Unit-5

PESS- Multinational Corporations

Multinational corporations (MNCs in short) are also known as Transnational Corporations (TNCs), Super National Enterprises, Global companies, cosmocorps and so on. According to Prof. John H. Dunning, "A multinational enterprise is one which undertakes **Foreign Direct Investment**, i.e., which owns or controls income gathering assets in more than one country; and in so doing produces goods or services outside its country of origin, i.e., engages in international production."

A multinational corporation has also been defined as "an enterprise: which owns and/or controls producing facilities in more than one country such as factories, mines, oil refineries, distribution channels, offices, etc."'

Characteristics of multinational corporations (MNCs):

(1) Giant Size :

The most important feature of these MNCs is their gigantic size. Their assets and sales run into billions of dollars and they also make supernormal profits. According to one definition an MNC is one with a sales turnover of 100 million. The MNCs are also super powerful organizations. In 1971 out of the top ninety producers of wealth, as many as 29 were MNCs.

(2) International Operation :

A Fundamental feature of a multinational corporation is that in such a corporation, control resides in the hands of a single institution. But its interests and operations sprawl across national boundaries. The Pepsi Cola company of the U.S operates in 114 countries. An MNC operates through a parent corporation in the home country. It may assume the form or a subsidiary in the host country. The foreign control may range anywhere between the minimum of 51 per cent to the full, 100 per cent. An MNC thus combines ownership with control. The branches and subsidiaries of MNCs operate under the unified control of the parent company.

(3) Oligopolistic Structure:

Through the process of merger and takeover, etc., in course of time an MNC comes to assume awesome power. This coupled with its giant size makes it oligopolistic in character. So it enjoys a huge amount of profit. This oligopolistic structure has been the cause of a number of evils of the multinational corporations.

(4) Spontaneous Evolution:

One thing to be observed in the case of the MNCs is that they have usually grown in a spontaneous and unconscious manner. Very often they developed through "Creeping incrementalism." Many firms become multinationals by accident. Sometimes a firm established a subsidiary abroad due to wage differentials and better opportunity prevailing in the host country.

(5) Collective Transfer of Resources:

An MNC facilitates multilateral transfer of resources. Usually this transfer takes place in the form of a "package" which includes technical know-how, equipment's and machinery, materials, finished products, managerial services, and soon, "MNCs are composed of a complex of widely varied modern technology ranging from production and marketing to management and financing.”

(6) American dominance:

Another important feature of the world of multinationals is the American dominance. In 1971, out of the top 25 MNCs, as many as 18 were of U.S. origin. In that year the U.S. held 52 per cent of the total stock of direct foreign private investment. The

Significance of multinational corporations (MNCs):

The multinational corporations today have a revolutionary effect on the international economic system. It is so because the growth of international transactions of the multinationals has affected the more traditional forms of capital flows and international trade for many economies. Today they constitute a powerful force in the world economy.

- The value of the products sold by the MNCs in 1971 was more than $ 500 billion which was about one-fifth of the GNP of the entire world, excepting that of socialist economies. In the host countries, the volume of their production was about $ 330 billion. The present growth rate of their output in the host countries is a spectacular 10 per cent per annum which is almost double the growth rate of the world GNP.
- Among the developing countries only India had an annual income twice that of General Motors, which is the biggest multinational corporation. Otherwise the annual income of the other less developed countries is much less than that of the giant MNCs. By their sheer size the MNGs can disrupt the economies of the less developed countries, and may even threaten their political sovereignty. According to one estimate by early eighties some 300 large MNCs will come to control 75 per cent of the world's manufacturing assets.
- There may be agreement among companies of different countries in respect of division of production, market, etc. These companies are to be found in almost all the advanced countries, with the USA perhaps the biggest amongst them.
- Many MNCs have annual sales volume in excess of the entire GNPs of the developing countries in which they operate. MNCs have great impact on the development process of the Underdeveloped countries.

Let us discuss the arguments for and against the operation of MNCs in underdeveloped countries.

Arguments for MNCs(The positive role): The MNCs play an important role in the economic development of underdeveloped countries.

- **Filling Revenue Gap:** The third important role of MNCs is filling the gap between targeted governmental tax revenues and locally raised taxes. By taxing MNC profits, LDC governments are able to mobilize public financial resources for development projects.
- **Filling Management/Technological Gap:** Fourthly, Multinationals not only provide financial resources but they also supply a "package" of needed resources including management experience, entrepreneurial abilities, and technological skills. These can be transferred to their local counterparts by means of training programs and the process of 'learning by doing'.
- Moreover, MNCs bring with them the most sophisticated technological knowledge about production processes while transferring modern machinery and equipment to capital poor LDCs. Such transfers of knowledge, skills, and technology are assumed to be both desirable and productive for the recipient country.

Other Beneficial Roles: The MNCs also bring several other benefits to the host country.

(a) The domestic labour may benefit in the form of higher real wages.
(b) The consumers benefits by way of lower prices and better quality products.
(c) Investments by MNCs will also induce more domestic investment. For example, ancillary units can be set up to 'feed' the main industries of the MNCs
(d) MNCs expenditures on research and development(R&D), although limited is bound to benefit the host country.

Arguments Against MNCs(The negative role): There are several arguments against MNCs which are discuss below.

1. MNCs often fail to reinvest much of their profits and also they may inhibit the expansion of indigenous firms.

2. Although the initial impact of MNC investment is to improve the foreign exchange position of the recipient nation, its long-run impact may reduce foreign exchange earnings on both current and capital accounts.

3. While MNCs do contribute to public revenue in the form of corporate taxes, their contribution is considerably less than it should be as a result of liberal tax concessions,

excessive investment allowances, subsidies and tariff protection provided by the host government.

4. The management, entrepreneurial skills, technology, and overseas contacts provided by the MNCs may have little impact on developing local skills and resources.

5. MNCs' impact on development is very uneven. In many situations MNC widens income inequalities. They tend to promote the interests of some few modern-sector workers only. They also divert resources away from the production of consumer goods by producing luxurious goods demanded by the local elites.

6. MNCs typically produce inappropriate products and stimulate inappropriate consumption patterns through advertising and their monopolistic market power. Production is done with capital-intensive technique which is not useful for labour surplus economies. This would aggravate the unemployment problem in the host country.

7. The behavior pattern of MNCs reveals that they do not engage in R & D activities in underdeveloped countries.

8. Multinationals may damage the host countries by suppressing domestic entrepreneurship through their superior knowledge, worldwide contacts, and advertising skills. They drive out local competitors and inhibit the emergence of small-scale enterprises.

The impact

Clearly, multinational corporations can provide developing countries with critical financial infrastructure for economic and social development. However, these institutions may also bring with them relaxed codes of ethical conduct that serve to exploit the neediness of developing nations, rather than to provide the critical support necessary for countrywide economic and social development.

- **Environmental impact** - multinationals will want to produce in ways that are as efficient and as cheap as possible and this may not always be the best environmental practice. They will often lobby governments hard to try to ensure that they can benefit from regulations being as lax as possible and given their economic importance to the host country, this lobbying will often be quite effective.
- **Cultural and social impact -** large numbers of foreign businesses can dilute local customs and traditional cultures. For example, the sociologist George Ritzer coined the term ***McDonaldization*** to describe the process by which more and more sectors of American society as well as of the rest of the world take on the

characteristics of a fast-food restaurant, such as increasing standardisation and the movement away from traditional business approaches.

Corporate Governance

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. The phrase "corporate governance" describes "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. It encompasses the mechanisms by which companies, and those in control, are held to account."

Corporate governance isn't just one structure though, but instead it consists of the various duties, obligations, and rights that control and direct a corporation. The point of this governance is to properly distribute the responsibilities that those who participate in the corporation have, such as the managers, stakeholders, creditors, regulators, and of course those in the board of directors. In addition to informing these people of their responsibilities, the corporate governance also informs people of their rights within the company.

The Goals of Corporate Governance: The general principles of all forms of corporate governance are generally related to the shareholders, board members, and stakeholders. In addition to this, corporate governance also places a strong emphasis on the behavior of the corporation and how much the corporation discloses to the public.

Keep the Interest of Stakeholders in Mind: Corporate governance acknowledges that the stakeholders in the company must be recognized in all areas of society, the market, legality, and their contracts. The stakeholders are important members of the corporation that don't hold any shares. Stakeholders include people such as investors, creditors, customers, suppliers, and employees.

Treating Shareholders Equally: As a corporation, the business should not only respect shareholders and their rights, but help the shareholders when it comes to exercising their rights. The best way this is done is by allowing and encouraging shareholders to participate in the activities in the company such as meetings.

Identifying the Roles of the Board of Directors: The Board of the Directors are those that stand at the head of a corporation. The responsibilities of the board are diverse and it requires people needing both skill and knowledge to evaluate employee performance. In addition to this, the corporate governance helps to make sure that the board has the level of commitment and the size that it needs in order to properly run the business.

Ethical Behavior : Ethics and integrity are also key principles of corporate governance. The integrity of anyone placed in corporate office Orin the board should have a high level of integrity. They must also follow a code of conduct and exhibit ethical behavior during the decision making process of the business.

Transparency: The principle of corporate governance is the concept of disclosure or transparency. This is the idea that the corporation should always let it be known what the responsibilities and duties are of those that work for the corporation as well as who is management in order to keep stakeholders accountable. A company with a poor business plan is essentially doomed to fail. Acting ethically and responsibly goes well beyond mere compliance with legal obligations and involves acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors and the broader community. It includes being, and being seen to be, a "good corporate citizen", for example, by:

- Respecting the human rights of its employees (for instance, by not employing forced or compulsory labour or young children even where that may be legally permitted);
- Creating a safe and non-discriminatory workplace;
- Dealing honestly and fairly with suppliers and customers;
- Acting responsibly towards the environment;
- Dealing with business partners who demonstrate similar ethical and responsible business practices.

Corporate Social Responsibility: Corporate Social Responsibility is a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups. Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

Companies have a lot of power in the community and in the national economy. They control a lot of assets, and may have billions in cash at their disposal for socially conscious investments and programs. Some companies may engage in "**Green washing**", or feigning interest in corporate responsibility, but many large corporations are devoting real time and money to environmental sustainability programs, alternative energy/cleantech, and various social welfare initiatives to benefit employees, customers, and the community at large.

The concept of Corporate Social Responsibility (CSR) is generally understood to mean that corporations have a degree of responsibility not only for the economic consequences of their activities, but also for the social and environmental implications. This is sometimes referred to as a 'triple bottom line' approach that considers the economic, social and environmental aspects of corporate activity. Various terms are used to describe CSR initiatives, including 'Corporate Responsibility,' 'Corporate Accountability', 'Corporate Citizenship' and 'Sustainability.'

The meaning and value of CSR may differ in various contexts, depending on local factors including culture, environmental conditions, and the legal framework.

2. What do human rights have to do with CSR?

Human rights are relevant to the economic, social and environmental aspects of corporate activity. For example, labour rights requiring companies to pay fair wages affect the *economic* aspect. Human rights such as the right to non-discrimination are relevant to the *social* aspect. And the *environmental* aspects of corporate activity might affect a range of human rights, such as the right to clean drinking water.

Corporations impact on human rights in significant ways. These impacts have increased over recent decades as the economic might and political influence of corporations has grown, and as corporations has become more involved in delivering services previously provided by governments.

Corporations have come to recognize that part of being a good corporate citizen includes respecting the human rights of those who come into contact with the corporation in some way. This might be direct contact (for example, employees or customers), or indirect contact (for example, workers of suppliers, or people living in areas affected by a corporation's activities).

Corporations are also responding to the fact that many consumers and investors expect corporations to act in a socially responsible manner. The extent to which a company implements a comprehensive CSR program can influence consumer and investor decisions.

3. What is happening on CSR and human rights at the international level?

Over the past decade, the international community has made significant advances in examining and clarifying the links between corporations and human rights.

A wide variety of voluntary initiatives have been developed by individual companies, industry bodies, NGOs, inter-governmental bodies and multi-stakeholder groups.

These initiatives include voluntary guidelines and codes of conduct, monitoring and reporting procedures, and socially responsible reporting indexes.

Under such initiatives, hundreds of corporations worldwide have publicly committed to uphold specific human rights standards. This illustrates the growing acceptance of the need for corporations to simultaneously protect the interests of their shareholders, employees, customers and the community in which they operate.

The United Nations is further developing the expertise on corporations and human rights. In 2005, the UN Secretary-General appointed Professor John Ruggie as his Special Representative on business and human rights. One of the Special Representative's main tasks is to "identify and clarify standards of corporate responsibility and accountability for transnational corporations and other business enterprises with regard to human rights."

Unique Examples of Corporate Social Responsibility

Costa's corporate social responsibility initiatives in India: Their work with the speech and hearing impaired employees was an interesting aspect. Socially responsible business is at the core of mission. It is the companies that utilize their tools to do good and realize that such actions are beneficial not only for society but, in the long run, for themselves as well. Google, Microsoft or Disney receive much attention for their efforts .

Costa Coffee

Costa is a British coffeehouse chain that has branched out to Europe, the Middle East and Asia. As previously mentioned, Costa Coffee in India is taking big steps in their approach to employees. Since 2008, the company's CSR program hires differently-abled employees, including the speech and hearing impaired. For example training programs have been adapted to sign language and all store managers, irrespective of who their employees are, are required to undergo sign language training. Costa's CSR initiative is benefits both those whose opportunities may have otherwise been limited. This program has been so successful that speech and hearing impaired employees account for 15% of company's overall employee ratio, a number that the Costa plans to increase over the coming year.

Haagen Dazs has created a honey bee project website to raise awareness about disappearing honeybees. While mention of the honeybee does not usually trigger thoughts of a global crisis, that is in fact where we are headed if bees continue to disappear at the current alarming rate. Bees are integral to the global food chain and without them there will be great shifts in world-wide food production. As it says on the site, "Honey bees work hard to pollinate hundreds of crops, including fruits, vegetables, nuts and seeds. Yet over the last five years, we've lost over one-third of our honey bee colonies nationwide, due to factors such as Colony Collapse Disorder, an alarming phenomenon that occurs when honey bees mysteriously desert their hive and done." Like Costa, Haagen Dazs has cleverly selected an issue that relates back to its product, as honey bees pollinate many of the ingredients they use in flavoring ice creams, sorbets, and frozen yogurt. The company also donates portions of its proceeds to honey bee research in order to help solve this growing problem.

Reliance Foundation is the manifestation of an audacious dream to inspire and facilitate transformative change and build an inclusive India - an India that will empower its youth to unleash their potential; build bridges between its rural hinterland and urban economy;strive for a higher quality of life for all in the urban areas; leverage the power of education; pay utmost attention to the health of its citizens; celebrate its values, arts, culture and traditions and preserve its heritage.

In what could be the highest CSR spend by an Indian conglomerate, the Tata Group spent Rs 1,000 crore on corporate social responsibility (CSR) in 2013-14. If one were to exclude the salt-to-software enterprise's philanthropic trusts, the Tata Group companies spent Rs 660 crore on CSR in the just ended fiscal. The diversified Indian multinational's CSR spend was well above 2% of its net profit, a minimum requirement for an Indian company under the Companies Act.

Wipro Chairman Azim Premji may have personally contributed enormous sums to community development, but he opposes the mandated spending of 2 per cent of a company's profits on corporate social responsibility (CSR) related activities, as envisaged in the new Companies Bill.

India's second largest IT firm Infosys today said it will contribute Rs 240 crore this fiscal to its philanthropic arm, Infosys Foundation, for funding corporate social responsibility (CSR) activities.

World Trade Organization (WTO): Among the various **functions** of the **WTO**, these are regarded by analysts as the most important: It oversees the implementation, administration and operation of the covered agreements. It provides a forum for negotiations and for settling disputes.

The **World Trade Organization** (**WTO**) is an organization that intends to supervise and liberalize international trade. The organization officially commenced on 1 January 1995 under the Marrakech Agreement, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948.[5] The organization deals with regulation of trade between participating countries by providing a framework for negotiating and formalizing trade agreements and a dispute resolution process aimed at enforcing participant's adherence to WTO agreements, which are signed by representatives of member governments[6]:fol.9–10 and ratified by their parliaments.[7] Most of the issues that the WTO focuses on derive from previous trade negotiations, especially from the Uruguay Round (1986–1994).

The organization is attempting to complete negotiations on the Doha Development Round, which was launched in 2001 with an explicit focus on addressing the needs of developing countries. As of June 2012, the future of the Doha Round remained uncertain: the work programme lists 21 subjects in which the original deadline of 1 January 2005 was missed, and the round is still incomplete.[8] The conflict between free trade on industrial goods and services but retention of protectionism on farm subsidies to domestic agricultural sector (requested by developed countries) and the substantiation of the international liberalization of fair trade on agricultural products (requested by developing countries) remain the major obstacles. These points of contention have hindered any progress to launch new WTO negotiations beyond the Doha Development Round. As a result of this impasse, there has been an increasing number of bilateral free trade agreements signed.[9] As of July 2012, there were various negotiation groups in the WTO system for the current agricultural trade negotiation which is in the condition of stalemate.[10]

WTO's current Director-General is Roberto Azevêdo,[11][12] who leads a staff of over 600 people in Geneva, Switzerland.[13]A trade facilitation agreement known as the Bali Package was reached by all members on 7 December 2013, the first comprehensive agreement in the organization's history.[14][15]

Functions of WTO

The former GATT was not really an organisation; it was merely a legal arrangement. On the other hand, the WTO is a new international organisation set up as a permanent body. It is designed to play the role of a watchdog in the spheres of trade in goods, trade in services, foreign investment, intellectual property rights, etc. Article III has set out the following five functions of WTO;

(i) The WTO shall facilitate the implementation, administration and operation and further the objectives of this Agreement and of the Multilateral Trade Agreements, and shall also provide the frame work for the implementation, administration and operation of the plurilateral Trade Agreements.

(ii) The WTO shall provide the forum for negotiations among its members concerning their multilateral trade relations in matters dealt with under the Agreement in the Annexes to this Agreement.

(iii) The WTO shall administer the Understanding on Rules and Procedures Governing the Settlement of Disputes.

(iv) The WTO shall administer Trade Policy Review Mechanism.

(v) With a view to achieving greater coherence in global economic policy making, the WTO shall cooperate, as appropriate, with the international Monetary Fund (IMF) and with the International Bank for Reconstruction and Development (IBRD) and its affiliated agencies.

Objectives of WTO

Important objectives of WTO are mentioned below:

(i) to implement the new world trade system as visualised in the Agreement;

(ii) to promote World Trade in a manner that benefits every country;

(iii) to ensure that developing countries secure a better balance in the sharing of the advantages resulting from the expansion of international trade corresponding to their developmental needs;

(iv) to demolish all hurdles to an open world trading system and usher in international economic renaissance because the world trade is an effective instrument to foster economic growth;

(v) to enhance competitiveness among all trading partners so as to benefit consumers and help in global integration;

(vi) to increase the level of production and productivity with a view to ensuring level of employment in the world;

(vii) to expand and utilize world resources to the best;

(viii) to improve the level of living for the global population and speed up economic development of the member nations.

Conflict Resolution

Introduction:

In an ideal world, each work place would be a caring community where co-ordination and works are interwined.It would be a work place that is mutually supportive and widely inclusive, a place where courtesy and kindness prevail, where creativity is acknowledged, where diversity is celebrated.

Tool Box of Conflict Resolution Skills

1. **The win-win approach:**
   - In a conflict–resolving organization, an individual's desire to come out on top is replaced by a commitment to cooperation and collaboration and the will to jointly design the way forward.
   - The basic positions of conflicting parties are elicited and examined and every one's deepest fears are addressed with sympathetic concern.

1. **The win-win approach**
2. **Responding creatively**
3. **Mapping conflicts**
4. **Exercising empathy**
5. **Appropriate assertiveness**
6. **Cooperative power**
7. **Managing emotions**:
8. **Willingness to resolve**
9. **Developing options**
10. **Negotiating**
11. **Mediating**
12. **Broadening perspectives**

- The aim is to turn opponents into partners. Individuals at all levels of development can then blossom in the win-win climate.

2. Responding creatively

The process of creative response is about unearthing possibilities, turning threats into opportunities. It constantly prompts us to ask, 'what are the options? , Learning to responding creatively could reveal that a better way, a more loving way, was there all the time**.**

3. Mapping

- It is important to name the conflict and to be prepared to change that name as the players develop more awareness.
- All stakeholders who can be identified are included and the facilitator needs to be prepared to add more names as other interest are revealed.

4. Exercising empathy

- Empathy is a crucial step in establishing rapport and openness. The first move is taken when you put yourself in another's shoes.
- Active listening will reveal the feeling as well as the facts. There are just as important in designing the way forward.
- The aim of good exchange is to establish dialogue and discourage debate, not so much to defend as to respond.

5. Appropriate assertiveness

- Those who are appropriately assertive develop great inner strength, neither playing victim nor bully.
- They communicate their own needs clearly, and when thing go wrong for them, tell others affected, not what the other should do.
- A good for this is an 'I' statement. One formula for developing an 'I' statement is:

'When… (Following by an objective description of what is happening).
'I fell… (Then comes one clear phrase that is without blame).
'And what I would like is….. (Here comes the preferred outcome).

6. Cooperation power

- When' power over, (adversarial power) is replaced by "cooperative power" (power with), the strength and energy involved is more than doubled because nothing is being wasted in a context.
- Persuading other to this style is a skill well worth mastering. The well thought through questions is on the path to mastery and can be a magical agent of change.

Try responding to statement like:

I won't, It's disastrous 'and you're a bunch of morons' with:
'What would make you willing?'
'What would you prefer?
'What do we need to do sort this out?'

Managing emotions

We are at our best when we are creatures of strong emotions. It is natural to experience love, compassion, anger, revulsion, loneliness and alienation within ourselves and recognize them in others. English is rich in choices of language to describe subtle shades of the emotional life. Unmanaged emotions make for poor relationships. Well-managed emotions open doors to great adventures of the spirit.

- Within us are all the instincts of flight and flow and the power to choose between them. Learning the art of conflict resolution can unleash this power.
- Managing one's own emotions well is an important life skill. Only then can one acknowledge these same strong feelings in others and grasp the opportunity love at work.

Willingness to resolve

When a conflict remains unresolved it can prove rewarding to ask- of one self and others _ how many of the conflicting parties have something to gain in not moving on to resolution.

- These gains may be material _for example, retaining financial or other benefits of the status quo.
- They may be emotional _ for example, staying with a state of mind that has become comfortable and familiar.
- It could be an intellectual stretch to really examine the benefits of transcending the conflict_ that is, loving, caring relationships.

Developing options

When two conflicting parties are each vehemently advocating their own preferred outcomes, it is tempting to believe that you are locked into an either/or decision, with the only choice between two win/lose answers. Usually this is far from the case and there are as yet many more undiscovered possibilities.

- Brainstorming can break the impasse, with an invitation to all stake_holders_ and others_ to put forward alternatives. It is the best if you can get all these contributions up on a board for everyone to see.
- A facilitator or stake holder who momentarily steps into that role may create a vision of what it would look like if the problem was solved, then invite others to think of as many paths as they can of how that vision could be achieved.
- It is important in the first instance that no-one judges, approves or disapproves, or indeed passes any comment , just to continue with the process of gathering options. Even going beyond possibilities can make a contribution to re-thinking and breaking out of the box.

Negotiating

The area of skillfully executed negotiation usually requires awareness and preparation. If caught by surprise, ask for some time to prepare if possible. Consider:

What is the most that could be expected from negotiation?
What benefits all parties could receive.

- In thinking about a forth coming negotiation, be prepared to state common ground early. Starting with the differences could make conflicting parties more defensive than they need be.
- A wise negotiator may let some accusations, threats, attacks or ultimatums pass.

- Reframing these so that they address the issue, not the person, can often remove the punitive content and move the negotiation forward.

Mediating

Mediation is a service of love.

- Formal mediation is now an established profession, requiring lengthy training_particularly in conflict resolution_and some measure of accreditation.
- However, a person acting on his or her good will can still participate in conflict resolution as a mediator and can assist the dialogue immeasurably, as long as this is done according to some guide lines. Those who step into this role need to demonstrate confidentiality, impartiality and objectivity and see that the needs of all conflicting parties are being addressed as much as possible.
- Even the most informal mediator can help to establish time and space for a meeting _or meetings _and ask for some agreements, such as equal speaking time for each participant. A mediator does not tell people what to do. Those assisting dialogue need to address power inequalities and help the reticent to have their say by asking well -planned questions.
- The person in mediating mode can be very significant when the way forward is being designed and when agreements are being set, clarifying decisions and suggesting future check-back.

Conclusion:

Blessing for a peacemaker - *By Helena Cornelius*

May peace be with you
May love and truth shine through you
May those you meet
Be blessed by that meeting.

- Using the skills, the systems and the mind set of conflict resolution you will come to appreciate that every person is unique and deserves you sincere respect whether or not you approve of all his or her actions.
- The word 'but' will almost disappear from your vocabulary and in its place will come the magic word 'and'. You will find yourself saying:'yes', and I wonder what else is available.
- With conflict resolution skills and attitudes you are equipped to make a positive contribution to your community, whether that community is your family, your city, your workplace or the whole of humankind.

Additional Information Related to 5th UNIT

Globalization and MNCS:- Economic reforms and globalization have created business giants called Multinational Corporations. MNCS have business interests across the globe and do business in many countries, either on their own or in partner ship with a local business entity. The opening up of the markets in India has made it possible for MNCS to come in and start their enterprises, making available better goods and services. MNCS bring with them better technologies and produce goods of better standards and safety.

The entry of MNCS gives a boost to investment. This creates more jobs and makes available better technology, goods, and services. India and china are the fastest growing markets, with a large demand that MNCS can take advantage of. Poor countries have the immediate advantage of jobs and technology.

Corporate Governance:- Corporate Governance essentially deals with how businesses are conducted. There is a misconception or a business myth that business and ethics are poles apart and do not go together, and that successful business practices have no place for ethics.

Corporate governance based on good ethical policies is the frame work of a good , successful business. All business practices must be based on corporate social responsibility. Doing business and making profit are not the only important objectives. Corporate bodies must be aware of their responsibilities to the society. They must respond to the basic concerns such as, hunger, health, humanrights, and the environment are all part of Corporate responsibilities.

Every corporate entity should formulate an thical policy for its own functions and those of its employees, covering various issues related to its business and social responsibility. The business must respect all governing rules and regulations put forth by the government. It must ensure that all ethical practices are followed and are with in governmental regulations.

Finance and Accounting:- Financial accounting practices come into focus very often. A case in this regard was that of Satyam computer services, a well organized IT company. This case showed a complete failure of Corporate governance in terms of the utter disregard to ethics of the governing board, the management, and the financial auditors.

Corporate Social Responsibility:- CSR is a much debated term. It has come into focus in recent times among Indian Corporate houses as well. CSR is an inherent responsibility of business and in fact makes good business sense. Businesses take from the society and create wealth, jobs and prosperity, and so they have an equal responsibility to see that the society is a whole prospers.

Many industries all over the world are well aware of the importance and significance of CSR.

Kellogg's:- Kellogg's is a well-known company dealing with the production and distribution of Bakery products, beverages and various snack items. The company claims an excellent record in CSR. Their activities are helping children and youth reach their potential, Improving opportunities for minorities and women ,strengthening communities.

Kellogg company provides a dollar-for-dollar match of employee gifts to qualified education, cultural , and environmental organizations.

Infosys Foundation: It was founded by N.R.Narayana Murthy and others. A percentage of the profit of the company is kept aside for CSR activities. Infosys Foundation is headed by Sudha Murthy.

Health Care:- Infosys Foundation has initiated many activities in the area of health care, especially to help poor patients.

A super –speciality hospital at Sassoon Hospital, Pune.

Additional blocks at the Bangalore Diabetes Hospital.

Conduct of medical camps.

Rural Development : Construction of hostel buildings for under privileged students, orphanages, girls hostels, and relief shelters.

Education:- The Infosys Foundation has been active in improving education facilities in rural areas, especially for the underprivileged children.

Supply of books and creation of library facilities in rural areas.

Collaboration with other agencies to improve and facilitate good quality education to rural students.

TATA Group of companies: The company has a good record in CSR activities.

The initiatives are as follows:

Agricultural development.

Education

Women's Programmes

Animal Husbandry

Rural energy

Watershed development

Relief work.