

Business Ethics
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Lecture – 43
Civil Society and business ethics

Welcome. Till now we have discussed about four main stake holders who are connected with the main economic activities of the organization. Like we have discussed about the share holders who give the capital to the organization, we have discussed about the suppliers who provide raw material to the organization, we have discussed about the employees who help in converting the raw material into the products or services and we have discussed about the consumer who are the buyers of the products or services. So, these four stake holders are the main entities directly connected with the economic activity of the organization.

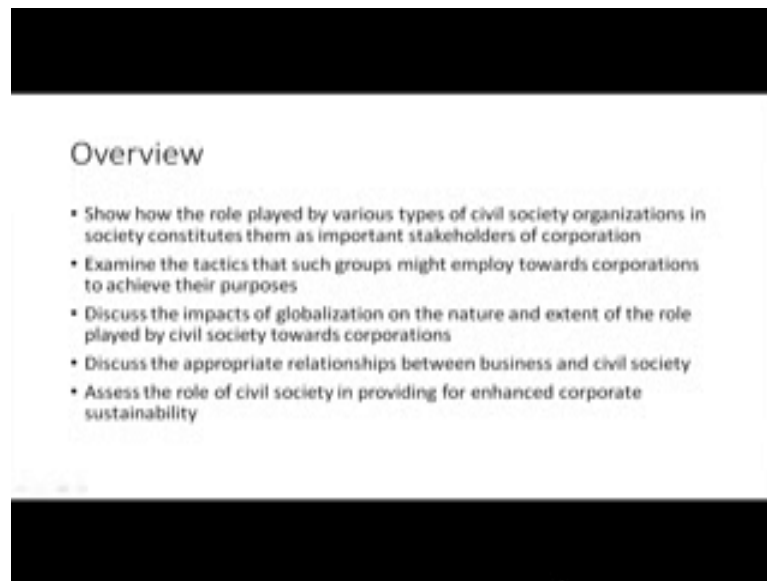
Now, we will discuss a stakeholder who is not directly connected with the economic activity of the organization, but really has a very important role to play in how it does its business in playing a facilitative role or innovative role. This stake holder is described as the civil society; now who are these civil society? Civil society is generally described as a third sector which is beyond the market or the state sector and indicates its definition like civil society is described as a third sector which comprises of the local community groups, NGOs, pressure groups, local bodies who represent their views on how the organization is doing a business is having some impact on the society at large or may be the environment at large and effecting the life of the people or the non human entities also.

So, when you are talking of civil society it is this body who are known as the pressure groups, charities, then the NGOs, local charges, local community etcetera who represent the society and because it has a very important role to play this is defined as the third sector. And what is the requirement of this third sector is some people may feel like the views of the society if it is not incorporated as one of the sectors which will govern what the business is doing and if the business is only guided by the market sector or the state sector then the views of the society at large may get, may not get a proper representation while the other two sectors are putting their views to the corporation. So, the corporation

has to take care of the requirements, the needs and the expectations of the three sectors simultaneously in a holistic way in the process of what they are doing their business as. So, civil society has been incorporated as a prominent third sector which governs or wow how the business will be running.

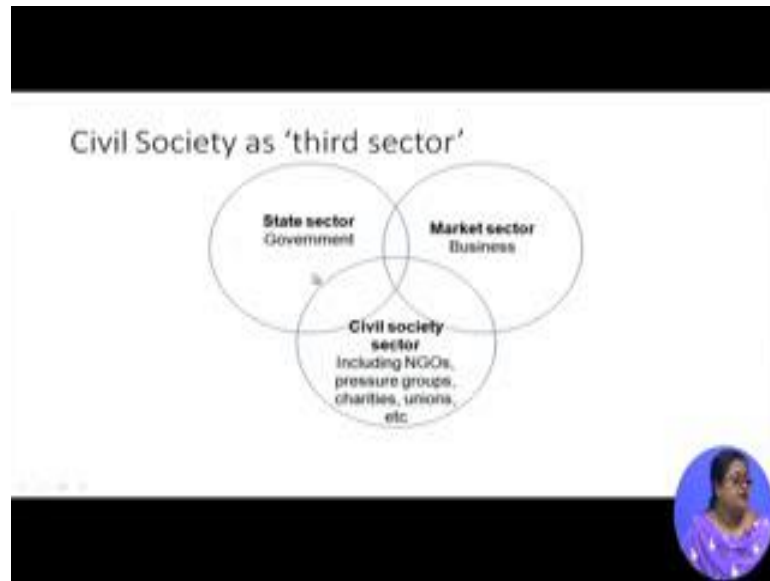
So, in this today's discussion we will focus into ethical issues related to the civil society. Let us see what will be the flow of discussion for today.

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We will be discussing on the role played by various types of civil society organizations in the society and which constitutes them as important stakeholders of corporation. We will try to examine some of the tactics taken by the groups which will taken by the groups to represent the views to the corporation. We will discuss the effect of globalization on the nature and extent of the role played by the civil society towards corporations. We will discuss the appropriate relationship between the business and the civil society and we assess the role of civil society in providing for enhanced corporate sustainability. So, this will be the flow of discussion through the five different modules which will be giving coverage to this subject.

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So, as you can see from here there are three main sectors which are influencing the business and we can see the market sector is the business, the state sector is the government and the civil society sector it includes NGOs, pressure groups, charities unions etcetera. Now the civil society by itself cannot represent itself in the sense the organizations the corporates are not going to talk each of the individuals to know their views on how they expect the organizations to function. So, a representative body which represents the expectations demands rights of the civil society gets formed which speaks for the interest of the civil society gets formed and the corporation communicates with the civil society organization.

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So, we can define civil society organization as a set of organizations which includes a group of NGOs, group of pressure groups, local churches, communities etcetera which speaks in the interest of either human beings or even for the interest of non human entities like the environment also, which are formed for the promotion of certain interest causes and goals. So, and these civil society organizations are neither governments or nor they are in the business sector. So, let us see the diversities in CSOs characteristics.

We find the CSOs can be grouped based on their type, the structure, their focus, the activities and the scope. So, according to type there could be various types of CSOs like community group which gets formed in the community campaign group who are campaigning for particular issues, research organizations who are doing research on particular subject of interest, business associations means these are associations with related to business who take a special cause in looking towards some interest of either relevant to human interest the societies rights or the rights of certain like non human entities also and religious groups who try to propagate some of the values that are and the some of the values which are guided by the religion and they want to see the fulfillment of those may be restrictions given by the religion or some values which inhabit the business from providing harm to it or not respecting it. So, these groups try to speak about those things and also technical bodies. So, these are the different types of CSOs.

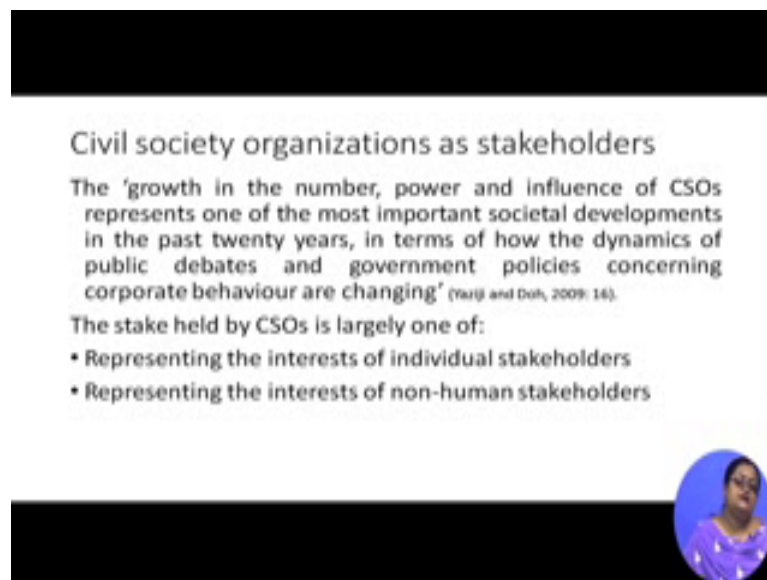
According to the structure means how they are formed mostly it is informal in nature, it could be a formal organization also who is speaking for the interest of the society. This could be cooperatives also formed which are owned by the workers, similar likeminded people who have come together to form that cooperative and who work for the benefit of the members within the organization they do not like did want to see like needs are respected and it is met by the organizations and the rights are respected and not harmed. So, it could be like professional and entrepreneur network also. So, some organizations who have taken up speaking for the cause and interest of others as the part of their profession and that is how that becomes a full time job for them to find out issues speak for it seal, that this voices are get heard and the organization does the right thing to respect this rights and not to provide harm.

The focus based on the where the focus lies for each of the focus interest areas of the CSOs start from many things like it could be natural environment, it could be any social issues which have become prominent these days. Then it could be like development of the society to focus on the like when you are talking of millennium development goals then how these could be focused into and what may be to show like what the corporates can do to hand hold to extend their support to provide for this development goals, poverty alleviation, then speaking for human rights animal welfare. So, these are only some of the issues which are on the focus for the CSOs activities.

So, based on these focus what are the different types of activities are it could be done though academic research to show the effect of one thing done on the other thing, this could be market research to find out how the market is functioning, this could be policy research, then this could be information sharing gathering. So, it could be campaigning against come activities, it could be protest and demonstrations also. So, activities also vary in the nature of whether it is a very active protest negative kind of association with the business or a positive like which we talk of disengagement techniques or engagement positive association with the civil societies and the business to lead towards in terms of like academic research policy, research information provisions and all these factors where it shares information with the business and make them oriented towards where they can extend their help together to work both as unit, together can contribute as a unit to deal with some problems at hand.

The scope of the CSOs could be varying from the individuals like specific individuals need which we are talking about we are talking of the grass roots level people who cannot represent themselves. So, CSOs like speak about them it could be local, it could be regional level effect, it could be national level effect, it could be a trans-national level effect or a global effect. So, it is the spread of the CSO activities and the importance of the issues that will whether it is a global issue, whether it is a local or regional issue and whether the issue is belong to a particular person group of person, it belongs to a community it is a issues with a humans or even with the non human entities also all that will define the scope of the CSOs activities. So, this in nutshell defines the diversity in CSO characteristics.

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Civil society organizations as stakeholders

The 'growth in the number, power and influence of CSOs represents one of the most important societal developments in the past twenty years, in terms of how the dynamics of public debates and government policies concerning corporate behaviour are changing' (Yarji and Doh, 2009: 14).

The stake held by CSOs is largely one of:

- Representing the interests of individual stakeholders
- Representing the interests of non-human stakeholders

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We will discuss now civil society organizations as stakeholders. So, what we find like the growth in the number power and influence of CSOs it represents one of the most important societal development in terms how the dynamics of public debates and government policies concerning corporate behavior are changing. So, we can understand like the CSOs are gradually becoming important group who are expressing their views in and their influential power and techniques which are effecting the speaking up for the public interest and which are making prominent changes in the government policies and so the business activities also. So, that is why we are take this to be a very important stakeholder.

The nature the stake held by the CSO could be of as I was just repeating could be of two types - one who speaks for the interest of the individual stakeholders and representing the individuals of non human stakeholders. So, we can see like they may be becomes the voice the body for representating voice for entities who are not having the competence or the capability to speak for themselves and get themselves heard to the organization.

So, because they may be below, they may be vulnerable human beings they may be vulnerable due to their social positions, education, age or like emotional qualities, psychological or physical qualities. So, these could be vulnerable people also and that is where they cannot represent cannot speak about their own needs to the business organization or they may not have that you know that much of strength, they can gain the strength by being represented by a collective body which speaks on behalf of them. So, for the normal human stake holders also like may be for the air, for the water, for the ecosystem, for the environment, actually this does not have a physical representation to whom the organization can speak. So, they become the body and mind and head for these and soul for these non human stakeholders and try to represent their cause their right to the organizations and try to speak for their interest.

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	Sectional groups	Promotional groups
Membership	Closed	Open
Represents	Specific section of society	Issues or causes
Aims	Self interest	Social goals
Traditional status	Insider	Outsider
Main approach	Consultation	Argument
Pressure exerted through	Threat of withdrawal	Mass media publicity

Based on this nature of the different CSOs and the functions like that they are doing, so we can broadly classify the CSOs under two main headings which are the sectional groups and the other are promotional groups and if we try to differentiate it based on

their nature and like membership what they represent, what they aim at, what is the tradition of the; what is the traditional status of members. So, what are the main approach and pressure exerted through we can see like for the sectional groups who are speaking for the interest of like a specific section of the society the membership - the membership is a closed membership because they are speaking of may be marginalized people they are speaking of certain; people belonging to certain religion faith there is talking of people who are backward or belong to certain tribes, certain castes to certain ethnicity. So, the membership over here is closed.

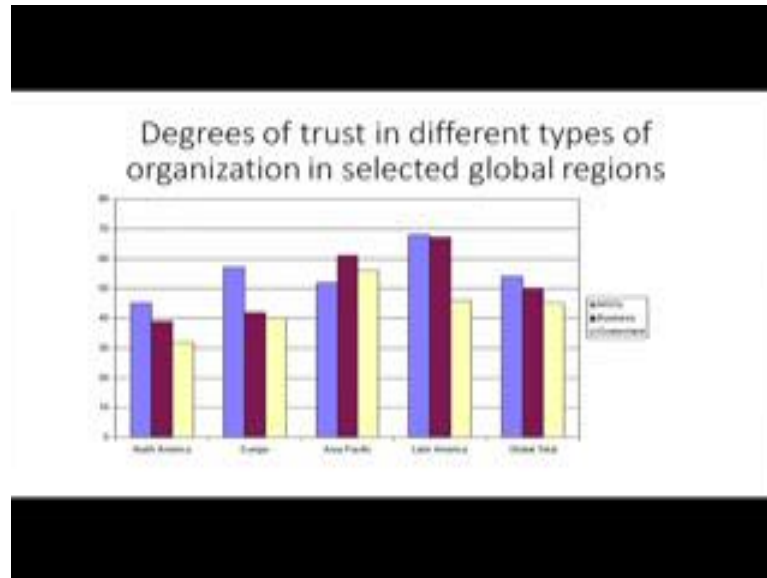
But in promotional groups which are talking of the promotion of the interest of some may be non human or even human problems, these are membership are open membership. The representation is it represents specific section of the society and in the promotional group it represents the issues or the causes; aims in this for the sectional groups it is the self interest of the person for the promotional groups it is the social goals. For the traditional status like we can understand when the membership is closed then it is insider who has a traditional status, for the promotional groups as it is an outsider means open to membership, so membership even outsider can become member also.

So, main approach is consultation may be trying to consult and find the way out in promotional groups it is mainly for argument and establishing one's own causes because it is issue or caused based. Pressure exerted through is under sectional groups it is threat of withdrawal, under promotional groups it is mass media publicity. So, when you are talking of pressure because the sectional group may include a vote bank and withdrawal may represent that political exercising that political power, so for the sectional group pressure is exerted through the threat of withdrawal. And in the promotional group because it is issue based and cause based and because the membership is not restricted to a closed group and it is an open group, so threat of withdrawal is not the technique which is going to work over here. So, it goes for mass media publicity.

So, lot of, like noises are raised or you know like lot of publicity is done in the mass media about the issue to create a moral intensity or a moral framing of the issue at hand. So, people get attracted towards that issue they try to show their support also for the issue and that is how because it is an open membership and outsider can become member also.

So, that way of creating mass media publicity helps in getting more members and increasing the collective strength also and that acts as pressure to the organization to take care of the issue that the CSO is representing.

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So, what we find over here like there is more or less, when we talk degrees of trust in different types of organizations we find in Europe and in North America there is lot of trust on the different types of NGOs and their activities to speak for the issues which are like important for the society and should be taken care of by the organization. In the next module we will discuss about the ethical issues and the CSOs.

Thank you.