 90% of bookings got cancelled and as per the report of Indian Association of Tour Operators, this sector faced loss of around 8500 Crore due to lockdown and same critical situation has also been faced by with transport and logistics sector. This sector employ about 12.7% of country's workforce it is estimated that it may cause 38 Million job losses in this industry. Another important fact is that transport sector may get its pace with opening of lockdown but it is not easy for tourism industry.

#### Impact on International Trade:

India's largest trade partners are China, US, UAE, Saudi Arab and Switzerland and in the post Covid situation several economic and political conditions will decide the trend of international trade. In this crisis, China has become a villain and international trade of economies dependent on China for raw and finished products will certainly take long time to readjust its demand and supply with other countries. It is fortunate that Indian economy is largely depends on domestic demand and experts also of the opinion that the post Covid era will create several opportunity before India if international views against China continues. But at the same time many Indian products like petrochemicals (34%) and jams and jewellery (36%) is exported to China and anti-China campaigns may affects the export of these items. The actual loss and revival of the international trade will depends upon the post Covid situation.

#### Impact on Agriculture & food processing Industry:

Agriculture and food processing industry is also another big sector which has severely affected by this crisis. The poultry sector is a fastest growing sub sector of Indian agriculture the loss estimated in this sector is Rs. 150-200 Crore per day. The prices of commodities are falling due to decreasing demand and disruption of supply chain. The bumper crop, lockdown and reverse migration of labourer has worsen the situation. Though the Government of India recently announced relief package of Rs. 20 lakh crore out of Rs. 1 lakh crore is allocated for strengthening farm infrastructure and Rs. 10,000 crore for micro food schemes. The impact of such initiative depends upon the effective implementation of the relief package.

#### Impact on Education Sector :

Education sector has also become a major part of economic activity. This crisis disrupted the entire education calendar not only for this academic year but also to next academic year. Though it a social sector but the when this sector reached to 101.1 billion dollar ( 7,06,587 Crore), the adverse economic impact is unavoidable.

#### Impact on Media and Entertainment Industry :

Government get 30% tax revenue from entertainment industry and in 2020 this industry is expected to exceed \$40 billion. Covid -19 lockdown impacted this industry at large, as big releases got postponed, films, TV, webseries shooting halted and 183 billion Indian film industry is in under worst phase.

#### SOCIAL IMPACT OF COVID-19 IN INDIA

Due to Corona crisis, the world is facing global health crisis where human life is at high risk. But this pandemic is not limited to human health. It is much more than just a health crisis. It becomes a serious human as well as social crisis too. The outbreak of COVID-19 affected each and every segment of the population. Poverty and unemployment problem are having new reasons and the social relations and behaviour will get new definitions after this covid crisis. If the social distancing and precautions required for safeguard our lives become a permanent features of our society, it will also impact the economic life in future. The society support in pandemic like Covid-19 is an unique and most important feature of our society and it is witnessed at each and every

part of the country. Donations to PM Care Fund and other social organizations and direct support to the needy persons during this crisis is an inner strength of our society and it is a right time to highlight it so that this support system will help to the society to struggle with such crisis.

#### PHILANTHROPY IN INDIA

Philanthropy is an old phenomena and through our traditional religious based learning system, it became a part of our social responsibility. The nature of philanthropy has change with time and concept of Corporate Social Responsibility introduced to regulate it in a certain category of corporate. In a recently book published by Pushpa Sunder "Giving with a thousand hands: The changing face of Indian philanthropy" raises a question that 'Are Indians charitable'. The answer lies in the current scenario of global pandemic of COVID-19 where India is in immense need of philanthropy. In many emerging economies where philanthropy is relatively not very popular, India always said to be a 'Nation of Givers'. According to the reports of CAF India added over 100 Million donors since 2009. The history said that our culture and values not only supports the philanthropy but it is a part of our life. The historical background of Indian philanthropy described this fact.

#### HISTORICAL BACKGROUND OF INDIAN PHILANTHROPY:

India is known as a nation of givers since very long. Ancient thinker Kautilya emphasized on doing business with *ethics and principles*. The concept of Hinduism i.e. *dharma* exists from ancient times in which the manufacturer/seller charged some specific amount from buyer/purchaser and that amount is to be used for charity, then the Islam came up with *zakaat*, where some part of earnings were shared to poor for social good and then Sikhism came with *daashant*. Therefore the tradition of contribution to the society in the form of philanthropy for their wellbeing is prevailing in India from centuries.

In India, the tradition of *daan*, *seva*, and *zakaat* was operated helping to frame the relation between the privileged section of the society and the dispossessed section of the society. At that time majority of philanthropy activities was operated by the religious institutions. But in the 19<sup>th</sup> century the practice of corporate philanthropy started via trusts and endowed institution which were owned and controlled by the family members of business and then some big business houses like Tata Group, Birla Group, ONCL and Ambani's were involved in serving to the society through donations and charity. So the concept of philanthropy became popular and also an importance source of providing relief to people at the times of crisis. From 2013 to 2018 total Rs. 66544 Crore were contributed by Indian to the Government for philanthropy. The details are shown in following table:

**Table No. 2: Major Contribution to Government for Philanthropy by Indians**

Year	Number of Indian's giving > Rs. 10 Cr.	Total Amount of giving ( In Cr.)	Average donation Size( in Cr.)
2013	31	15,250	492
2014	50	15,000	300
2015	36	32,400	900
2016	27	2,334	86
2018	39	1,560	40
<b>Total</b>		<b>66,544</b>	

(Source: Hurun India philanthropy lists, 2013-2018)

The above table shows that the contribution for philanthropic activities by Indians are substantial. As per the data of Hurun India Philanthropy during five years, government got about Rs. 66,544 Crore in the form of philanthropy. The donors as well as the donation amount increased in quantum. Though the contribution in terms of the donated amount is reducing in 2016 and 2018 but again it is gaining momentum in this Covid -19 pandemic.

#### PHILANTHROPY TREND DURING COVID-19:

India has number of millionaire and billionaire therefore it has strong philanthropic momentum traditionally. Though India is a country where extreme contrast of wealth and poverty coexist together, philanthropy leads to hope for India's rise and growth in this crucial time. In this period of pandemic where poor section of society needs support from government, government also needs support from wealthier section of society. Apart from government and corporate

findings, this time individual funding also remained in spot light. It is an important fact that when any crisis hit society at large then government funds solely cannot deal with it in country like India

where 73 million people live in extreme poverty. The lockdown in country due to COVID-19 affected the major part of the population and created the crisis of survival of their lives. In this situation country needs financial support to ease the burden of disaster like COVID-19. The economic as well as social factors of this covid-19 pandemic is very tough to manage especially for a country having 1.3 billion population under nationwide lockdown. Since COVID19 reached India, the focus of government shifted only on addressing immediate relief activities. As the lockdown and loss of livelihood disproportionately affected migrant workers, daily wage earners, urban-rural poor, farmers and many more. Currently India is in situation of disaster which is changing shape every week and country is witnessing large population struck in basic need of food and shelter. When any pandemic like covid-19 hit any country it is difficult for government alone to address the issues instantly for a population of 1.3 billion. This reality established the role of collaborative support of philanthropy. In recent times social organisations, businesses, celebrities, government officials, professionals and individuals across India has taken up initiative to support to needy persons. Other than this, the government of India announced a relief package of Rs. 20 lakh crore for different sections and sectors. in two phases. Apart from the Government, public support in such pandemic situation is also important as it creates the feeling of nationality as well as the unity in the crisis. To Government of India created a separate PM CARES fund to secure the donations to fight for this global pandemic. This fund is using for granting relief to covid-19 hit sections across the nation and this fund crossed over Rs. 65,00 Crore which is three times more than of PMNRF got in two years. The major contributors are as under:

**Table No - 3 Major Contribution in PMCARES by society and corporate during Covid-19**

Some major COVID-19 donations (Rs. In Crores)					
S. No.	Donars	Amount (in Cr.)	S. No.	Donars	Amount (in Cr.)
1	Tata sons and Tata Trust	1500	19	Honda	11
2	Azim Premji Foundation	1125	20	Shri Mata mansa mandir	10
3	Azim Premji and Tata sons. (Rs. 1000 Cr. Each)	2000	21	Megha Engineering and Infrastructure ltd. and Reliance Industries. (Rs. 5 Cr. Each)	10
4	Mukesh Ambani and Tata Trust (Rs. 500 Cr. Each)	1000	22	Bharat dynamic ltd.	9.02
5	JSW group, Bajaj Group, Tiktok, Adani Foundation, Anil Agarwal, Axis Bank, HUL, D Mart, ICICI Group and Bright star investment. (Rs.100 Cr. Each)	1000	23	Toyota, Devasthan Mgt. committee, MG Motar India and edelweiss group. (Rs. 2 Cr. Each)	8
6	ONCG	300	24	Hyundai	7
7	Larsen & toubro and ITC (Rs. 150 Cr. Each)	300	25	MSTC	5.54
8	Vedanta Doubles	201	26	Somnath Mandir, Ambaji Mandir, OPPO Mobiles, Dr. Lal path lab and Mahavir and Mandir Trust. (Rs. 1 Cr. Each)	5

9	Power Finance Corporation	200	27	Prabhas	4
10	Mankind Pharma, BCCI, Shri saibaba sansthan (Rs. 51 Cr. Each)	153	28	Swaminarayan temple	1.88
11	Primal group, Jindal steel and power, Cipla ltd., TVS motors ltd and Dalmia Bharat group (Rs. 25 Cr. Each)	125	29	Anitra Dongre, Designer	1.5
12	Godrej ltd. and Bosch India (Rs. 50 Cr. Each)	100	30	Kapil Sharma, Mahamaya mandir Trust, Sachin Tendulkar, Suresh Raina (Rs. 0.05 Cr. Each)	0.2
13	UPL	75	31	Rohit sharma	0.8
14	Kotak Bank	60	32	Varun Dhawan	0.3
15	Walmart	46	33	Kanchi Muth	0.1
16	OLA and Re new power (Rs. 20 Cr. Each)	40			
17	Asian Paints	35			
18	NSE	26			
	Total				8,360.34

(From various sources)

The Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund was created for the purpose of combating against corona virus outbreak. Whole nation is making an effort to contribute money and provide help to the people suffering from this pandemic. Till date (20/05/2020) Rs. 46,61,49,409 is received in PM CARES Fund by total 16,07,487 donars. Across the nation. The above table highlights some of major contribution from corporate and society. These are only few major donations which amounted 8360.34 and there are large number of donors

who opened up their purses to contribute for covid-19 crisis which is for sure looking as a good hope for philanthropy in India.

#### FINANCIAL SUPPORT TO THE GOVERNMENT THROUGH NGOs:

A major part of support to the needy people in this covid crisis is from NGO's is through food, dry ration and other necessary preventive items for safety from corona virus. The following table describe the nature and volume of support:

**Table No.3 Support from Top NGO's during Covid-19**

S No.	NGO Name	Reliefs
1	Actionade India	Provided 87000 families dry ration and cooked meals to 300000 individuals.
2	Akshay Patra Foundation	Provided Meals to 7,95,614 cooked meals and 5104 grossery kits.
3	Give India	Raised 10,00,000 donation amount. Provided hygiene kits to people
4	Goonj foundation	Provided 77000 cooked meals and 17,000 ration kits.
5	Hasiru Dala foundation	Provided food grains to 500 garbage collector families worth total of Rs. 2,75,000.
6	Janta Rasoi	Providing 150 meals per day since 1st lockdown
7	Kashtakari Panchayat	Raised 8.5 lakh and provided safety kits, masks, soaps, and food essentials too.
8	MCKS food for hungry foundation	Provided 60,000 + nutritious meals costs 900,000.
9	MAARG foundation	Distributed 150 face mask, 22 PPE kits and 100 gloves per day.

10	National Hawker federation	Provided 500 ration packets during 1st lockdown and organising relief camps.
11	Oxfam foundation	Reached to 40,50,000 people , provided 8000 household ration and 48000 cooked meals.
12	RAHI foundation	Provided 200,000 meals to 22, 500 people.
13	Rapid Response	Provided 84000 food packets , 16,500 dry ration kits , 8600 bed kits , and organised 142 medical camps.
14	Uday Foundation	Provided 200000 sanitizers and meals to 50 ,000 people.
15	Uttishtha foundation	Provided meals to 1000 migrated workers.
16	World Vision India	Provided 206,322 cooked food packages and 18,377 dry rations kits.

(Source: Invest India)

In India there are 3.2 million registered NGO's which are providing relief during this pandemic. During this time daily meals have been provided to about 84.26 lakh people till the study period and this practice is continuing at personal level also. As per the records submitted by central government to supreme court showed that total 84,26,509 people provided meals out of which 54.15 lakh people fed by NGOs. Apart from this, NGOs are also providing shelters , medical facilities , grocery items to the affected people especially to the labour class. etc. The above table shows some major contribution of NGOs during this pandemic and showed the financial support to the government by becoming the helping hand for the government.

As the covid-19 pandemic is widening day by day, the joint efforts of the Government, individual philanthropies, corporate donors and NGO's is certainly reducing the ill effects of the crisis. Total Rs. 20 lakh crores packages includes Pradhan Mantra Gareeb Kalyan Yojana in which food grains to poor people for three months , insurance to COVID -19 warriors for three months, providing food grains to more than 800 lower income group, helping migrants labourers, provided gas cylinders to 83 million poor families and 13.31 dollar were transferred to 30 million citizens. Though the share of philanthropy as compare to the Government is low but it is substantial as the practice helps to develop a social harmony among the citizens and solve several other social problems also.

#### CONCLUSION:

It is an unavoidable fact that Covid-19 disrupted entire human life and will take long time to become normal. It is not only one of the serious global health crisis but also a high cost crisis in recent history. The estimated impact of COVID-19 on global GDP growth for 2020 is approximately 4% which might go downside. Government of India is at frontline of the pandemic and it's first priority is to ensure the health condition of people as till date ( 27/05/2020) there are more than 1.5 lakh cases and 4,337 death caused by corona virus in India. Rs. 20 lakh crore package announced by the Central Government without caring the fiscal deficit, financial support from international agencies and most importantly the philanthropy support by corporate, individuals, NGO's, religious institutions shows that humanity is an upholding characteristics of Indian society and this strength of our values is capable to face the sever crisis like Covid-19. In this crucial time donations by 1.36 billion people is creating hope that in this modern materialistic world, people are still sensitive about the problem of others and if the functioning of Government agencies and their human face continues with the support of great philanthropic attitude of the society, we can enjoy the prosperity of the nation in a better way and positive attitude.

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