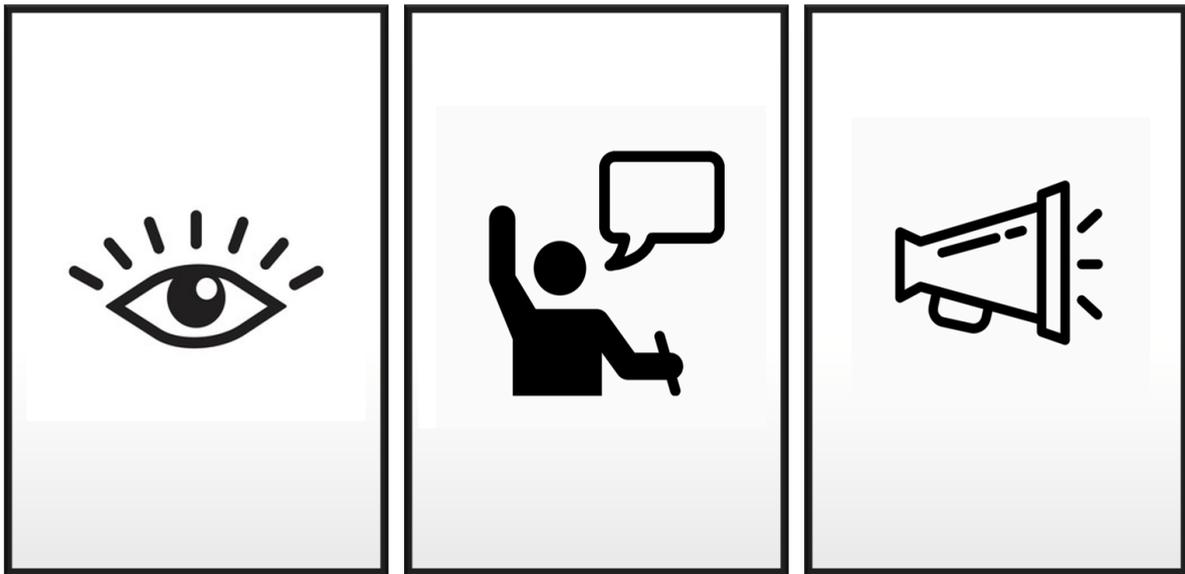


Boards in India need to be ‘woke’

A bill in the state of Georgia in the US, innocuously titled SB 202 was passed on 25 March 2021. It is creating ripples as it threatens to upend the decades old cozy relationship between business and the Republican party. It is also set to change the equation between business and politics in times to come. What message does this carry for Indian companies and boards?



President Donald Trump lost the state of Georgia in the November 2020 presidential ballot – the first republican candidate to do so since 1992. With the gubernatorial elections looming in 2022, the Republican party swung into action and legislated [changes to their voting laws](#). These include a shorter timeline for mail-in absentee ballots – from when you can ask for it, to when you need to submit it. A more rigorous identity check for those using this mail-in route. Fewer places where these ballots will be collected with restrictions regarding when these drop-points will be accessible to the voter. And many more. Although some changes have merit, like printing these ballots on security paper or asking for the ballot papers to be dropped in early to ensure that all votes get counted in time, most believe these changes will make it more difficult for the ‘under-represented communities’ and blacks who largely support the Democrats while voting. In a pattern, all too familiar to us, the bill was hurriedly passed into law: the governor signed the bill with

undue haste, the very day it was passed by both the houses. Clearly, it is never too early to begin campaigning - irrespective of in which country you are seeking office.

After some murmur by voting right activists, the first major salvo was fired by 72 Black CEO's who signed an open letter published in a full-page ad in *The New York Times* on 31 March, within a week of the bill becoming law. "This is a nonpartisan issue; this is a moral issue," Kenneth Chenault, the ex-CEO of American Express told *The Wall Street Journal*. James Quincey, the CEO of Coca Cola, told CNBC that Coca Cola was always against the bill as it riles 'against the principles we have always stood for', and voiced its stance publicly when the bill was signed into law. Ed Bastion, the CEO of Delta Airlines, which too has a large presence in the city sent a memo to his staff in which he said, "this bill was based on a lie: that there was widespread voter fraud in Georgia in the 2020 elections."

But it was all talk, till Major League Baseball announced that it is pulling out the all-star baseball game from Atlanta because of the new laws. This is the equivalent of pulling an IPL cricket final from Eden Garden because of a law passed by the West Bengal Legislature.

As expected, the Republicans have dug their heels in, complaining of a cancel culture and citing that the bill is being misunderstood. At the time of writing, this story is three weeks old, and still unfolding. And with elections looming over the horizon, the stake for politicians on both sides of the divide are high, and they will do all it takes to win. We must wait and watch to see how this will end.

As events unwrap, the question to ask is: Are Indian Boards too docile when dealing with the State? Should they be more vocal regarding policy? Rajiv Bajaj speaking out cannot be taken as proof that Indian business has a habit of speaking truth to power. And a company's claim that its CSR spends show that it has a conscience, is missing the woods for the trees.

I do not expect companies – nor am I asking them to wade neck-deep into political issues. They have their shareholders to think about and the State controls far too many levers, for them to risk doing so. But corporations do speak, albeit in closed rooms on policies that narrowly impact their business and publicly when they litigate against the government on tenders, contracts and policies that affect them. So they

can certainly speak on issues that affect the society in which they operate. The pandemic – masking, social distancing and vaccinations is one issue, on which many business leaders have weighed in. But there are many others: the size of the fiscal deficit, spend on healthcare, quality of education, police reforms, capacity building in judiciary, regulators, and bureaucracy, speeding up the courts. Such issues will impact our civil society and our polity for generations - to say nothing of bolstering business competitiveness.

The mandarins will push back. They have a tradition of listening only to their own. Politicians are prickly when in power - they always have been and always will be. But this cannot be an excuse for holding back. Companies owe it to the future generations to speak-up. To quote Abraham Lincoln, they ‘cannot escape the responsibility of tomorrow by evading it today.’



A modified version of this blog, titled ‘A woke board for India’ appeared in Business Standard on 20 April 2021. You can access it by clicking this link:
https://www.business-standard.com/article/opinion/a-woke-board-for-india-121042000033_1.html

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