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SOCIAL RESPONSIBILITY OF BUSINESS, BUSINESS ETHICS AND CORPORATE GOVERNANCE - NEED FOR A UNIFIED APPROACH

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Abstract

Through this paper the author tries to analyse the true meaning of the concepts of Business Ethics, Corporate Social Responsibility (CSR) and Corporate Governance and assess the present status of implementation of these ideas in our country in the context of the ever quickening process of development after the liberalisation and globalisation of our economy. The author feels that subjects of Business Ethics, Corporate Social Responsibility and Governance are at present dealt with independently as separate topics even though they are mutually inclusive and closely inter connected. Business Ethics is all about doing justice to each and every stake holder of business including the society. This is also the ultimate objective of CSR as all the stake holders of business are part and parcel of the society. Thus the concept of CSR transforms into a wider theme of social responsibility of business. Corporate governance enables businesses to fulfil this enlarged responsibility. E-governance facilitates the above process. All the intense dilemmas associated with development we are witnessing in our country these days are the direct result of a lack of clear appreciation of the real meaning of CSR combined with the failure of governance systems. The author disagrees with the tokenism currently practiced by corporate business organisations in fulfilling their sacred responsibility towards society.

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Introduction

Corporate social responsibility or CSR is the subject matter of much discussion these days. The term has become an integral part of corporate business strategies and management principles. It is today a status symbol in corporate business circles that finds a compulsory mention in the Annual Reports of companies often in the form of a routine paragraph. There are hardly any seminars, workshops or any other forum of deliberations on business management where the subject is not casually debated. Corporate social responsibility nowadays finds a place in the curriculum of management institutes as well. As a result of such frenetic and repeated handling of the subject it would appear that CSR is fast attaining the status of a cliché in popular management parlance. Consequently the idea, in its contents and treatment has become totally blurred, "a hat that has lost its shape". In a similar vein, the topics of business ethics and corporate governance are also discussed at great length these days. Corporate governance is a specified or applied version of the generic term of governance. E-governance is also a modern derivative of the same concept. However CSR, Corporate Governance and Business Ethics are generally compartmentalised and deliberated as separate ideas, even though they are mutually inclusive and closely inter-connected. While business ethics is an integral part of corporate social responsibility, without an effective corporate governance system the aims of CSR cannot be achieved.

Corporate Social Responsibility

What does Corporate Social Responsibility really mean? According to one comprehensive definition "CSR covers relationship between corporations (or other large organisations) and the society with which they interact. CSR also includes the responsibilities that are inherent on both sides of these relationships. CSR defines society in its widest sense and on many levels, to include all stakeholders and constituent groups that maintain an ongoing interest in an organisation's operations" (William and Chandler, 2006). In simple terms, CSR would mean the responsibility of business organisations towards the society in its widest sense, whose resources they use for running business. Since businesses have to depend on the society for their sustenance and development, are they not responsible to give something back to the society? A resounding yes is a logical, simple and straight forward answer to the question. But the one grey area which remains to be clarified is the definition of that "something" which businesses are required to give back to the society. It would appear that every one including corporate entities, government and its machineries and management institutes have accepted the above view on corporate social responsibility.

The current discussions on corporate social responsibility are, by and large, limited to the simple and seemingly logical understanding of the term as mentioned above. It is now fashionable for business organisations to earmark some funds every year as part of their annual budgets for activities which they consider adequate to fulfil their responsibility towards society as understood by them. These could be maintenance of a road near the area of their establishments, sponsoring some elementary educational activities or running some dispensaries etc. Some organisations do adopt a village or two nearby for conducting some social activities. Some large companies, for example, Tata Steel, Hindalco, Heavy Engineering Corporation, Coal India Limited, to quote only a few, started separate departments to handle the development issues of the rural areas from where land and other resources were taken in the name of development.

In order to meet the requirement of professional managers to undertake developmental activities in rural areas, management institutions run courses in rural management. Institute of Rural Management, Anand (IRMA) and Xavier Institute of Social Service (XISS), Ranchi, Jharkhand were pioneering institutes in this direction. Thus the concept has settled inside a neat circle enclosing corporate business houses, government agencies, NGOs and management institutes, engendering a sense of self-satisfaction of having done their best to fulfil their part of social responsibility. All our present discussions on the subject are within the periphery of this circle only. Crane and others in 2008 have pointed out "Knowledge of CSR has arguably been more expansive than accumulative. For a subject that has been studied for so long, it is unusual to discover that researchers still do not share a common definition or set of core principles, that they still argue

about what it means to be socially responsible or even whether firms should have social responsibilities in the first place."

Businesses on their part take full advantage of the above scenario and through these activities advertise themselves as socially responsible organisations. Tata Steel, for example, used to advertise "We also make steel" to project that they are more concerned about their social responsibilities than their main occupation of making steel. Jamshedpur where the company is based bears all the indications of their socially responsible intentions. The most recent advertisement slogan of Tata steel is "Values are stronger than steel" which appeared in the media recently. TATA companies[1] have today become a model of the ideal practitioners of the corporate social responsibility concept that nobody dares to question them or to raise a finger against their business programmes and social intentions.

So far so good as far as the concept goes under a situation of slow pace of development and low aspirations of the people. But our country is presently in the throes of fast economic progress. We are knocking at the doors of developed nations for entry into their privileged group. The knowledge and information explosion have heightened the aspirations of people at large. The key elements of quick economic development and fast progress today are the forces of liberalisation[2] from within and globalisation[3] from without. These are irreversible forces clear enough for everyone to need any further clarifications. The simple and logical explanation of CSR as above undergoes severe strain as soon as these forces impinge the concept in its present form. It is then that the boundaries of CSR get challenged. We suddenly realise that what we understood and dealt with so far as CSR are totally insufficient and irrelevant to deal with the problems and consequences of fast development. Most of the intense dilemmas of development we are facing today in our country are the direct result of the lack of our appreciation of the real meaning of CSR. It is now necessary for us to redefine the concept to meet our present day requirements.

We may now attempt to examine the meaning and context of CSR in the changed environment of development in the light of two other concepts currently generating much interest in management circles, namely Business Ethics and Corporate Governance. A clear understanding of CSR is possible only if we reposition it along with the themes of business ethics and corporate governance.

Business Ethics

Ethics in simple terms may be defined as the science of right and wrong. "Ethics as a science involves systemising, defending and recommending concepts of right and wrong behaviour" (Fernando A.C. 2009). "A guide to moral behaviour based on culturally embedded definitions of right and wrong". (William and Chandler 2006) "Ethics may be defined as the study of what is good or right for human beings. Business Ethics is a branch of applied ethics; it studies the relationship of what is good and right to business" (Hoffman and Moore 1984) Therefore ethics in business deals with what is right and wrong in business i.e., the ways and means of running business, its culture, conduct, the rights, duties and responsibilities of people managing them as well as employed in them. These issues of business need not be directly mixed up with any spiritual value systems or notions of morality, but rather be based on pragmatic, down to earth, measurable and accountable factors affecting business and its environment. Some of these may be return on investment and other profit related ratios, wage and salary levels and money spent on welfare amenities, value addition to products and fair price mechanisms benefiting the customers, transparency and fair dealings with vendors and creditors, taxes paid to the government and local bodies, money spent on pollution control, environmental causes, general social upliftment etc. "As morality is often confused with ethics, it is not surprising that the term 'business ethics' should appear so distant and unattainable to many. In reality business ethics begins by knowing the company one works for, understanding the diverse interests of its various stake holders and then charting out programmes that satisfy them and indeed raise their standards of expectation". (Gupta 2005) These ideas are further explained below.

Meaning of Business

It is common knowledge that nobody is in business for fun. If that is true then why are people in business? There are two separate aspects which demarcate a business from any other activity.

(a) Businesses are run for making profit. Profit in common parlance means a surplus of income over expenditure symbolised by money.

(b) Are businesses only for making profits? Obviously the logic for the existence of business is to provide goods and services to the society. Unless this criterion is met adequately no business will be able to earn any profit and will ultimately fail to survive.

The foundation of values in business is therefore laid on the above basic principles of business. Any business activity not fully supported by the above precepts on profit and consumption needs of the society should be considered unethical. The above idea is amply illustrated by the lacklustre performance of both the public sector and private sector industries in our country till very recently. Public sector, as we know got bogged down with various social objectives, to fall in line with our policy of governance based on achieving the aims of a welfare state, totally overlooking the sound business principles of profit motive as a sinful or immoral thought. On the other hand, the private sector by and large greedily hitched on to the band wagon of profit motive as the supreme driving force relegating the service motives of business to the background. This had a debilitating effect on Indian economy for at least five decades after independence.

The ethicality of business in respect of the above principles is further tested on the treatment by business of their stakeholders. As we all know stake holders of business are those who are directly or indirectly touched by the business. They may be enumerated as follows:

(1) The owners are those who invest capital directly or indirectly in business including ordinary share holders. Their stake in business is

adequate returns commensurate with their investments according to the norms applicable to each business.

(2) The employees are those whose livelihood depends on the well being of the organisation. Inversely the well being of the organisation depends on the contributions of the employees also. The stakes of the employees in the business are wages/salaries, working conditions and other amenities etc. However, it is also implied that the employees have to fulfil their duties and responsibilities towards the organisation to be a claimant to their stakes.

(3) The creditors, suppliers, vendors etc., depend for their survival on their dealings with the main business. As individual businesses, they are also responsible to their respective stake holders. Their stake in the business is adequate and timely payments for the supplies made by them commensurate with the quality of services rendered by them.

(4) The customer's stake in the business is uninterrupted flow of goods and services of the right quality, at the right prices, at the right time. From the point of a business, customer as a stake holder is "The King" in the organisation as the survival of the organisation depends on them. But we may also appreciate the fact that under competitive market systems customers have the option to choose between several enterprises to meet their needs which opportunity the other stake holders may not readily have.

(5) The society which includes the state, the country at large and environment as a whole. Any business owes its existence to the society; businesses have a large social responsibility to give a fair share of their gains back to the society irrespective of caste, creed, religion, region or any other differentiation or discrimination. Only ambiguity may be the quantification of the share from the business to the society. When resources are limited, any increase in the share of one stakeholder would be at the cost of others. Business ethics basically deals with the question whether justice is done equally to

each and every stakeholder of business. Ethics in business should concern with the obligation of each and every business to fulfil what it owes to its respective stakeholders and per se not with honesty, integrity, love, loyalty, cooperation etc or any other non-quantifiable values and mores. The quotations from the Bible, "Well then, pay the Emperor what belongs to the Emperor and pay God what belongs to God." (Matt.22.17-21) could be an interesting point for discussion on business ethics. Once appropriate systems and procedures are put in place in business to ensure equal and adequate justice to all stakeholders the values and principles of morality will automatically fall in their proper places. Lack of distributive justice is the starting point of all moral evils and degradations in the value systems in the society. The concepts of corporate social responsibility and governance should start from this realisation.

It is in the above context that the Indian concept of "Rins" (debts) each individual is believed to be born with in this world becomes relevant. According to this concept every individual when he is born to this world arrives with five debts (rins) which he or she is required to discharge during his or her current birth. These debts are:

(1) Debt to the creator (Deva Rin). Creator may also be understood as the Mother Nature who supports us and sustains us.

(2) Debt to teachers (Rishi Rin). Teachers include not only our gurus but leaders, seniors and elders who are supposed to help and guide us through this life.

(3) Debt to parents (Pitri Rin). They include our ancestors and all those who lived before us who gave us our basic values, good customs and traditions which lead us safely and wholesomely through this life.

(4) Debt to society (Nri Rin). This virtually includes not only our immediate surroundings, communities or the nation but also the whole human race of which we are an inseparable part.

(5) Debt to the environment (Bhutha Rin). Whole universe in which we breathe and survive and include all life forms which surround us.

Peter F.Drucker, the modern management guru very aptly pointed out that "During the last fifty years, society in every developed country has become a society of institutions" (Drucker 1973). The above statement is now applicable to any place in the globe. Organisations and institutions are today unavoidable instruments for our survival. Since organisations consist of people, debts which each individual carry accumulate into collective debts to be payed back by organisations concerned. The statement is a beautiful and all embracing concept however abstract it may appear to be, which sums up the whole idea of corporate social responsibility.

The theme of corporate social responsibility need not therefore be a vague concept as it is understood nowadays. All discussions about CSR today centres around the treatment by business of the last of the stakeholders mentioned above i.e. the society. Here also there is considerable difference of opinion as to where this responsibility should start and the extend up to which it should spread. However tokenism has become the order of the day. Business enterprises extend certain token benefits to the society expressed as a small percentage in their budget allocations and carry on with their activities unmindful of other areas of genuine concern to the society. An illustration of this is the response of the business interests and their associations towards the post- Godhra riots[4] in Gujarat, one of the most tragic and dark episodes in the recent history of India. These incidents have further shocked the conscience of all right thinking people by the report that the state which has a noble responsibility to uphold justice was involved in the occurrences. Initially most of the business houses and their associations reacted in horror against the atrocities committed on innocent people. However, they withdrew from their original moral stance and started to be cosy with the government in submission as soon as they found that their business interests in Gujarat may be affected adversely. All of them suddenly and mysteriously became silent. The above change of attitude exhibited by prominent associations representing the business was widely reported by the media at that time. Businesses have an overriding responsibility to uphold

the values which bind together the society, communities and nation itself from where they draw their sustenance. This is essentially the meaning of the term Dharma[5] as it is conceived under Indian ethical thought. Any violation of these principles purely for securing advantages in business damages the society and is against business ethics. Money is a secular concept beyond caste, creed, religion or geographical boundaries. Therefore ethical business organisations should remain neutral and act as binding forces in society than agents of conflict.

It is in this context that we should view the large scale protests, violence and bloodshed witnessed over the establishment of several development projects including Special Economic Zones (SEZ)[6] across the country. The violent agitations against acquisition of land for Nano car Project by Tata Company at Singur was an eye opener. The incidents of agitation against the establishment of a SEZ and steel plant by the South Korean iron ore and steel giant Pohang Iron and Steel Company (POSCO) in Jagatsinghpur District of Orissa, against Kudankulam Nuclear power Project in Tirunelveli District of Tamilnadu, against acquisition of prime agricultural land for establishment of a housing cum business complex in UP, against establishment of SEZ and industrial corridor in coastal Andhra Pradesh are recent examples. Such agitations which often turn violent are on the increase in the country. It is distressing that the TATA companies which boast of progressive management styles, governance systems and enlightened concepts of corporate social responsibility, set out to establish a huge industrial venture in the state of West Bengal, attracted by the various business concessions offered by the state, without showing the wisdom to gauge the mood, preparedness or willingness of the people involved. This venture caused huge embarrassment for the TATA group putting them under adverse light and also created a bad name for the process of development itself in our country. In the state of Jharkhand, about whose backwardness and history of problems of development is well known, none of the industrialists who signed MOUs with the government to establish industries in the state appear to have bothered to study the social unrest they may generate in the process. They all seemed eager to posses thousands of acres of fertile land belonging to the tribal farmers, promised by an equally blind government, to acquire for them at throw away prices along with raw materials and other facilities at heavily subsidised rates. Therefore, CSR is a total concept starting with doing justice to the stakeholders of business and encompassing the circumstances of social processes set in by the machinery of business and development. CSR therefore cannot be described in terms of industries spending some money in desultory activities as part of their budgetary allocation to fulfil their so called ideas of social responsibilities. Even here business organisations and their associations expose narrow mindsets in their attempts to secure tax exemptions from the government on what they spend on CSR.

Gandhian Thoughts on Trusteeship and Social Responsibility of Business

It is evident that Gandhiji's ideas of trusteeship have a direct relationship with the concepts of social responsibility of business. Gandhiji considered economic activities as a system of social partnership amongst the owners, the workers and the society. He envisaged industry as a joint enterprise of labour and capital in which both owners and workers were co-trustees for society. The owners, capitalists or those who manage and run businesses are only trustees who hold the resources of the society in trust. Wealth they hold is not theirs, but belongs to the society. They may take what they require for their legitimate needs and use the rest for society. Gandhiji believed and proposed that businessmen are only custodians of the resources which are entrusted to them for their proper utilisation benefiting the society including them. Therefore trusteeship concept is the philosophical grounding for a real grasp of the subject matter of the corporate social responsibility. On the face of it human nature being as it is we may tend to dismiss the above ideas of Gandhiji as utopian. But the fact remains that common interests and mutual responsibility is the essence of any partnership (Choksi 1966; Moorthy1966). Even though it may not be due to any deliberate intent, a close reading of the Constitution and in particular the Directive Principles of State Policy, is convincing that the trusteeship concept of governance is implied in our constitution. The very principle of welfare state, which is the foundation of our constitution, points to trusteeship. More specifically Sec.38 (b) &(c) under the Directive Principles of State Policy

require that "ownership and control of material resources of the community are so distributed as best to subserve the common good." and "the operation of economic system does not result in concentration of wealth and means of production to the common detriment" respectively. Sec. 42 "provision for just and humane conditions of work and material benefits", and Sec.43 (a) "participation of workers in management of industries" are also relevant in the above context.

Social Responsibility of Business

The ideas on trusteeship were prevalent in one form or other even before Gandhiji adopted it as his pet economic philosophy. As some authors (Choksi 1966; Moorthy 1966) explained, Gandhiji consolidated these ideas in the background of his intimate association with the working of the Indian joint family system. The head of the joint family and its individual constituents are bound together by a sense of mutual and common responsibility. Social responsibility of business cannot be effectively discussed in the rarefied atmosphere of the board rooms of business enterprises cut off from the realities outside .First of all it should be realised that all these stakeholders of business, are part of the society at large. And society itself is a major stake holder in business. As Gandhiji proposed they are all co-trustees of the business. The corporate entities can no longer look down upon society which they are supposed to serve, with condescension from a high pedestal of authority and power. The concept of corporate social responsibility thus transforms itself into a wider theme of social responsibility of business.

Corporate Governance

From the above discussion it is only just one step further to the concept of corporate governance. Corporate governance is the extension of the principles of governance applicable to the governing systems of the government to business organisations. E-governance involves the application of information technology to governance practices to make them simpler, user friendly and transparent. Corporate governance started with a restricted sense of running business efficiently to make it more and more profitable. The sole concern of such governance is by and large confined to restructuring and revitalising of organisations for sustainable profitability. Issues related to the social responsibility of business find only a very insignificant mention in the deliberations of corporate governance so far. "Corporate governance is generally perceived as a set of codes and guide lines to be followed by companies. But governance is more than just board processes and procedures. It involves relationships between a company's management, its board, shareholders and other stake holders (Fernando 2006). If ethics in business is all about doing justice to each and every stakeholder of the business which is also the end objective of CSR, then corporate governance is the administrative actions necessary for achieving the above objective. The fact that a clear understanding of the principles of ethical practices in business leads to healthy concepts of corporate social responsibility and that corporate governance should necessarily be the platform on which business ethics and CSR are enabled is forgotten or totally ignored. The same appears to be true with the field of governance by the instruments of state also. This is evident from the current tendency of the governments in power to take various financial, fiscal or developmental decisions for short term benefits only, without any consideration of their impact on the society at large particularly in the long term and totally forgetting the social responsibility of the government. The frequent tampering of bank interests and repo rates by the RBI in the name of curbing inflation, writing off loans of farmers at the time of farmer suicides instead of systematically tackling the root causes of distress, decontrolling of oil prices and the resulting upward spiralling of oil prices in the market which is a sensitive issue in the country without first tackling the operational inadequacies, lack of productivity, general lapses in governance of the oil companies etc. are few of the illustrative cases in this context. The media hype on the upheavals and crashes of the share market and the panic reactions of the government leading to short term and often short sighted remedies are significant examples of the above trend. Such quick fix remedies bring further calamities on the society. It is a well known fact that upheavals in the stock market impact only a minority of our population who belong to the affluent or influential categories of the society. On the other hand, events of farmer suicides, problems of project evictees

and their rehabilitation, calamities, epidemics, droughts, floods and many other harsh realties of life affecting vast sections of ordinary citizens, the poor, backward and the marginalised of the society, find if at all, only a passing mention in media and other public forums. The attention span of the government including the parliament, assemblies and other administrative arms also appear to be short lived on these socially important matters. Is this not a failure of the governing systems? But what happens to the irreparable physical and psychological trauma faced by the victims who are part and parcel of the society? The fact remains that there is a serious breach of social responsibility and governance in all such incidents which happen pretty regularly in our country. The diffused, and scatterbrained implementation of governance policies in our country may be characterised by the usual spectacle of the public works department completing the construction or repair of a well laid public road only to be cut open the very next day by the water works department or the telephone department for laying pipes or communication lines. Both the departments are fulfilling their social responsibilities but at cross purposes.

Corporate governance is also the vehicle which carries forward the activities of development and progress for their painless and equitable implementation in the society. All the incidents of corruption, scams and other systemic failures are the direct result of the malfunctioning of governance. Such failures bring down miseries and catastrophes on the society especially on the common people. In the above context the slogan "development with caution" adopted by the present government of Kerala in its declaration of the development policy for the state, is indeed a wise pointer towards healthy intentions in governance practices in relation to development. The idea of development and care was prominently included in the election manifesto of the ruling United Democratic Front before the last assembly elections to the state of Kerala.

Corporate governance is like the process of Total Quality Management (TQM). TQM is a quality philosophy popularised by the Japanese which believes in an organisation wide responsibility towards quality where each and every employee of the organisation is actively involved in the pursuit of quality and to infuse in them the spirit of continuous improvement. "TQM implies that all members of the organisation make consistent efforts to achieve the objectives of customer delight through systematic efforts for improvement of the organisation" (Subhuraj 2005). Corporate governance like total quality management should become a movement permeating the whole culture of the organisation and not confined to the top echelons of management alone. The emergence of e-governance makes this task easier. The Indian concept of Satyam, Shivam, and Sundaram may be adopted as focal point of operation of corporate governance. Governance in institutions or government will succeed only if it is based on truth (Satyam) to start with. This means that the goals and objectives of the organisation should be based on noble causes and intentions. Organisations should uphold the principles of sound ethical principles. The second consideration is Shivam which emphasises that governance should be for the welfare of the society. Governance will succeed only if it is based on social responsibility. The third is Sundaram, ie, governance should be based on aesthetics, embracing ideals of justice, equity, fraternity and liberty inculcating dignity, maturity, transparency and balance in all actions.

Money and Society

While discussing the issues of ethics in business and corporate social responsibility, it is worthwhile considering the role of money in society. Money is an essential tool for survival in the modern world. Without money nobody can expect to outlast the tough challenges of the current competitive environment. It is true that we nowadays live in "money driven society". People are in business for making money by supplying goods and services needed by the society. With money becoming the major tool for survival the whole texture of business changes. Different people use different yardsticks for measuring their requirements for survival. It is at this point that all the animal instincts of survival re-surface in man with renewed vigour unless kept in check. Today every aspect of human activity is commercialised and turned into businesses to make money, be it in the field of arts, sports, acquisition of knowledge and education, health and fitness, human relations and love or spiritual and social service activities, to mention only a few.

When the pursuit of money making is hitched to the band wagon of greed they are an explosive combination. Ideas of liberalisation and globalisation in such situations without appropriate checks and balances may produce serious adverse implications in the society as may be seen in most of the developed nations who are ardent followers of the principles of capitalism and free enterprise, in the shape of popular uprising against the greed, injustice and iniquities of the business world. There are many normally honest individuals, institutions and organisations that fall into temptations and get sucked into the vortex of corruption and financial mismanagement merely because of loose systems and laxity in accountability. No amount of moral preaching or ethical lessons in management institutes are going to save the world from these predicaments. Such actions are of course needed to create awareness in the minds of people. But nothing can replace hard nosed systems of corporate governance. Sound backgrounds of spiritual and ethical values will of course provide a strong foundation for good governance.

Conclusion

In conclusion it must be appreciated that Business Ethics, Corporate Social Responsibility and Corporate governance are not isolated subjects to be discussed and decided in the boardrooms of business houses or seminars in five star hotels and workshops in management institutes. The businesses cannot take their social responsibility granted through free gifts showered by them on the society out of goodwill and condescension. The social responsibility of business is a holistic concept arising out of social partnership and trusteeship between all the stakeholders represented by the society and the country. This is possible only if all partners to this trusteeship have a clear grasp of the principles of ethics in business and development as well as elements of governance.

Globalisation and liberalisation are two essential corners or pillars of development today. The other two corners or pillars of development are corporate social responsibility and governance to make the structure complete, stable and self sufficient. Globalisation without business ethics and corporate social responsibility adequately supported by appropriate governance systems will lead to over exploitation and wastage of scarce resources, safety hazards, environmental degradation, greed and corruption, concentration of wealth in the hands of few, lack of distributive justice as well as widening disparities between the haves and the have-nots in society leading to social tensions and disruption of societal peace and harmony. The ill-famous industrial mishap known world over as "Bhopal Gas Disaster"[7] is a glaring example among many others all over the world, of the excesses of unbridled globalisation without proper governance systems in place.

Liberalisation without proper corporate governance systems and strategies will lead to rampant corruption, financial scams, inefficiency and casualness, mismanagement and chaos as we repeatedly witness in our country. Policies of liberalisation and globalisation may lead to socially responsible development only if supported by a bottom line of social responsibility and governance. For this appropriate policies and systems have to be put in place and implemented conscientiously through impartial administrative structures. Wide acceptance and institutionalisation of e-governance are supportive requisites for successfully moving in the above direction.

Thus any discussion on corporate social responsibility has to be part of a comprehensive and unified approach taking into consideration issues of business ethics based on equal justice to all the stake holders of business and supported by strong corporate governance systems. In the absence of the above, the treatment of this important subject will be inconclusive leading to different problems in the path of development as we experience today in our country.

Notes

1. Tata group of companies operating under the banner of Tata Sons is India's largest and most diversified business conglomerate with more than 100 operating companies spread over 85 countries in six different continents.Jamshedji Nusserwanji Tata laid the foundation of the group as a private trading firm in 1868.Today it has spread over several sectors such as Steel, Engineering, Automotive, Chemicals, Energy, Telecommunications, Software, Hotels and Con-

sumer goods. But what distinguishes Tatas from other business groups is their strong sense of business ethics and social commitment. Jamshedpur in Jharkhand is an example of Tatas social involvement.

2. Liberalisation is generally understood as relaxation of government restrictions on economic activities. Economic liberalisation in India refers to the economic reforms undertaken by the Government of India under Shri. Narasimha Rao as Prime Minister and Shri. Manmohan Singh as Finance Minister, from 1991 onwards, to move the country away from a controlled economy to a free market economy. The main objectives of the above policy shift were to transform the Indian economy from a strictly socialistic pattern to more or less a capitalist system to achieve high economic growth, more employment generation and to improve the quality of life of the citizens. This was necessitated because of the sluggish growth of the economy so far, persistent balance of payment crises and pressure from International monetary Fund to embark upon policies to free the economy from unnecessary controls.

3. Globalisation leads to the Indian concept of *Vasudhaiva Kudumbakam* which is a vision of world as a family. Therefore it denotes increasing global intermingling of people, cultures and economic activity. In a restricted sense it refers to the global dispersion of production and supply of goods and services through progressive reduction of barriers to international trade namely, export import restrictions, quotas and tariffs. Globalisation enables the free movement of goods and services across the globe based on the principle of comparative advantage and proximity of markets. Globalisation is considered an economic growth opportunity for both developed and developing countries. But there are many who fear that unchecked globalisation may lead to economic colonisation of poor nations.

4. The post Godhra riots in Gujarat refers to the 2002 communal violence involving wide spread attacks on innocent people in retaliation of the burning of few bogies of Sabarmati Express train carrying pilgrims(Karsevaks) returning from Ayodhya in U.P. 58 pilgrims were burned to death in the incident allegedly by a sectarian mob. In the violence that followed more than 2000 innocent people including women and children were killed. Many were injured or reported missing. Several places of worship were also destroyed and thousands lost their homes.

5. Dharma is a concept of great importance in Indian philosophy associated with values in life. The Sanskrit word denotes "that which upholds or supports" indicating certain divinely ordained natural order or laws which is necessary for social harmony and happiness. These values are necessary to hold the society together.

6. Special Economic Zone (SEZ) is a geographical region where economic and other laws that are more free market oriented than a country's typical national laws. Nationwide laws may be suspended inside a SEZ. The goal of SEZ is to attract Foreign Direct Investments (FDI) to enable faster economic growth through export oriented activities. Various categories of SEZ are Free Trade Zone (FTZ), Export Processing Zone, Industrial Parks and Estates, Free Ports, Industrial Corridors etc. The acquisition of prime agricultural lands for establishing SEZ is a sensitive issue in India.

7. During the night of 2nd and 3rd December 1984, a breach in a tank in the pesticide plant of Union Carbide India Ltd (UCIL- a subsidiary of Union Carbide Corporation) at Bhopal led to the leakage of 42 tons of the deadly chemical Methyl Isocyanate (MIC). It put an end to nearly 4000 lives in just one night. Half a million people around the factory area were exposed to the gas and more than 20,000 people died so far as a result of the exposure to the poisonous gas. Union Carbide Corporation was a multinational company head quartered in the United States producing highly powerful pesticides. UCIL as a company and all those responsible for the tragedy has neither been made fully| accountable nor has adequate compensation been given the victims till date.

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