Chapter 1

THE GAPS: What’s missing in our business reporting and coverage?

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Quick-Read

- Companies and their operations have social impact and costs. They assert significant influence on policy decisions.
- Accountability demanded by the media from businesses often does not match up to the level of impact. Media reportage is dominated by coverage of financial performances.
- Mandatory disclosures by companies means a lot of information is available in the public domain, allowing for compelling reportage.

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Nearly ten thousand garment workers were denied full wages, benefits and severance pay in the middle of the Covid-19 pandemic, even as brands that were selling products made by them counted billions in profit, a study published in March 2021 by the Business & Human Rights Resource Centre (BHRRC) found.

Between August 2020 and February 2021, the BHRRC approached 16 brands for a response to allegations of unpaid wages and benefits (wage theft) of a cumulative 9,843 garment workers across the world who were making their clothes during the pandemic. They found:

- In seven of eight cases, workers had not been paid the full amount owed to them.
- A quarter of the workers did not receive legally mandated severance pay during the pandemic.
- More than three-quarters of garment workers or a member of their household had gone hungry since the beginning of the pandemic as suppliers cut wages and closed factories.
Between them, the fashion brands recorded profits of USD 10 billion just in the second half of 2020. The workers surveyed in the study were based in different countries, including India, Bangladesh, Cambodia, Ethiopia, Myanmar and the Philippines among others.

The case of the garment workers is not an isolated one. Across industries and geographies, large profits are routinely made on the backs of over-worked, under-paid, exploited, and sometimes even trafficked or bonded labour. While record-breaking growth numbers, stock market highs and lows, unicorns and business deals are often stridently reported and headlined, the stark gaps, the exploitation and inequity hardly make news - forget primetime or front-page coverage.

Even in 2021, several companies and individual business heads had turnovers and revenues larger than those of many Indian states, as also several national economies around the world. Given the scale of their operation, the labour force they employ, the quantum of resources they command, businesses and their operations have high social impact and costs. In addition, they have a significant influence on policy decisions in the market-led political economy. However, media scrutiny of businesses often does not match up to this level of influence and impact.

Very often media coverage remains limited to and foregrounded by the access individuals may have to the top management of an institution. This can play out in different ways. For instance, claims by the top management may not be carefully examined so as to enjoy continued access to them, in turn leading to the easy narratives and headlines we have grown accustomed to. On the other hand, vital voices of workers and other stakeholders impacted by the business, who could break the equilibrium of balance sheets, is diminished. To understand any business holistically, it is important that all stakeholders and actors involved be the subject of probe, inquiry, exploration and journalistic scrutiny. If we fail to do that, our journalistic work is not just inequitable, it is also incomplete. A vital way to understand paisa, power and politics, and how they shape our lives, goes missing from the public discourse.

The Business World: Key Actors

Consider these characters. They are the broad set of stakeholders/participants who are likely to make up a business or corporate ecosystem. They will have some role to play, some stakes in a business, its spread, success or failure. They may also not exist in clean silos, just as recipients of a service, beneficiaries or sellers or buyers. For instance, their livelihoods may depend on the very source of the pollution of their surroundings.
**Company**: An entity by itself, the “Company” is at the centre of a particular development. The development could be anything - a new product launch, an expansion plan, a legal dispute, a record profit.

**Leadership**: The individuals who have a stake in the company, and who influence its policies. Think CEO, board of directors, senior managers etc. They are answerable/accountable to their shareholders, investors and regulatory authorities.

**Employees**: The workforce employed directly by the company.

**Clientele**: The company serves them - the customers, consumers, buyers etc.

**Supply Chain**: Everybody working in the supply chain, from raw material to services, to distribution etc. They are not directly employed by companies, and may often be physically situated far away. Hence, to associate the company with supply chains isn’t always an easy connection to draw. This is also where more scrutiny and vigilance may be needed. Supply chains are critical in shaping a company’s capacities and profitability. And can be a source of exploitation, sometimes even unknown to the company.

**Shareholders, Investors, Lenders, Stock markets**
Shareholders should get the correct picture of a company’s performance which can help them to decide about further investments. While a company’s economic responsibility to make a profit or provide fair return on an investment may seem like its main obligation, shareholders and investors can and do put an emphasis on a business’ social responsibilities.

**Competitors**: Other companies working in the same industry.

**Natural Resources**: Companies, especially large ones, have a large impact on resources where they operate. A new plant could mean a formerly clean river could be polluted, or a new waste dump comes up in an area. While laws mandate companies to get clearances if they affect natural resources, the actual compliances often leave much to be desired.

**Communities**: Local communities can either benefit or lose out if a company expands in their area. It could mean more employment, or loss of livelihood if a company uses the resources they depend on. Local communities often come in conflict with business expansion when they feel they are at a loss. A skewed balance of power and influence means companies can get away with less accountability.

**Regulators, Government and the Law**: The state is a major actor in the business ecosystem, determining all the rules of the playbook.
Brand Ambassadors: Big celebrities who lend their names and faces to brands, helping them reach new consumers, thereby adding a degree of validation to all that the brand stands for.

Now think of how many of these characters find themselves in stories, narratives and headlines, and how often? Which ones get missed out, and which ones get the most space? Also, think about which of these stakeholders our stories most cater to? Are we amplifying and magnifying only some, almost to the point of invisibilizing others? Are we covering the world of business holistically, with all its intersections with the state, society and the environment?

Corporate Social Responsibility (CSR) and Business Responsibility: Are they the same?

No.

Ever since the Companies Act, 2013 mandated businesses to set aside a share of their revenue for social/development work, the term Corporate Social Responsibility has become an integral part of the business world lexicon. The two concepts - Business Responsibility and Corporate Social Responsibility (CSR) are often confused and sometimes used interchangeably, but they are different.

“CSR can mean different things to different people. In my view, all touchpoints of a business venture should be covered by reporters: promoters, management, workers (blue and white collar), suppliers, environment, working conditions in suppliers’ factories, shareholders (especially minority shareholders), investors and banks.” - John Samuel Raja, co-founder, How India Lives

“Business responsibility” is a much wider concept than CSR. In fact, it is not only a concept, but also an approach that evaluates business practices from the lens of human rights and ethical conduct. For example, a story with a “business responsibility lens” could explore how mindful businesses are of the rights of others, including their employees, those part of their supply chains, the consumers and local communities. What kind of impact does the corporation have on the environment, on labour?

“CSR is included in our national guiding principles. These are overlapping concepts but what has happened is that the narrative on CSR has become too focussed on the ‘two percent’. For a researcher, CSR is an opportunity to question companies because you can often see a company spend its CSR funds on community development, while violating their rights in the course of its main work. CSR is often used as a tool to influence public opinion. Then there are questions of CSR violations, eg: Nestle giving money to FSSAI, or Reliance spending almost 1200 crores on the Jio University from its CSR funds, or the case of Sterlite offering in court to
spend 100 crores for local development in Thoothukudi.” - Dheeraj, Praxis, the Institute for Participatory Practices

CSR, as mandated by law in India, often ends up receiving media attention. It is often used to frame the narrative of social impact, empowering communities through this set-aside share of revenue. This even as the original business may be violative of the rights of other communities.

Media reportage of CSR spending by a company, often ends up equating the CSR budget of a specific concern with actual commitment to the cause in the entire business operation. So, companies that donate to an NGO working with survivors of sexual violence may be considered champions of women’s rights, even if they don’t have functional POSH Committees to address sexual harassment complaints filed by their women employees. Similarly, a company that spends its CSR money planting trees, might be confused for one that is mindful of the environment even if its expansion maybe leading to destruction of forest land.

“It could be because I am not reading enough but I haven’t seen reports where reporters visit the places where companies are claiming to have done CSR work.”
- John Samuel Raja, Co-Founder, How India Lives

Reporting on CSR spending is important, but it only skims the surface - how much money did the companies allocate on CSR, and where did they spend it? Reporting on business responsibilities goes beyond that - it looks at responsible practices inside companies, and across areas they operate in. This includes policies on worker rights, ecological footprint, conflicts of interest, redistribution of profits, preventing discrimination and building safe workspaces.

Looking at CSR budgets could definitely be the beginning of a journalistic exploration and understanding accountability, but it should not stop at just that. Further, CSR allocations need to be assessed critically as well, and not reported as they are. (Pro Tip: How to find a story on CSR spending. Head to Chapter 2)

“There are two sets of reasons why we don’t see this kind of reportage more often. I wouldn’t call them barriers, but they are more of a conditioning of the mind:

First, it is a self-inflicted malaise. Many journalists are conditioned by what their media owners demand from them. Essentially, reporters are also workers in the media industry, and they are subjected to pressures from the owners of their publications. Often this is not very overt - it is implicit and understood - you know what needs to be done. And this arises from the fact that very often companies are treated as potential clients in terms of interests, in
terms of advertising. And publications may not want to be seen as hurting the organised interests of companies so to speak.

Second, sometimes it is because we have accepted this to be the norm: that you cannot question companies. You can see this reflected in the contrast between how an ordinary citizen is covered versus how companies are covered in the media. For example, when somebody is accused of a petty crime, one assumes and reports the version of the police even before one has the version from the accused. But this will not be the case if the accused is a corporate entity. If it were a large business group or a big businessperson who is accused of something, the media will take great care to ensure to show how the accusation has not yet been proven, and will continue to confer respect on such entities and such persons,” explains Sridhar V., journalist.

What does it take for a story to become a story on business’ responsibilities?

Often accountability of businesses is only reported in terms of legal compliances and financial health. It is easy to understand why that is so. Two major stakeholders in the corporate world - government regulators and shareholders - are interested in knowing this, and business reporters tend to cover only these aspects.

However, why should shareholders not be told what the company is doing when it comes to its ecological footprint, or how it works towards ensuring humane working conditions throughout its supply chains? Why should investors, current and potential, not have the full picture of the routine practices of a business? Companies are often not likely to push out this information on their own. In fact, they could have a vested interest to keep such information guarded as best they can.

“It is absolutely essential for business coverage to incorporate supply chain and manufacturing risk of exploitation - transparency is the antidote to labour exploitation and probably the key to significant improvement in local economies.”

- Neil Giles, CEO, Traffik Analysis Hub

Robust, informed reportage on corporations needs reporters (business and those covering the social sector) to double down on core skills and approach journalism with rigour and on-ground work. This means speaking to employees, reaching out to supply-chain workers, local communities in areas where businesses have operations, and keeping a watchful eye on business’ interactions with state actors.

“The increasing importance of the global Environment, Social and Governance (ESG) Agenda means increasing audience interest. In a post-Covid world, this is going to be a fast-growing area of interest.” - Neil Giles, CEO, Traffik Analysis Hub.
Even though businesses are known to be guarded and reluctant about openly communicating “internal” matters, they are required by law to disclose a whole host of information about their practices. Mandatory disclosures have meant that a huge amount of information about companies is available in the public domain. As a journalist, you need to be familiar with these documents. This module will help scope the range of information available, how to access it, make sense, find a story idea, join the dots, how to use it to amplify on ground work or nudge you in the direction of a powerful story. It may also alert you to an unseen angle in existing reportage.

Here is how you can go about it.

_GLOBAL_ The section titled “The Essentials” has a collection of important documents, websites and resources that are essential to reporting business practices effectively. It is a virtual hand-holding on where to find the information, sites you should regularly check, and things you should save.

_GLOBAL_ The chapter titled “The Policies” will help you understand the framework of responsibility better by introducing you to existing laws and policies on the subject, and how they can help you ask the right questions of companies.

_GLOBAL_ Narratives about companies cannot be linear because the world of business isn’t. The section “The Intersections” will help you see and understand intersectionality, and how you can add more layers to your business story.

Each section of the module has examples of stories that could inspire, some useful resources, tips and tricks to help make stories more impactful, as well as a short list of people working on similar themes whom you could follow on social media.

_GLOBAL_ The concluding section ties the learnings together. We know stories need to be visual, illustrative, multimedia. So, there is a list of tools to help you add and amplify your stories, tips on safety and digital security. We also provide you with possible ways to collaborate.

We hope you are ready to explore and learn. But before you start here are some rules of thumb to keep in mind going forward:
Tips to keep in mind to strengthen your reportage

In any story you do, you should always look for what’s in it for the public at large, says journalist Sridhar V. “What is the public interest in this,” should be your starting point, and you should ask all the questions that are needed to answer that question.

And public interest is not formed in an organised way - you have to frame that question in your mind as a journalist, he explains.

“One of the primary functions of the media is to inform. So, when a company puts out a press release, you compare it to what it said earlier, do some research and find out more. And in the era of the internet there are many tools available to journalists to do this fairly easily. One
has access to so many other resources today, it should be possible for any media publication to cross-check the claims put forward by a company.”

And if the information is not forthcoming despite attempts, the journalists’ output should reflect this reluctance of companies to answer questions that have been raised in public interest, Sridhar adds.

_keep the public interest at the forefront of all your reportage._

_Actively seek out and identify patterns based on information available in various company documents._

_Try to connect the dots between what is happening on the company’s growth front versus its social, environmental and human footprints._

_Push company heads and spokespersons to reflect not only on the technical aspects of business operations, but also larger implications of their policies and practices._

_Place the developments of individual companies in the larger context of the industry, the geography and so on._

**RESOURCES | INSPIRATIONS**


**PEOPLE TO FOLLOW**

* Sridhar V  
* John Samuel Raja  
* M Rajshekhar  
* Harpreet Kaur  
* Anita Ramasastry

* Business & Human Rights  
* Corporate Responsibility Watch  
* Sourcing Journal  
* Fair Finance India