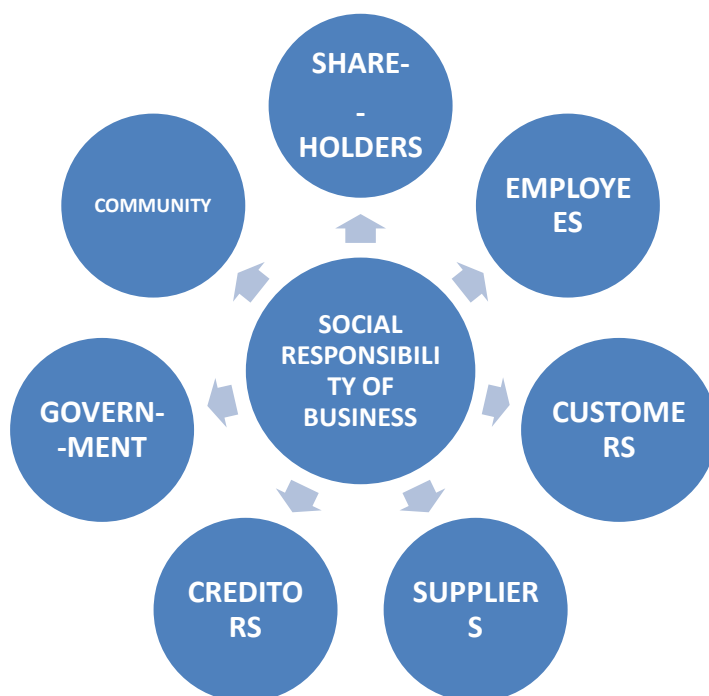


There are four dimensions of Corporate Responsibilities:

1. Economic: Responsibility to earn profit for owners
2. Legal: Responsibility to comply with laws
3. Ethical: Doing what is right, just and fair
4. Voluntary and Philanthropic: Promoting human welfare and goodwill. Being a good corporate citizen contributing to community and quality of life.



SOCIAL RESPONSIBILITY PYRAMID
RESPONSIBILITY OF BUSINESS TOWARDS VARIOUS STAKEHOLDERS



Responsibility towards Shareholders

IMPORTANCE OF SOCIAL RESPONSIBILITY OF BUSINESS

Social Responsibility of Business is important for organization and its stakeholders due to following reasons:

1. Increased productivity and quality
2. Reducing operating cost
3. Increased sales and customer loyalty
4. Reduced in corruption
5. Improved financial performance
6. Improved transparency and reporting
7. Reduced regulatory oversight

Responsibility towards Shareholders

1. Shareholders are source of funds for the company. They expect maximization of the value of their investment in the company.
2. It is the duty of management to see that the financial position of the company is sound and the company always looks for growth.
3. The management should keep the shareholders well informed about the progress and financial position of the company.
4. The assets of the company are purchased with the funds provided by the shareholders. The management is responsible to safeguard these assets.

Responsibility towards Workers

1. Every business should pay reasonable wages and salaries to its employees so that they may satisfy their needs and lead a good life.
2. Good working conditions are necessary to maintain the health of the workers. Since workers spend about 8 hours at work place, they must be provided with good working conditions.
3. Workers should be provided with adequate benefits such as housing and medical facilities, insurance cover and retirement benefits.
4. The management should recognize the workers' right to fair wages, to participate in decision affecting their working life, to form trade unions etc.
5. The workers should be helped by training and other means to improve their skills.

Responsibility towards Customers

1. The management should produce goods which meet the needs of the consumers of different classes, tastes and with different purchasing power.
2. The management should make goods of right quality available to right people at the right time and place at reasonable price.

PUBLIC SECTOR AND PRIVATE SECTOR

PUBLIC SECTOR ENTERPRISE

Public enterprise refers to that industrial institution which is owned, managed and controlled by the government. Public enterprises are also known as Government Enterprises, State Enterprises and Government Industries.

“The term public enterprise usually refers to government ownership and active operation of agencies engaged in supplying the public with goods and services which alternatively might be supplied by private enterprise operations.”
Encyclopedia Britannica

OBJECTIVES OF PUBLIC SECTOR ENTERPRISE

Following are the main objectives of Public Enterprises:

1. To help in the rapid economic growth and industrialization of the country and create necessary infrastructure for economic development.
2. To earn return on investment and generate resources for development.
3. To promote redistribution of income and wealth.
4. To create employment opportunities.
5. To promote balanced regional development.
6. To assist the development of small scale and ancillary industries.
7. To promote import substitution, save and earn foreign exchange.

FEATURES OF PUBLIC SECTOR ENTERPRISE

1. Public sector industries are owned, managed and controlled by the government. The government may be Central or State.
2. In public sector industries, major part of the capital is invested by the Government. Hence, along with the ownership, management also vests with the Government.
3. Public sector enterprises are engaged in production and/or supply of goods and services. For some industries, only public enterprises have the right of production and distribution.
4. Public sector enterprises work under the guidance of a Central Planning Authority. These enterprises minimize the occurrence of trade cycle.

HISTORICAL PRESPECTIVE: INDUSTRIAL POLICY

Till before first world war, the state was not expected to interfere in the industrial field.

The exigencies of II world war forced the state in India to show interest in industry and efforts were made to formulate policy of postwar industrial reconstruction and development.

1914-1918

First World War

1939-1945

Second World War

***OBJECTIVES OF INDUSTRIAL POLICY**

Following are the objective of an Industrial Policy:

1. The basic objective of industrial policy is to increase industrial production of the country.
2. Optimizing production by directing the flow of scarce resources in investment areas in accordance with national priorities.
3. Industrial policy helps in balanced regional development. Industrial policy may contain provisions for providing facilities or concessions for development of backward areas of the country.
4. Cordial relations between workers and management are essential for rapid and sustainable industrialization. A comprehensive industrial policy helps to establish cordial relations.
5. Industrial policy helps in prevention of monopoly and unfair trade practices.
6. An appropriate industrial policy envisions to attract foreign

INDUSTRIAL POLICY, 1977

Industrial Policy, 1977 was declared by non-congress government, Janata Party. The main objective of this policy was to provide encouragement and incentives to small and cottage industries, against big industrial houses and multinational companies. The logic behind it was that due to expansion of small industries, opportunities of employment will increase on the one side and on the other side concentration of economic power will be under control.

INDUSTRIAL POLICY, 1980

The Industrial Policy, 1980 was mainly guided by considerations of growth. The congress party under the leadership of Smt. Indira Gandhi again came to power. This policy was improved version of Industrial Policy, 1956. In this policy, discrimination between small and large industries was reduced.

This policy favoured a more capital intensive path for development and paved the way for the expansion of large and big industrial houses.

OBJECTIVES OF NEW INDUSTRIAL POLICY, 1991

1. To abolish the monopoly of any sector in any field of manufacturing except on strategic or security grounds.
2. To encourage private entrepreneurship and investment in industrial activities.
3. To enhance support to small scale sector.
4. To bring overall changes in the economic structure of the country and build a sound and diversified industrial base.
5. To increase the competitiveness of industries for the welfare of the common man.
6. To maintain a sustained growth in productivity and gainful employment.
7. To remove regulatory system and other weaknesses.
8. To achieve technological dynamism in the country.
9. To attain global competitiveness.
10. To encourage a liberalized environment and to simplify the various

Advantages/Positive Economic & Social Implications of Globalisation	Disadvantages/Negative Economic & Social Implications of Globalisation
Globalisation has permitted Indian business units to expand their business in the whole world. Ex- Infosys, TCS, Wipro, Reliance etc.	With globalisation dominance of foreign institutions has increased. Ex- Pepsi, Coca-Cola.
Globalisation has enabled the inflow of foreign technology which is superior and advanced.	With the increasing use of computers and automatic machines, employment avenues are reduced.
Globalisation has promoted employment opportunities. Foreign companies are establishing their production and trading units in India.	Globalisation tends to transfer talented manpower to industrial countries for better career prospects and facilities.
Globalisation promotes cross border interactions. It results in	Globalisation has also brought in culture of advanced nations. The

MONEY

Money, to an economist is something that plays three specific roles in an economy, and the cash in your pocket is only one form. Money is a very special kind of financial asset that has three important functions.

A medium of exchange

A store of value

A unit of account

2. QUALITATIVE CREDIT CONTROL

This refers to the control of specific credit meant for certain specific objectives. It refers to regulating and controlling the credit to a specific sector. It is discriminatory in nature as it is not applicable to the whole economy.

1. Change in Margin requirement of loans

Margin is the difference between loan value and market value of security. It is fixed by RBI. For different types of loan, margin requirement is different.

2. Moral Persuasion

RBI can also exercise moral influence upon the member banks with a view to pursue the monetary policy. RBI convinces commercial banks to curb loan to unproductive sectors. It advises them to extend more credit to priority sector i.e. agriculture, small industries etc.

LIMITATIONS OF MONETARY POLICY

4. The existence of black money limits the working of monetary policy. The government cannot regulate the black money in accordance with the objectives of monetary policy.
5. An important limitation arises from its conflicting objectives. To achieve the objective of economic development, money supply has to be increased; but to achieve the objective of price stability, money supply has to be decreased.
6. Banking services are not available in some rural and remote areas of the country. Monetary policy cannot regulate credit in such areas.

FEATURES OF FISCAL POLICY

5. Fiscal policy has been providing finance for development of public enterprises. These enterprises have been set up in the area of basic and heavy industries. These enterprises have played significant role in industrial development of nation.
6. Through fiscal policy government spends huge amount on public health education, safe drinking water, welfare of weaker sections of the society, child welfare, woman welfare etc.
7. Fiscal policy has been helpful to alleviate poverty. Considerable public expenditure is incurred on programs like, Jawahar Rozgar Yojna, Prime Minister Rozgar Yojna, Mahatma Gandhi National Rural Employment Guarantee Act, etc. Subsidy given on food, kerosene oil, LPG etc has also benefitted the poor people.

***SUGGESTIONS FOR FISCAL POLICY**

8. The tax structure should be made more progressive so that its burden may fall more heavily on the rich than on the poor.
9. Taxation system must be simple. It will check tax evasion and tax payers will have no inconvenience in paying the tax.
10. Loss making public sector units should be privatized.
11. Some government departments are over staffed. Surplus staff should be down sized.
12. Various subsidies are given by government i.e. food subsidy, fertilizer subsidy, petroleum subsidy, export subsidy etc. These subsidies should be reduced as these put undue burden on government.
13. Implementation of various projects should be strictly monitored so as to check leakage of funds and ensure control over government expenses.

NEW EXIM POLICY 2015-2020

- Rationalise tax incidence-introduce.
- Help improve infrastructure eg. ports, laboratories and Common Facility Centres.
- Promote product standards, packaging and branding of Indian products.
- Help improve manufacturing by mainstreaming exports
- Incentivise potential winners for promising markets;
- Promote and diversify Services Exports.

CONTENT

- Overview of International Business Environment
- Trends in World Trade
- WTO-Objectives and Role in International Trade

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WORLD TRADE
ORGANIZATION

ROLE OF WTO IN INTERNATIONAL TRADE

1. Before WTO, foreign trade was bilateral. WTO has promoted multilateral trade.
2. WTO has promoted foreign trade among all its member nations. The efforts of WTO have helped to increase the volume of world trade.
3. Before WTO, international trade was done mainly in goods. But WTO has promoted trade in services also and thereby changed the composition of world trade.
4. WTO has set up Dispute Settlement Body (DSB) for settlement of disputes. It submits its report within 6 months but in case of urgency this time period is reduced to 3 months.

***FAILURES OF WTO**

1. Liberalization process incomplete.
2. Major benefits to developed countries.
3. Not sensitive to anti-dumping activities.
4. One size fits all approach in multilateral trade rules.
5. All members not equally integrated in the multilateral system.
6. Implementing issues becoming a source of concern.

WTO & INDIA

ADVANTAGES TO INDIA	DISADVANTAGES TO INDIA
Increase in Exports	Burden of royalty
Policy Assistance	Prominence to Developed nations
Trade links	Price rise
Settlements of Disputes	Challenge to Service sector
Increase in FDI	Bad effect on Domestic industries
Availability of Foreign goods	