

1. Is it ethical to have compulsory corporate social responsibility (CSR) law? Critically comment.

Introduction

Corporate Social Responsibility (CSR) is referred as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare and to promote positive social and environmental change.

Body

The CSR law mandates an expenditure of 2% of net profits by the corporates. However, recent estimates have shown that corporates spent only 30-40% of the amount that was expected to flow in.

Is CSR unethical

- Many times, CSR benefits have been directed in a way to achieve certain financial motives. Brand and image building and buying customer's faith to increase its market share are commonly used tactics.
- CSR has been used to cover one's unethical and illegal deeds like engaging in rampant exploitation of natural resources like forest, land and water and in return providing meagre benefits for the community to buy their loyalty. Corporates pay their gains through various taxes including corporate tax, surcharges etc. CSR may seem to be an additional forced burden on them and hence unethical.
- CSR has also been seen in areas where there is maximum visibility. This explains why the eastern India lags behind in CSR contribution and sectors like extreme hunger, MMR, IMR, etc receive minimum to no contribution.
- In the name of CSR, a number of NGOs have been established to evade taxes.
- Moreover, the aim is on spending rather than quality of spending, eg building schools rather than quality education. Some companies even give the amount to an NGO who return the amount back after deducting a commission.
- Social responsibilities should come from within and not forced compliance.

Is CSR ethical?

- However, corporates use/exploit excess of natural resources, labour for their personal gains. They owe certain responsibility towards nature and its people. Thus, the ethical aspect of CSR would involve a sense of dedication and responsibility towards the welfare of the locality. It would entail a sense of compassion, empathy and synergy of what the community desires from the company and what the company is capable of doing for them. Cities like Jamshedpur are a true reflection of what CSR truly desires.
- It gives the corporates an opportunity to think else then their own personal gains.

- It helps to fulfil the gaps/spaces in government spending. ex-many companies are doing amazing work by building toilets under Swachh Bharat Abhiyaan and supplementing govt efforts.
- It helps bring innovative ideas to solve social problems.

Conclusion

So, For CSR to truly succeed, corporates have to assume a more ethical role rather than mere profit motive. After all, money may belong to some but resources belong to all and must serve all. CSR helps in realization of this principle and helps achieving the utilitarian philosophy of maximum good to maximum people.

2. Explain the concept of 'conflict of interest' in public institutions. How does conflict of interest breed corruption? Illustrate.

Introduction

Conflict of Interest has shaken the today's world in issue of governance and ethical practices. It refers to a situation in which a person while performing his official duties tries to derive personal benefits through his decision or actions. Usually this issue arises in public and political offices but in present day conditions due to more interactions between public and private enterprises, even private are not untouched.

Body

Public institutions are those which are backed through public funds, controlled by state and is established for public usage.

Public institutions affected by conflict of interest:

- **Appointments:** Appointment of personnel's in public offices that are related to officials.
- **Nepotism:** Favours relatives and friends over others especially in terms of appointments, faster clearances of files etc.
- **Contracts:** Awarding of contracts to known person in exchange for personal favours. Ex: Government contracts to politician son's company or companies owned by his Benami.
- **Policies formulations:** Ministers or representatives involved in policy making in those areas where they have substantial interests. Ex: Person owning tobacco manufacturing company takes part in policy making related to tobacco consumption.
- **Information:** Leaking of information to other persons which might be of personal advantage to him later. Ex: Employee in board meeting leaks information about new contracts to purchase more shares of company for quick gains.
- **Post-retirement:** This can be observed in Judiciary, In view of post retirement jobs, favouring a party or person in verdicts. Ex: Verdict favouring a particular political party in view of future political appointments post retirement.

Conflict of Interest breeds corruption

- **Public procurement:** This is a kind of collusive corruption, where both bribe-giver and person in conflict of interest act as partner and rob the society.
- **Scams:** In judiciary, passing of verdicts in cases where they have substantial dealings. Ex: Judge being partner of company which is involved in cheating.
- **Administrative decisions:** decision making is rule bound and is supplemented by the discretion of individual officers, which may provide scope for corruption.
- **Contracts:** Awarding of contracts to known person in exchange for personal favours. This is again a kind of collusive corruption.

Ways to deal with Conflict of Interest:

- Maintaining Transparency in governance: this will act as deterrence against abuse of power.
- Objectivity in governance: this will help him take impartial decisions and also help in establishing behaviour of integrity.
- Maintaining high standards of behavioural integrity.
- Need for legislation to make non-disclosure of conflict of interest punishable.

Conclusion

In today's world of interconnectedness, where everybody is connected to every other thing, there will be conflict of interest. But it is the duty of individual to take the path of righteousness and function in manner which is both moral and ethical. Also transparency should be maintained for scrutiny to ensure accountability.

3. Do excessive measures to ensure accountability and transparency handicap decision making? Critically examine.**Introduction:**

Civil servants in public administration have to face many conflicts of interests during policy making, policy implementation and decision making. Transparency and Accountability have great importance in the decision-making process of bureaucrats, civil servant and administrators.

Body:

Transparency in civil services refers to the work of civil servant be available in public domain as per requirement and open for scrutiny.

Accountability can broadly be defined as the obligation of those holding power to take responsibility and be held answerable for their behaviour, actions and responsibility.

Excessive Accountability and Transparency Hindrance to decision-making:

- Undue scrutiny demotivates civil servants and instigates the fear of unwanted prosecution.

- Fear of judgment in a certain dilemma like between ethical and rule-based decision, environment and public concerns etc.
- Accountability might act as a deterrent. The fear of consequences might lead to inactivity from decision-makers.
- Promote red-tapism and leads to time delays which ultimately affects decision making.
- Excessive Accountability affects free will. Free will gives space of innovative or creative decision-making ability without the interference of the state.
- Degraded ethical standards and values such as integrity, compassion, empathy, which are essential for decision making, cannot be answered with just transparency and accountability.

Not a hindrance:

- They help in creating institutional checks and balances. Ex. CAG
- They improve the quality of decision making.
- They promote public welfare and not personal gain in decision making. Increased accountability assures that public resources are used for welfare.
- Decisions became more sensitive and inclusive Ex. Accountability created through Environmental impact assessment (EIA) provisions.
- Decision-makers are more answerable to superiors and the public. Ex. Code of conduct, RTI.
- They provide courage, dedication, determination and commitment to do work effectively and efficiently.
- Issues like conflicts of interests, partisanship etc. get addressed in a better manner.
- Facilitates dispute resolution mechanism after the decision has been made.
- They give moral satisfaction to those who exercise power and takes decisions.
- Transparency creates a system of confidence and trust among the stakeholders and builds the faith of the public in the administration and the decision taken.
- Transparency leads to objectivity in decision making.

Conclusion:

Accountability and transparency is an important tool for improving service delivery. However, precaution must be taken by making enough safeguards that it does not become an obstacle in the efficient working of the administrative system.

Citizen charters, Code of conduct and code of ethics which are based on ethics are the tool of any government institution to ensure transparency and accountability and which prevents transgression of decision-making capacity.

4. What are the potential sources of ethical dilemmas in public and private institutions? Illustrate.**Introduction:**

Ethical dilemmas are situations in which there is a choice to be made between two options, neither of which resolves the situation in a morally satisfactory manner. It is a circumstance that requires a choice between competing ideologies in a given, usually undesirable or confusing situation.

Body:

Potential sources of ethical dilemmas in Public institutions:

- **Administrative dilemma:** The promotion of general welfare depends on the use or exploitation of administrative discretion. For ex: Public servants given a responsibility to approve a project to build a dam which would provide irrigation water to lakhs of acres. However, such approval could displace thousands of tribes.
- **Public accountability and administrative secrecy:** Not having enough transparency in all processes due to confidentiality. Ex: whether the cost and process of Rafael deal should be put in public domain or secrecy for national security must be maintained.
- **Law and compassion:** For ex: A needy person who does not fulfil the one or two criteria of a welfare scheme but due to empathy and compassion, a public servant may want to help him/her. A dilemma here is between empathy, compassion and following the prescribed law.
- **Policy dilemmas:** Working towards the best interest of the community versus being responsive to the government. For ex: a favour of capitalism/liberal economy to sustain economic growth versus state ownership to maintain fair distribution of resources.
- **Personal morals:** When the directives are in contrast with own personal values of public officials.
- **Personal interest and duty:** For ex: When an Army officer is in a critical location handling key duties and his mother is sick or wife is pregnant and needs his presence at home.

Potential sources of ethical dilemmas in Private institutions:

- **Personal job security over wrong dismissal of colleague:** For ex: When an employee knows his/her colleague has not done the mistake he/she has been blamed for by the upper level management, but does not speak up because of fear of losing job. Another scenario is where the person knows the upper level employee is guilty but he/she does not complain because of fear of being fired.
- **Company rules over personal morals:** For ex: An honest person facing dilemma over carrying out a dishonest company pitching knowing that it is not as beneficial as exhibited.
- **Societal dilemmas:** For ex: When you know someone is being unfairly treated but continue staying silent over the matter because of societal impression and acceptance.
- **Professional duty and personal life:** When you have to honour confidentiality of patients, clients etc but know a controversy or crisis is going to be caused.

Conclusion:

Assessing the ethical concern of both government and private organization, it can be understood that the challenges posed by ethical dilemma sometimes make a person to be at a lost with no solution in sight. Proper training, code of conduct, emotional intelligence, keeping the public interest above and adherence to the values of integrity, objectivity, honesty in one's own private life etc. will ensure a just and ethical conduct.

5. The judiciary India has pronounced several judgements on the RTI Act. However, the judiciary itself is outside the purview of the RTI. Is it not unethical? Critically comment.**Introduction**

The RTI mechanism emerged fundamentally as a demonstration of the desire to move the process of democracy towards participatory and contributively democracy, thereby strengthening it.

Body**Background:**

- The Supreme Court lauded the role of the Right to Information (RTI) Act as an “integral part of any vibrant democracy.” But the apex court itself has refused to come under the ambit of the information transparency law for the past one decade.
- The court has firmly resisted back-to-back decisions of the Central Information Commission (CIC) and the Delhi High Court to open up to the RTI regime as far as the issues of Collegium and judicial appointments are concerned.
- In fact, the appeal filed by the Supreme Court against public disclosure under RTI has been pending in the Supreme Court since 2010.

The judiciary itself is outside the purview of the RTI; it is unethical:

- **Personal details:** The issue involves the personal assets of the judges and results of the collegiums to fall within the scope of the RTI Act.
- **Ruin the ideology:** The RTI regime will destroy the independence of the judiciary, the disclosure of decisions of the collegiums will ruin the future of the judges, and the litigants would lose their confidence in them.
- **Interference in judiciary:** The question involved was whether disclosure of information under RTI about judicial appointments, transfers of Supreme Court judges, etc., would amount to interference in judicial independence.
- **Confidential matters:** Certain information cannot be revealed to the public-at-large, as it has all the potential of deteriorating the independence of judiciary seems to naïve to be acceptable on pragmatic grounds.

The judiciary itself is outside the purview of the RTI; it is ethical:

- **Section 24:** For any information to be exempted under the Act, it must fall under the purview of the exemptions provided by the statute under Sec. 24. Interestingly, the section does not include the judicial organ of the Government. This makes the whole issue of applicability of the Act on the judiciary indisputable.
- **Section 10:** Sec. 10 of the Act provides with the rule of severability which means that if the disclosure of information involves private information, such disclosure may reasonably be severed or separated from any part of the information and other relevant information will be made available to the public. Example, if the information involves private information that has a connection with the health or life of the judge which he feels should be protected under the umbrella of his Right to Health and Privacy
- **To protect democracy:** Another reason to allow the application of RTI on the judiciary is the protection of the doctrine of distribution of powers between organs of the Government. Like most of the democracies of the world, the executive and the legislature are directly questioned for their actions.

Conclusion

In order to attract the provisions of the Act, the information sought must have a larger public interest. If disclosure of assets of the judiciary is essential to be kept open in the public domain, then there is no denying the fact that the same should be done unarguably. If not, then the judge has no reason to fear such disclosure. The only thing which the judiciary should worry about is to secure public confidence.