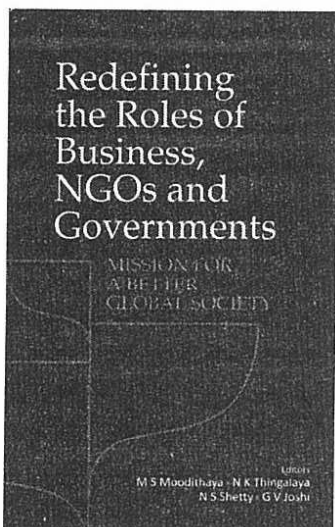


Redefining the Roles of Business, NGOs and Governments : Mission for a Better Society

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Let me start with a parable: A person was wandering about in a forest for several days, desperate to find the way out. Suddenly he saw a person approaching him. His heart was filled with joy. "Now I shall certainly find out which is right way", he thought to himself. When he neared the stranger, he asked, "Brother, tell me which is the right way. I have been wandering about in this forest for several days". Said the other man "Brother, I too do not know the way out. For I have been wandering about here for many, many days. But this much I can tell you: do not take the way I have been taking, for this would lead you astray. And now let us look for a new way out together" (*Attributed to Rabbi Hayyim of Zans by Nobel Laureate in Literature S.Y. Agnon*).

Above parable has been tailored to draw some parallels: In the 'limitless jungle of societal problems', across the globe, the three human agencies - the governments, businesses and NGOs are on an arduous search for a proper 'passage to socio-economic paradise'. Main search intent is secure solutions to:

(a) ensure adequate family income to provide subsistence essentials, (b) create sufficient employment to allow for the continued redistribution of income and opportunity, (c) increase access to education and improve literacy rates, (d) enhance the ability of the population in general to participate in government, (e) promote national independence, and (f) satisfy the needs for every individual to become self-reliant (Seers, 1972). Searching for 'many, many years' to secure sure-fire solutions for numerous human needs, the State is asking others - private enterprises and third sector - to 'look for a new way out together'. And hence, even at the end of first decade of 21st century 'search is inconclusive'!!!

Some comments on search inventory of yesteryears: Two hard-boiled actors - the government and the private sector - have thrown their weight behind gruelling search, and in recent decades, third sector too their joined the bandwagon. Notably, when path differs, end result suffers; because at times, the philosophies of these human collectives, antithetical to one another. Government - anointed or appointed, elected or selected, democratic or despotic, capitalistic or communitarian; failed to a large measure because of inadequacies of development bureaucracy. Till 1990s, comity of nations had some choice: either lean towards 'state socialism' practiced by USSR, China or even small Latin American counties; or walk step-in-step with social set up of capitalist states spearheaded by US and the West. Collapse of Berlin Wall and implosion of USSR, tilted the balance heavily in favour of 'free enterprise' practices world over. Though the State continues to be a powerful human agency of a

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nation; it has withdrawn from many areas or adjusted structurally to new economic world order. No doubt, 'business is not the business of government, but showing right path for 'business social performance' is the bounden duty of every government. More recently, disturbing news of bad economic health of Euro-zone countries – Greece, Italy, Ireland, Portugal and Spain (GIIPS, if not more pejorative PIGS) and bickering over bailout package are also conveying the message that uncontrolled government expenditure may lead to intolerable human miseries.

This places enormous responsibility on private sector to move away from 'rabid profit-making' to 'social wealth creation'. Burgeoning concepts like social entrepreneurship, social enterprises, community-based enterprises, green marketing, and others forced business entities to go for 'profit without pollution', and hence, become more humane, extra-sensitive towards resource utilisation and reporting on triple-bottom-lines. It is worthwhile to note that mass campaigns like 'Occupy Wall Street' (*read* Occupy Dalal Street in India) are portending signals that all is not well about business and 'corporate greed' of developed world may even spell doom to developing economies in the form of economic downturn.

Now the focus is on the third actor - NGOs. Reading the acronym 'NGOs', a noted scholar retorted - non-governmental organisations are telling that what they are not, but failed to tell what they are!!! Of course, there is a rich diversity in voluntary sector and hence, difficult to bring them under a single canvas. Benevolent and developmental NGOs co-exist with dubious ones. Often the suffix 'NGO' sounds hilarious, for instance, suit-case NGO, one-man NGO, car-garage NGO, on-paper NGO, operate-at-night NGO, fund-guzzling NGO, Madame-owned NGO, etc. However, the time has come to appreciate the scorecard of people behind the organisation rather the NGOs. For instance, SKDRDP – Sri Kshetra Dharmastala Rural Development Programme (covering many districts of Karnataka) and

RUDSETIs – Rural Development and Self-employment Training Institutes (26 institutes spanning all over India) initiated by Dr Veerendra Heggade stand apart in development education. People of this tribe are increasing. Business Outlook journal (Sept 5, 2009) has become socio-entrepreneurial by publishing the service profile of social entrepreneurs (at least 50) operating in India.

Reading of above paras may rouse the mythical 'Yaksha' instinct in every enlightened mind (*e./a.* Yudhishtira) seeking answers to these questions: Which is the right path for development in 21st century? Is it infusing economic inputs or injecting technical know-how, or fine-tuning socio-cultural components or a blend of all? How long the search will be? Is it necessary to re-jig development path to bridge the great divides – between rich and poor, urban and rural, or digitally empowered and deprived, inclusion of excluded?

For a threadbare discussion of these issues and with a mission for creating a better global society, an International Seminar on 'Redefining the Roles of Business, NGOs and Governments' was held in Justice K S Hegde Institute of Management, Nitte during December 29-30, 2010. The book under review is a seminar volume consisting of 15 scholarly papers presented in it. Some of them are global in focus while others are intensively local. Review of these diverse set of papers within an analytical framework is a challenging task. For convenience, issues discussed were broadly categorised into following subsets with no. of papers in parentheses:

- Business and Social Responsibility (1,2,3 &15)
- Micro-finance and SHGs (4, 8 & 9)
- Human Resource (6,10,13&14)
- Third Sector Administration (5&12)
- Political Administration (11)
- Stock market (7).

Article 'Social capital and Business Entrepreneurship'

is kept out of review paradigm as the reviewer is involved in it academically. Similar is the article on 'Impact of Index Futures on the Index Spot Market: The Indian Evidences, due to reviewer's limited knowledge on stock market gymnastics.

Business and Social Responsibility

First paper in this category is 'The Business of Helping the Poor' by Ram Cnaan and Daniel Curtis. The words of (late) Laxmi Chand Jain, noted Planning Commission member, "World over the study of poverty is a big industry!!!" were reverberating in my mind before going through the paper. One will change such an attitude after reading much from late C K Prahlad's epoch-making book 'Treasure at the Bottom of the Pyramid' as well as this article. Noted Prof Cnaan and his doctoral student Mr Curtis from University of Pennsylvania have observed the two emerging trends of making business a potential partner in poverty reduction campaigns. They state it is because of two reasons: one, pressure from individuals and groups on corporations as well as threat of bad publicity and resultant consumer boycott. Two, organisational hybridisation taking shape wherein distinction between 'for-profit' and 'not-for-profit' organisation is blurring (p: 4). In clear cut terms they have suggested seven business-based approaches (its logic), explained how each one is to be applied (methodology) and its efficacy in poverty reduction. Furthermore, through these seven methods, the corporations can invest and banks can lend for without compromising business principles. They are: (1) Bottom of Pyramid (BoP), (2) Financial Inclusion, (3) International Debt Relief, (4) Micro-enterprise and micro-credit, (5) Social industries/social enterprises, (6) Individual development accounts, (7) Corporate Social Responsibility. The beauty of this paper rests on its presentation: each method is tested on a triad - logic, modus operandi and contextual efficacy. The paper concludes with a note that no government can meet all human needs of citizens unless it uses market-related intervention to reduce

poverty (p: 37). Poverty is both a financial status and a state of mind. Serious poverty reduction is multidimensional and costly. Hence, business, government and non-profits together work together.

Second paper 'Public Perception of Corporate Community Involvement: A Net Cost Approach among Students in India and Netherlands' by Wendy Stubbe, Lonneke Roza, Lucas Mejis and M S Moodithaya is based on empirical study conducted in India and Netherlands. Main thrust of study is to identify differences regarding public perception of Corporate Community Involvement (CCI) mainly among business students across two countries. They have tried to bring out the concept CCI as a synonym for, an aspect of, and even a measure of CSR (p: 98) and ascribed it as a collective of corporate philanthropy, corporate social initiatives and simple charitable giving. They are frank enough to admit that perceptions between two countries obviously expected to differ due to socio-cultural differences, state of economy, government and civil society (p: 102). A well developed survey instrument having 50 concrete examples of CCI that combine the net-cost approach that has five areas distinguished by Majies et al, money, mass, media, manpower and means (for details see p:108-9). Scholars interested in/working on CSR issues invariably have to read the explanation on empirical framework, results of the general propositions and results of the rank-order analysis. Overarching conclusion is that in India the magnitude of social issues – poverty and homelessness – are influencing the general acceptance of higher need for collaboration between companies and companies and civil society than in Netherlands. The authors are frank enough to caution that results are to be taken along with country-specific characteristics (p: 120) and according to the needs existing within the societies.

Third paper poses a basic question before green marketing advocates: how should environmental and social responsibility is integrated into traditional

utilitarian business and marketing planning apparatus. While answering this thorny issue, theoretical paper 'Green Marketing Policies and Strategies - Challenges Ahead' presented by Sashikala and Dr P S Yadapadithaya, provides insights into growth of: eco-sensitivity taking the shape of 'green consumerism'; evolution of 'green marketing' in 1970s-80s and its downslide of 'green tide' since 1990's among corporate and non-corporate entities. The decline, they attribute, mainly due to 'green-marketing myopia' (p: 369) along with others like: green spinning, green selling, green harvesting, enviro-preneur marketing and compliance marketing. An interesting fact, they have reported (p:371), is that a worldwide study covering seven countries – USA, UK, China, Brazil, India, Germany and France, reveals that consumers from all these countries believe that green products cost more than comparable non-green ones. Lucid discussion on eight factors that influences the eco-policies and strategies (p: 372-73) (derivatives of corporate vision and mission, p: 379) variables in different strategies: corporate strategic alliances, corporate sponsorships, green marketing best-practices (384-85) and green marketing challenges (p386-87) and others gives this papers give an interesting reading.

Micro-finance and Self-Help-Groups (SHGs)

Recent hullabaloo over usurer rate charged by Micro-Finance Institutions (MFIs) and State regulations in Andhra Pradesh and others, meteoritic rise and fall of Vikram Akula of SKS Finance (its share price as well!!!), made me tizzy before having a glance at the paper 'Determinants of Interest Rate In Micro-Finance Groups: Theoretical Discussion And Empirical Evidence From India' authored by Naveen K Shetty. 'Catch 22' is the best phrase one can use to explain the predicament of MFIs – if they charge high rate on lending to poor, they will be branded usurer and in the bargain, purpose of anti-poverty scheme is defeated; if not, they cannot sustain in their venture, market will push them out. This is what the author meant in his conclusions

(p:142) – 'poverty-lending approach' and 'sustainability approach.' Beginning with an exploration of a wide range of issues in determining the rate of interest in microfinance industry, this paper succeeded in its attempt to explain why rate of interest is critical for MFIs. Field-data was collected from 106 women SHGs across ten villages of Karnataka – five villages serviced by SKDRDP and five others by Sangamitra Rural Financial Services (SRFS), a Mysore-based Not-for-Profit Co. After going through the data tables and brain-numbing statistical analysis, everyone one will relish the last sentence – "a cap on microfinance interest rate in India is essential for inclusion of the excluded" (p: 142)!

'Micro-finance and SHGs – A Way to Reach Un-reached Poor: An Impact Study of Jamkhandi Taluk of Bhagalkot District' written by Vilas M Kadrolkar is an article that believes that 'finance' is a magic-wand that cures poverty (a condition of disadvantage, p:217). Two issues involved are 'micro-finance' and 'SHG'. Resource gap can be minimised to a large extent though micro-finance but it may not cure the 'exclusion' element. One has to remember that homogenised SHGs unleash social capital that are quite essential for risk-taking, product development derived from indigenous knowledge and marketing. Such a bonding assists group-enterprise formation. Well-known American sociologist Mark Granovetter called it as 'strength of weak-ties' rather than 'strong ties'. In fact, Ahmedabad-based SEWA–Self-employed Women Association and others are the best examples of this category are harnessing critical social energy with economic energy. Therefore is commonly accepted that SHG model of micro-finance, which is most popular in India (p:219), will make wonders only when bonding leads to exploitation of business opportunities.

'Empowerment of Women through SHG-Linked Micro Enterprises in India: An Analytical Study in the Social Context' is an important article by Vasathakumar on the development landscape of Kerala, a State known

for high human development indicators. The author claims that SHGs is a powerful instrument of women empowerment and "successful functioning of SHGs has created economic revolution through enabling the women to gain control over them, the resources as also the power to make decision" (p:251). The author has well connected various qualitative as well as quantitative indicators of empowerment through a decent literature survey (p:257). One will get a refreshing idea about social empowerment and its variables, socio-economic aspects of group (*word added*) entrepreneurs followed by six variables of social empowerment: self confidence, social status, mobility, involvement in public activity, awareness and participation in activities of cultural, social and religious organisations. With all the ado the author is frank enough to admit that empowerment is a gradual process (p:273) and micro-enterprises proved to be best vehicle to take a long journey.

Human Resource

'The young one: Do you volunteer' is article of unique kind explores mystical question – why youth in India volunteer and is the collaborative effort of well known professors - Meenaz Kassam, Famida Handy, Julian Ingold and Bhagyashree Ranade. This article is a must read for faculty members of colleges as they come across both youth service wings National Cade Corps (NCC) introduced in 1948 and National Service Scheme (NSS) initiated in 1969 (Gandhiji Birth Centenary year). While tracing the historical origin of NCC, NSS and National Service Volunteer Scheme (NSVS), a less-known variety even to educators, it has succeeded in mapping the 'motivation to volunteer' (MTV) in altruistic colour for India, and in contrast, for development countries like US and others as an 'investment' strategy (i.e. to build up their resume) for securing admission in Universities or to secure advantage in labour market. Yes, of course, it is so happened that one of my well-placed old-student who intend to secure admission to his son to a prestigious university of US for higher

education, secured my help to get a few certificates within my reach, with clear wordings that the boy has served in rural areas as a volunteer during his summer holidays!!! Based on sample size of 600 college students of Pune, this exploratory study speaks, along with others, clearly about ten benefits of volunteering (table 6.3, p:187) from leadership skills (1) to scope for references for employment or admission (10). Being a trained and served NSS officer (1995-97), I fully agree with the punch-line "given that volunteer rates are fairly high among the youth- there is a good chance that these youth will continue volunteering as they grow through life, making the future of volunteering in India very bright!"(p:189).

'Employee Experiences of Spirituality at Work: A Case Study of Selected Insurance Firms of Uganda' by Charles Omagor has special place in this compendium for the simple reason that spirituality (not religiosity) has lot of relevance to make an individual into a morally and ethically-fit human person to live in a civil society. It is rightly said "one of contemporary human resource challenges: harnessing employee spirituality" (p:275). This article adopted four factor model consisting of: Engaging work, Mystical expression, Spiritual connection and Sense of community. This empirically tested paper carries a notable message, "organisations must treat workers as whole person with physical, mental, emotional and spiritual needs". Future of civil society rests on every human person who answers to the 'call of conscience' generated within but heightened by spirituality; even if it is of small measure, it comes a long way in developing less-stressful human settlements across continents!!!

I had an opportunity to pose a query on the brouhaha over 'people-skills' deficits with Indian youth with well-economist Ms Isher Judge Ahluwalia in an academic discourse. She narrated the paradigm shift in skill-sets from hard-skills orientation of 'brick-and-mortar' economy to 'people-skills' of ICE economy (Internet, Communication and Entertainment) that interacts with

international community rather than captive national clientele. In this background the article 'Training and Development as an Investment on Human Capital' penned by Mamata S M and Shobharani H gains relevance. They have selected five service industries – Banking and Finance, Hospitals and healthcare, Hotels and hospitality, Insurance and Transport (p:349) for their analysis with nine themes of training programme attended - from IT training to Team Building (p:352). It is interesting to note that 63 per cent trainees frankly admitted that 'application of learning to job from training' is very minimal by saying 'to some extent' (p:352). It is highly disturbing to note one para under the caption 'Findings' that reads – 'around one-third of the respondents did not report any positive improvement in all the competency dimension (i.e. specific knowledge, general knowledge, work-related skills, attitudinal change, values and work-related habits'.

The article 'Gender Parity in Leadership for Inclusive Development' authored by Sudha Kornginnaya touches vital issue of 'cooperative leadership development' among poor women suffering from multiple deprivations and discrimination. Backed by clear cut methodology, the articles bifurcates the major problems faced by women while assuming 'leadership role as a member' (p:334) and problems faced while discharging 'leadership role as office-bearer' (p: 337). Having done so, the article suddenly turns prescriptive mode with narratives (observation-based) under the heading 'challenges (continue) to be faced by women members and leaders'. One can understand the very fact that 'effective women leadership' will emerge not by policy prescriptions but by the hard-boiled efforts of women themselves to crush women-centric problems inherited for centuries.

Third Sector Administration

Accounting gymnastics displayed by Hyderabad-based Satyam Computers before global investor community

and the tardy judicial process to punish the guilty has virtually robbed the sanctity of financial reporting. Many a times, the stakeholders will take glossy annual income statements along with auditor's small print notes with a pinch of salt. Furthermore, there is compelling need to streamline the accounting and reporting framework for the third sector entities, as they are showered with tax concessions and dole outs. In this hindsight, the paper – 'Financial Reporting in Non-Profit Organisations: Characteristics and Policy Issues' written by B Mahadevappa, S Shankarappa and Rechanna – secures a place of its own. Whatever *masala-mix* a typical research paper needs, this paper has it. Highlight of this paper is the application of Hyndman's *a priori* model (with modifications) that has ten different information sets: five each for financial and non-financials. Three information characteristics – availability (that serves the needs of stakeholders), reliability (dependent on accounting standards and compliance) and comparability (that suits the ecosystem of third sector geographies) forms the nucleus of this paper. Finally, four suggestions given (p:166) are worth readable as well as executable.

Second paper 'Emergence of Third Sector in Meeting Basic Needs in a Struggling American Economy' authored by Thomas Chalmers McLaughlin reminds us the repercussion of western corporate greed by triggering Global Recession 2008-09 and thereby causing untold miseries on hapless Americans; forcing them to live on State social security blanket. Normally, purse-strong Northern NGOs (e.g. OXFAM, CARE) feed fund-strapped Southern NGOs if suits their agenda (even hidden!!!). Time has changed and the Northern NGOs has enough to do in their backyard. People who have the decent historical knowledge of voluntary movement in India since the days of Kings and Queens, must carefully read American Social Service Safety-net (p:316-17). Imageries of poverty differ from developed countries to developing countries; so also

the amount spent on poverty alleviation. Powerful state as well as mission-minded third sector work for the provision of basic needs and higher order needs sourced mainly from budget support as well as corporate charities in US. Nonetheless, hardships faced by Temporary Assistance to Needy Families (TANF) as exhibited in figure 12.3 shows that 58% of TANF families have to go to the food pantries gives a sad reading. It reminds that time-tested tradition of Annadhaana, Vidyadhaana, Ashanadhaana and Udyogadhaana originated from temples and chaultries (often used as night shelters homes) constructed in names of Nobles, though remained as oasis, must be preserved in the socio-cultural map of India.

Public Administration

Political Performance and Millennium Development Goals: Cross Country Experiences, authored by Rajiv Indiranagaraju throws light on "world's time-bound and quantified targets for addressing extreme poverty in its many dimensions – income poverty, hunger disease, lack of adequate shelter and exclusion while promoting gender equality, education and environmental sustainability (p:293) under the acronym MDGs. The intent of the paper is to analyse the role of government in achieving MDGs a few critical factors: Relative Political Extraction (RPE), Relative Political Reach (RPR), strong leadership having expert decision making group, political system having democratic institutions and political system with military rule. After a rich literature review running for seven pages on in-and-out of MDGs, the author asks the two questions: what are the politico-economic factors that would affect the better implementation of MDGs at domestic level? And,

does a particular regime type or a better relative political capacity lead to achieving better targets of MDGs? After reading thru the article, I am confused as to what is 'cross-country experiences'? Is it one country or several countries of seven continents? Can a mathematical model developed in air conditioned rooms of wild-West and working to a decent measure within a Latin American country be airlifted and deployed in African country? Development debate on these issues is inconclusive and continues to do so!!!

After culling the pages of the volume, back and forth, in search of nuggets, I have the satisfaction of 'large measure' in understanding issues pinpointed in the blurb as well as chapter 'Introduction'. Noted in a few articles, there are many areas of conflicting interest that are to be thrashed out to arrest 'climate change' not simply restricted to environmental issues but 'economic climate' as well. In this globalised world, a tremor in Japan, deluge in Thailand, jasmine revolution in Islamic countries, hiccups in Euro-zone countries and others have radiation effects (*sic*) not only for the closer and nearer ones but even for distant countries. None is immunised from the socio-economic contagion.

As mentioned earlier thru a parable, the search is still on to get-a-way out of jungle of intricate issues –local or global – escaping solutions for years. The editors are to be commended for giving shape to the development thought process as well as for bringing Justice K S Hegde Institute of Management, Nitte in the global map as a destination for serious academic discussion and dissemination.
