VIRTUAL UNIVERSITY OF PAKISTAN

Human Resource Development

HRM627

Course Handouts

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Lesson 1

INTRODUCTION TO HUMAN RESOURCE DEVELOPMENT

The achievement of sustained and equitable development remains the greatest challenge facing the human race. Despite good progress over the past generation, more than 1 billion people still live in acute poverty and suffer grossly inadequate access to the resources-education, health services, infrastructure , land and credit-required to give them a chance of a better life. The essential task of development is to provide opportunities so that these people and hundreds of millions not much better off, can reach their potential.

World Bank, 1992

The world has progressed in many unique ways and directions in the last three decades. It has developed technologically, economically and industrially. It is also richer in terms of human capabilities, facilities and quality of living. Improvements in education, communication, technology and markets have made the world a global village. People live longer today, are better informed, can communicate with one another across the world and therefore carry on economic, professional, educational, social and other activities with ease. These decades of development indicate the vast potential for creating a world of order, security and well-being.

The developments of the last three decades also indicate that while remarkable progress has been made in a number of directions, the fruits of development have not benefited the world's growing number of poor people. And where some benefits have reached the poor, new problems appear in the form of deteriorating social fabric and environmental degradation.

The world faces two major development challenges. The first is to ensure that the fruits of development reach the neediest through equitable distribution of resources, opportunities and benefits. The second is to develop human capabilities and address the challenges of development - political, economic and social. The few countries that have been able to meet both these challenges have demonstrated the importance of investing in developing people and improving the quality of their life through the adoption of human resource development strategies.

THE CONTEXT AND THE NEED FOR HUMAN RESOURCE DEVELOPMENT

Today, there is practically no government or international agency that does not see the importance of human resource development. The World Bank; the United Nations and its constituent bodies include UNDP, UNIDO, WHO, ILO, UNICEF, UNESCO, UNFPA, UNESCAP; regional bodies like ASEAN and SAARC; the South Commission; the Commonwealth Secretariat; international non-government organizations(NGO's); and bilateral aid agencies, all recognize the need for , and the importance of, human resource development. The components and dimensions of human resource development which they perceive as being of strategic importance at a given point of time, for a given country or a group of countries, may vary, but the focus is uniform.

The context for the renewed emphasis on human resource development is significant. The structural adjustments programmers adopted in a number of countries have brought home the vulnerability of human development variables. The linkages between investments in human development programs and economic development have become sharper. There have been major international developments-such as the opening of global markets, the increased market orientation of economies and the restructuring in socialist countries-which have given rise to an increased competition, forcing developing countries to produce and market quality products at competitive prices. At the same time a range of concerns, including environmental issues, the changing role of women, the new information culture and demands for liberalization and democracy, are influencing policy and practice.

The knowledge base surrounding human resource development is increasing rapidly, within government and agencies. It is an area where there are many pressing demands. These demands have to be balanced. Resources have to be found, frontiers agreed upon and strategies formulated. These are issues with which policy makers, planners, decision makers, sectoral planners and government managers have to contend.

This course attempts to provide insights into the strategic importance of investments in developing people, methods of doing the same, strategic choices that need to be made in developing people in terms of the categories of people to be targeted, processes that could be used for effective implementation of human resource development policies and programs, and the sectoral points of attention which are critical for development.

The course focuses particularly on the developing countries and their human resource development goals,

developing human competencies for economic and technological development and to the issue of equitable distribution of resources, opportunities and benefits to improve the quality of life. The course thus sees human resource development as both a means and an end itself.

The Concept and its Dimensions

People make things happen. If people have to make things happen, they need a set of 'circumstances' to make them happen. However, it is the people that create 'circumstances' that can help them and others to make things happen. *HRD is the process of enabling people to make things happen*. It deals both with the process of competency development in people and creation of conditions (through public policy, programs and other interventions) to help people apply these competencies for their own benefit and for that of others. There are many things included and implied in such a definition of HRD. These are now briefly explained.

Competencies and Benefits

Competencies may include knowledge, skills, attitudes and values. The competencies also may deal with any field: agriculture, industry, science, technology, management, various professions (like medicine, law, engineering and teaching), politics, public administration, home science, cooking, labour, telecommunications, research and tourism. The capabilities may be developed in individuals, and communities or collectives. The competencies may be simple, like learning the alphabets, or complex, involving high technology applications relating to medicine, space, telecommunications, defense, environment, etc. the competencies so developed could 'enable' people to act and improve their own lives and those of others. Through such an enabling process people can create more alternatives for themselves and for others and increase their choices. The above definition also emphasizes the purpose of HRD as benefiting people, the individual, group or the community of which the individual is a member. Such benefits may be in terms of basic needs and welfare, including a decent living or high level comforts, leisure and self actualizing opportunities.

The individual or the group should perceive these benefits as benefits. Thus, increased income or purchasing power may be a benefit for some, while freedom to choose one's representative in the political system and freedom of expression may be benefits for others. Thus, what is the beneficial depends on the time, group and other circumstances, and may keep changing

HUMAN DEVELOPMENT AND HUMAN RESOURCE DEVELOPMENT

Some agencies and individual writers have made a distinction between human resource development and human development. For some, human development is a much larger and all-encompassing concept, while HRD is limited to the skill development and knowledge acquisitions often demanded by organizations for employment purposes. They take a limited view of HRD and attribute it as relevant to personnel management practices of the organized sector. Such a distinction, however, is slowly disappearing with the realization that the broadness and all-inclusive nature of the concept of HRD depend on the context in which it is used. For example, it may have somewhat restricted meaning when used in an organizational context, though even in an organizational context, there is evidence of it being used in the same sense as human development (Silvera, 1990; Pareek and Rao, 1981). However, there seems to be a convergence of the needs and priorities set out by various national governments, international agencies and experts in this area, whether they use the term human development or human resource development. The main objection raised by a few to the term human resource development is that it is a narrower concept and it connotes more of skill development. Another objection, rather a mild one, is that the word 'resource' somehow seems to imply that human beings are treated like material and other resources and as 'instruments' of development rather than the beneficiaries of development . The differences are more linguistic than conceptual and seem to depend more on the region or affiliation. Thus those associated with the UNESCAP, ILO, CIDA, Commonwealth Secretariat and other agencies seem to prefer the term human resource development and the UNDP prefers human development. In the recent past, even UNDP has indicated a broad meaning it is given to the term HRD within the context of human development. It defines HRD as referring to those

Policies and programs that support and sustain equitable opportunities for continuing acquisition and application of skills, knowledge and competencies which promote individual autonomy and are mutually beneficial to individuals, the community and the larger environment of which they are a part (UNDP, BPPE, 1991, p.19).

DIMENSIONS OF DEVELOPMENT

Implied in the above conceptualization of HRD are the main facets of development of people including their physical, intellectual, emotional, social, moral, political, spiritual and all other forms of development. People cannot function or make things happen unless they are physically well developed, healthy and free from disease. Thus food, nutrition and freedom from disease become important. People need to earn their food and living by working for it. They need to engage themselves in productive activities for which again a combination of both physical development and intellectual development are important. Intellectual development comes through the process of education and socialization. Social development involves developing the ability to live as a member of the society or a group and contribute to it, at the same time deriving benefits from it. The need of coexistence of all human beings makes this development imperative. Political development ensures human dignity through freedom of expression, democratic participation and an opportunity to influence things that is turn influence the individual's living. Moral and spiritual development is required to bring order, discipline and peace into life and ensure that one person's comfort does not become his neighbor's poison. Thus all forms of development of people can be included in the definition of HRD.

Targets of Development

Such a definition of HRD implies that people may be developed individually, or as groups, or as communities and collectives. When an individual acquires capabilities, they enable the individual to make things happen. However, societies are much more than individuals. They are required to function as groups and for historic reasons they may also be grouped into collectives - for example, the poor or the landless are a collective of people who are poor and without land; some of them may organize themselves to form action groups.

Human resource development also looks at the process of developing such groups and collectives to function better or transform themselves by acquiring new competencies. Although such competencies are acquired by individuals, there are competencies which apply only to a group. For example, the ability of a group to ensure that credit is available to its members from a rural bank and that the individuals repay the loan as per the understanding. Thus HRD focuses not only on the development of individuals but also on the collectives.

The target groups for development can be many: doctors, politicians, businessmen, civil servants, fieldworkers, teachers, voluntary workers, rural leaders, farmers, unemployed youth, scientists, engineers, slum-dwellers, children, girls, illiterates, women, labor (skilled and unskilled), primary school goers, university students, etc. the target groups can be classified on the basis of their age, sex, current socio-economic status, past deprivation, profession, occupation, etc. some of these groups have well-developed HRD systems or mechanisms that are already in operation as a part of their respective sectors and/or government intervention. The teachers in most countries, for example, have a good system of preparing themselves for their roles and continuously updating their competencies. So are the other professionals like doctors and managers. Their efficiency and effectiveness could be improved through sectoral interventions, as well-stabilized sectoral institutions, departments and/or ministries exist to ensure their development and bring it in line with the needs of the country.

Some of the groups in a country have a strategic significance due to the multiplier effect their development has on others. Women and girls form one such group which is important because of the multiplier effect they have on the development of others through families. Women and girls have been found to influence the education and the well being of the entire family. Groups which have been deprived for a long time due to external factors are another important group for equity considerations. Similarly, unemployed youth and the poor also are important target groups - the youth, for the role they play in building the future of any nation, and the poor, for the impact they can have on the economy once they develop besides equity consideration. Development of the poor becomes a critical step for ensuring a sound economic development.

In summary, HRD should be treated as an integrated concept. It deals with the development of all people and is not limited to any one section or sector. It is important and equally critical for all sectors wherever people are involved and are required to make things happen. It is needed for all groups, but particularly the underprivileged; it is needed for the unemployed, underemployed, the employed and the self-employed; it is needed by the politicians, bureaucrats and intellectuals to play their roles better and more effectively; it is needed for running the governments effectively, for improving the effectiveness of various agencies and their services; it is needed for NGOs to be effective and play a strategic role; it is needed for mobilizing resources, community participation and involvement; it is needed for ensuring economic, scientific and technological development of nations; it is needed to ensure that people leave a healthy place of living for future generations.

As discussed earlier in this hand-out, HRD encompasses two major undertakings; the inculcation of

various mechanisms to help them apply these acquired competencies and capabilities, the first part of this course therefore, deal with understanding of human beings as individuals and, the second part revolves around different interventions, policies and programs required to create optimal conditions so that the benefits of HRD become far-reaching and long-lasting for the whole community.

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Lesson 2

FOUNDATIONS OF HUMAN BEHAVIOR

You might be aware of the fact that people differ in their attitudes and behavior. For instance, you interact daily with people who have different types of personalities. And haven't you seen family members or friends behave in ways that prompted you to wonder: Why did they do that? Effective human beings need to understand behavior and this handout introduces several psychological factors that influence behavior. It is to be noted that the context of this handout is that of employee-management and hence various behavioral theories and their implications are studded with examples from the organized sector.

THE ICEBERG OF HUMAN BEHAVIOR

One of the biggest challenges in understanding human behavior is that it addresses issues that aren't obvious. Like an iceberg, behavior has a small visible dimension and a much larger hidden portion. What we see when we look at people is their visible aspects: actions, attitudes, speech, acts, dress, language used, gait, etc. But under the surface are other elements that we need to understand – elements that influence how people behave they way they do and how they work. As we shall see, behavior provides us with considerable insights into these important, but hidden, aspects of human beings.

Attitudes

Attitudes are evaluative statements – either favorable or unfavorable – concerning objects, people, or events. They reflect how an individual feels about something. When a person says, "I like my job," he or she is expressing an attitude about work.

To better understand the concept of attitudes, we should look at an attitude as made up of three components: cognition, affect, and behavior. The *cognitive component* of an attitude is made up of the beliefs, opinions, knowledge, or information held by a person. The belief that "discrimination is wrong" illustrates cognition. The *affective component* of an attitude is the emotional or feeling part of an attitude. Using our earlier example, this component would be reflected by the statement, "I don't like Ali because he discriminates against women". Finally, affect can lead to behavioral outcomes. The *behavioral component* of an attitude refers to an intention to behave in a certain way toward someone or something. To continue our example, I might choose to avoid Ali because of my feelings about him. Looking at attitudes as being made up of three components – cognition, affect, and behavior – helps show the complexity of attitudes. But for the sake of clarity, keep in mind that the term attitude usually refers only to the affective component.

Attitudes and Consistency

Did you ever notice that people change what they say so it doesn't contradict what they do? Perhaps a friend of yours has repeatedly argued that she thinks joining a sorority is an important part of college life, but then she goes through rush and doesn't get accepted. All of a sudden, she's saying that she thinks sororities are dumb and sorority life isn't all that it's cracked up to be.

Research has generally concluded that people seek consistency among their attitudes and between their attitudes and behavior. This means that individuals try to reconcile differing attitudes and align their attitudes and behavior so they appear rational and consistent. When there is an inconsistency, individuals will take steps to make it consistent either by altering the attitudes or the behavior or by developing a rationalization for the inconsistency.

For example, a campus recruiter for R & S Company, who visits college campuses, identifies qualified job candidates, and sells them on the advantage of R & S as a good place to work, would experience conflict if he personally believed that R & S had poor working conditions and few opportunities of promotion. This recruiter could, over time, find his attitudes towards R & S becoming more positive. He may, in effect, convince himself by continually articulating the merits of working for the company. Another alternative is that the recruiter could become openly negative about R & S and the opportunities within the company for prospective applicants. The original enthusiasm that the recruiter might have shown would dwindle, probably to be replaced by cynicism towards the company. Finally, the recruiter might acknowledge that R & S is an undesirable place to work but, as a professional recruiter, realize that his obligation is to present the positive aspects of working for the company. He might further rationalize that no workplace is perfect and that his job is not to present both sides of the issue but to present a favorable picture of the company.

Personality

Some people are quiet and passive; others are loud and aggressive. When we describe people using terms such as *quiet, passive, loud, aggressive, ambitious, extroverted, loyal, tense, or sociable,* we're categorizing them in terms of personality traits. An individual's **personality** is the unique combination of the psychological traits we use to describe that person.

Personality Traits

How would you describe your personality? There are dozens of personality traits you could use; for instance, aggressive, shy, ambitious, loyal and lazy. Over the years, researchers have attempted to focus specifically on which traits would lead to identifying one's personality. Two of the most widely recognized efforts include the Myers-Briggs Type indicator and the five factor model of personality.

Myers-Briggs Type Indicator: Personality assessment tests are commonly used to reveal an individual's personality traits. One of the most popular personality tests is the Myer-Briggs Type Indicator (MBTI). It consists of more than a hundred questions that ask people how they usually act or feel in different situations. The way you respond to these questions puts you at one end or another of four dimensions:

1. *Social interactions:* Extrovert or Introvert (E or I). An extrovert is someone who is outgoing, dominant, and often aggressive and who wants to change the world. Extroverts need a work environment that is varied and action oriented, that lets them be with others, and that gives them a variety of experiences. An individual who's shy and withdrawn and focuses on understanding the world is described as an introvert. Introverts prefer a work environment that is quiet and concentrated, that lets them be alone, and that gives them a chance to explore in depth a limited set of experiences.
2. *Preference for gathering data:* Sensing or Intuitive (S or N). Sensing types dislike new problems unless there are standard ways to solve them; they like an established routine, have a high need for closure, show patience with routine details, and tend be good at precise work. On the other hand, intuitive types are individuals who like solving new problems, dislike doing the same thing over and over again, jump to conclusions, are impatient with routine details, and dislike taking time for precision.
3. *Preference for decision making:* Feeling or Thinking (F or T). Individuals who are feeling type are aware of other people and their feelings, like harmony, need occasional praise, dislike telling people unpleasant things, tend to be sympathetic, and relate well to most people. Thinking type are unemotional and uninterested in people's feelings, like analysis and putting things into logical order, are able to reprimand people and fire them when necessary, may seem hard-hearted, and tend to relate well only to other thinking types.
4. *Style of making decision:* Perceptive or Judgmental (P or J). Perceptive types are curious, spontaneous, flexible, adaptable, and tolerant. They focus on starting a task, postpone decisions, and want to find out all about the task before starting it. Judgmental types are decisive, good planners, purposeful, and exacting. They focus on completing a task, make decisions quickly, and want only the information necessary to get a task done.

Combining these preferences provide descriptions of 16 personality types.

It is said that these personality types influence the way people interact and solve problems. For instance, if your boss is an intuitive type and you're sensing type, you'll gather information in different ways. An intuitive type prefers gut reactions, whereas a sensor prefers facts. To work well with your boss, you would have to present more than just facts about a situation and bring out how you feel about it. The MBTI has been used to help managers select employees who are well matched to certain types of jobs. All in all, The MBTI can be a useful tool for understanding personality and predicting people's behavior.

The Big-Five Model of Personality

Although the MBTI is very popular, it suffers from one major criticism. It lacks evidence to support its validity. That same criticism cannot be applied to the five-factor model of personality, more often called the big-five model. The big-five personality traits are:

1. **Extraversion:** The degree to which one is sociable, talkative, and assertive.
2. **Agreeableness**: The degree to which someone is good natured, cooperative, and trusting.
3. **Conscientiousness**: The degree to which someone is responsible, dependable, persistent, and achievement oriented.
4. **Emotional stability**: The degree to which someone is calm, enthusiastic, and secure (positive)or tense, nervous, depressed, and insecure (negative).
5. **Openness to experience**: The degree to which someone is imaginative, artistically sensitive, and intellectual.

The big five provide more than just a personality framework. Research has shown that important relationship exist between these personality dimensions and job performance. For example, one study examined five categories of occupations: *professionals* (such as engineers, architects, and attorneys), *police managers*, *salespeople*, and *semiskilled* and *skilled employees*. Job performance was defined in terms of employee performance ratings, training competence, and personnel data such as salary level. The result of the study showed that conscientiousness predicted job performance for all five occupational groups. Predictions for the other personality dimensions depended on the situation and on the occupational group. For example, extroversion predicted performance in managerial and sales positions – occupations in which high social interaction is necessary. Openness to experience was found to be important in predicting training competency. Ironically, emotional security wasn't positively related to job performance. Although one might expect calm and secure workers to perform better than nervous ones, that wasn't the case. Perhaps that result is the function of the likelihood that emotionally stable workers often keep their jobs while emotionally unstable workers often do not. Given that all the people who participated in the study were employed, the variance on that dimension was small and insignificant.

Emotional Intelligence

Research into the area of emotional intelligence has offered some new insights into personality. **Emotional intelligence (EI)** is an assortment of non -cognitive skills, capabilities, and competencies that influence a person's ability to succeed in coping with environmental demands and pressures. It's composed of five dimensions:

Self-awareness: The ability to be aware of what you're feeling
Self-management: The ability to manage one's own emotions and impulses
Self-motivation: The ability to persist in the face of setbacks and failures
Empathy: The ability to sense how others are feeling
Social skills: The ability to handle the emotions of others.

EI has been shown to be positively related to job performance at all levels. For instance, one study looked at the characteristics of Bell Lab engineers who were rated as stars of their peers. The researchers concluded that stars were better at relating to others. That is, it was EI, not academic intelligence that characterized high performers. A second study of Air Force recruiter generated similar findings. Top-performing recruiters exhibited high levels of EI. What can we conclude from these results? EI appears to be especially relevant to success in jobs that demand a high degree of social interaction.

Predicting behavior from personality traits

Five personality traits have proved to be the most powerful in explaining individual behavior in organizations. They are locus of control, Machiavellianism, self-esteem, self- monitoring, and risk propensity.

Locus of control: Some people believe that they control their own fate. Others see themselves as pawns, believing that what happens to them in their lives is due to luck or chance. The locus of control in the first case is internal; these people believe that they control their own destiny. The locus of control in the second case is external; these people believe that their lives are controlled by outside forces. Research evidence indicates that

and less involved in their jobs than are those who are high on internality. A manager might also expect externals to blame a poor performance evaluation on their boss's prejudice, their co-workers, or other events outside their control; internals would explain in terms of their own actions.

Machiavellianism: The second characteristic is called Machiavellianism (Mach) named after Niccolo Machiavelli, who wrote in the 16th century on how to gain and manipulate power. An individual who is high in Machiavellianism is pragmatic, maintains emotional distance, and believes that ends can justify means. "If it works, use it" is consistent with a high Mach perspective. Do high Machs make good employees? That depends on the type of job and whether you consider ethical factors in evaluating performance. In jobs that require bargaining kills (such as a purchasing manager) or that have substantial rewards for winning (such as a salesperson working on commission), high Machs are productive. In jobs in which ends do not justify the means or that lack absolute measure of performance, it's difficult to predict the performance of high Machs.

Self-Esteem: People differ in the degree to which they like or dislike themselves. This trait is called self-esteem. The research on self-esteem (SE), offers some interesting insights into the study of human behavior. For example, self-esteem is directly related to expectations for success. High SEs believe that they posses the ability they need in order to succeed at work. They will take more risk in job selection and are more likely to choose unconventional jobs than are people with low self-esteem.
The most common finding on self-esteem is that low SEs are more susceptible to external influence than are high SEs. Low SEs are dependent on receiving positive evaluation from others. As a result, they are more likely to seek approval from other and are more prone to conform to the beliefs and behaviors of those they respect than are high SEs. Low SEs will tend to be concerned with pleasing others and, therefore, will be less likely to take unpopular stands than are high SEs.
Not surprisingly, self-esteem has also been found to be related to job satisfaction. A number of studies confirm that high SEs are more satisfied with their jobs than are low SEs.

Self-Monitoring: Another personnel trait that has received increased attention is called self-monitoring. It refers to an individual's ability to adjust his or her behavior to external, situational factors. Individuals high in self-monitoring show considerable adaptability in adjusting their behavior. They're highly sensitive to external cues and can behave differently in different situations. High self-monitors are capable of presenting striking contradictions between their personnel persona and their private selves. Low self- monitors cannot adjust their behavior. They tend to display their true dispositions and attitudes in every situation, and there's high behavioral consistency between who they are and what they do.
Research on self-monitoring is fairly new; thus, predictions are hard to make. However, preliminary evidence suggests that high self-monitors pay closer attention to the behavior of others and are more flexible than are low self-monitors. We might also hypothesize that high self-monitors are successful in managerial positions that require them to play multiple, and even contradictory, roles. The high self-monitor is capable of putting on different 'faces' for the audience.

Risk Taking: People differ in their willingness to take chances. Differences in the propensity to assume or to avoid risk have been shown to affect how long it takes managers to make a decision and how much information they require before making their choice. For instance, in one study, a group of managers worked on simulated exercises that required them to make hiring decisions. High risk-taking managers took less time to make decisions and used less information in making their choices than did low risk-taking managers. Interestingly, the decision accuracy of the two groups was the same. To maximize organizational effectiveness, managers should try to align employee risk-taking propensity with specific job demands. For instance, high risk-propensity may lead to effective performance for a commodities trader in brokerage firm because this type of job demands rapid decision making. On the other hand, high risk-taking propensity might prove a major obstacle to accountants auditing financial statements.

Lesson 3

PERCEPTION

Perception is a process by which individuals give meaning to their environment by organizing and interpreting their sensory impressions. Research on perception consistently demonstrates that individuals may look at the same thing yet perceive it differently. One manager, for instance, can interpret the fact that her assistant regularly takes several days to make important decisions as evidence that the assistant is slow, disorganized, and afraid to make decisions. Another manager with the same assistant might interpret the same tendency as evidence that the assistant is thoughtful, thorough, and deliberate. The first manager would probably evaluate her assistant negatively; the second manager would probably evaluate the person positively. The point is that none of us sees reality. We interpret what we see and call it reality. And, of course, as the example shows, we behave according to our perception.

FACTORS THAT INFLUENCE PERCEPTION

How do we explain the fact that people can perceive the same thing differently? A number of factors act to shape and sometimes distort perception. These factors can reside in the perceiver; in the object, or target, being perceived; or in the context of the situation in which perception occurs.

The Perceiver: when an individual looks at a target and attempts to interpret what he or she sees, the individual personal characteristics will heavily influence the interpretation. These personal characteristics include attitudes, personality, motives, interests, experiences and expectations.

The Target: the characteristics of the target being observed can also affect what's perceived. Loud people are more likely than quiet people to be noticed in a group. So, too, are extremely attractive or unattractive individuals. Because targets aren't looked at in isolation, the relationship of a target to its background also influences perception, as does our tendency to group close things and similar things together.

The Situation: the context in which we see objects or events is also important. The time at which an object or event is seen can influence attention, as can location, light, heat, color, and any number of other situational factors.

Attribution Theory

Much of the research on perception is directed at inanimate objects. Managers, though, are more concerned with people. Our discussion of perception, therefore, should focus on how we perceive people.

Our perception of people differs from our perceptions of inanimate objects because we make inferences about the behaviors of people that we don't make about objects. Objects don't have beliefs, motives, or intensions; people do. The result is that when we observe an individuals behavior, we try to develop explanations of why they behave in certain ways. Our perception and judgment of a person's action, therefore, will be significantly influenced by assumptions we make about the person.

Attribution theory was developed to explain how we judge people differently depending on the meaning we attribute to a given behavior. Basically, the theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. Internally caused behaviors are those that are believed to be under the personal control of the individual. Externally caused behavior results from outside factors; that is, the person is forced into the behavior by the situation. The determination, however, depends on three factors: distinctiveness, consensus, and consistency.

Distinctiveness refers to whether an individual displays a behavior in many situations or whether it's particular to one situation. Is the employee who arrives late today the same person that some employees are complaining is a 'good-off?'

What we want to know is whether this behavior is unusual. If it's unusual, the observer is likely to attribute the behavior to external forces, something beyond the control of the person. However, if the behavior isn't unusual, it will probably be judged as internal.

If everyone who's faced with a similar situation responds in the same way, we can say the behavior shows consensus. A tardy employee's behavior would meet this criterion if all employees who took the same route to work were also late. From an attribution perspective, if consensus is high, you're likely to give an external

accident – caused the behavior. However, if other employees who come the same way to work made it on time, you would conclude that the cause of the late behavior was internal.
Finally, an observer looks for consistency in a person's actions. Does the person engage in the behaviors regularly and consistently? Does the person respond the same way over time? Coming in 10 minutes late for work isn't perceived in the same way if, for one employee, it represents an unusual case (she hasn't been late in months), while for another employee, it's part of a routine pattern (she's late two or three times every week). The more consistent the behavior, the more the observer is inclined to attribute it to internal causes.
One of the most interesting findings from the attribution theory is that are errors or biases that distort attribution. For instance, there's substantial evidence to support the fact that when we make judgments about the behavior of other people, we have a tendency to underestimate the influence of external factors and to overestimate the influence of internal or personal factors. This tendency is called the fundamental attribution error and can explain why a sales manager may be prone to attribute the poor performance of her sales representative to laziness rather than to the innovative product line introduced by a competitor. There's also a tendency for individuals to attribute their own success to internal factors such as ability or effort while putting the blame for performance failure on external factors such as luck. This tendency is called self-serving bias and suggests that feedback provided to employees in performance reviews will be predictably distorted by them depending on whether it's positive or negative.

Shortcuts Frequently Used in Judging Others

We use a number of shortcuts when we judge others. Perceiving and interpreting what others do is a lot of work. As a result, individuals develop techniques for making the task more manageable. These techniques are frequently valuable; they let us make accurate perceptions rapidly and provide valid data for making predictions. However, they aren't perfect. They can and do let us get into trouble. An understanding of these shortcuts can be helpful for recognizing when they can result in significant distortions.
Individuals cannot assimilate all they observe, so they engage in selectivity. They take in bits and pieces of the vast amounts of stimuli bombarding their senses. These bits and pieces aren't chosen randomly; they are selectively chosen depending on the interests, background, experience, and attitudes of the observer. Selective perception allows us to "speed read" others, but not without the risk of being inaccurate.
It's easy to judge others if we assume that they're similar to us. In assumed similarity, or the "like me" effect, the observer's perception of others is influenced more by the observer's own characteristics than by those of the person observed. For example, if you want challenges and responsibilities in your job, you'll assume that others want the same. People who assume that others are like them can, of course, be right, but most of the time they're wrong.
When we judge someone on the basis of our perception of a group he or she is part of, we're using the shortcut called stereotyping. For instance, "married people are more stable employees than single persons" and "union people expect something for nothing" are examples of stereotyping. To a degree that a stereotype is based on fact, it may produce accurate judgments. However, many stereotypes have no foundation in fact. In such cases, stereotyping distorts judgment.
When we form a general impression about a person on the basis of a single characteristic, such as intelligence, sociability, or appearance, we're being influenced by the halo effect. This effect frequently occurs when students evaluate their classroom instructor. Students may isolate a single trait such as enthusiasm and allow their entire evaluation to be slanted by the perception of this one trait. An instructor may be quiet, assured, knowledgeable, and highly qualified, but if his classroom teaching style lacks enthusiasm, he might be rated lower on a number of other characteristics.

Lesson 4

INTRINSIC MOTIVATION

Abstract: This theoretical paper studies and proposes to explore further the dispositional causes of intrinsic motivation and, therefore, contributes to both personality as well as motivational literature. Because of its relatively longer history, during which it has endured many tests, Big Five Framework is proposed to map the construct personality. The paper probes into the etiology of one of the most powerful forms of motivation, the intrinsic motivation (IM) or engaging in a task for its engagement value. Three elements, cognition; affect and, values are identified as the basis of an intrinsically motivated behavior. These three elements are used in developing the dynamics of link between personality and intrinsic motivation. On the basis of theoretical discussions and various empirical evidences provided, five propositions, linking the five factors of Big Five Model with propensity for intrinsic motivation, are suggested. The need for developing more reliable, generalize-able and, valid measures of intrinsic motivation is stressed for future researchers so that the two constructs of personality and intrinsic motivation are studied more objectively with more empirical evidence at hand.

DISPOSITIONAL CAUSES OF INTRINSIC MOTIVATION

Introduction

In the past ten to fifteen years extensive work has been carried out in exploring the link of construct personality with other constructs like job performance, job satisfaction, work values, psychological contracts, emotions and, cognition. Link of personality with intrinsic motivation exists, but there is paucity of literature exploring the link from a multi faceted perspective. This theoretical paper is an attempt to review the literature for exploring the relationship between personality and operational zed forms of intrinsic motivation, such as job satisfaction and emotions, at individual levels, and to synthesize and integrate these explorations and to formulate a comprehensive model providing a mechanism through which these different facets of motivation link up with personality providing deeper insights into the anatomy of overall relation between the two constructs.

Raja et al. (2002), in presenting their model considering how personality affects the formation of psychological contracts, find it "surprising to note that although the distinctly personal nature of psychological contracts suggest a pivotal role for personality, most research has looked at situational, rather than personal determinants of contract formation, breach and, violation." Intrinsic motivation also has a distinctive personal and inherent nature and as such the role of personality in its development and sustainability cannot be overlooked.

This paper explores the basis of the constructs personality (from the perspective of Big Five Model) and intrinsic motivation and suggests a link-up through theoretical and empirical evidence presented step by step and presenting specific arguments for the five suggested propositions.

The Construct: PERSONALITY

In our day-to-day life almost all of us make a conscious or at least subconscious assessment about other fellow human beings: *everyone is different*. And different in nearly all conceivable ways, different in appearance, voice, body language, habits, attitudes, behaviors, preferences and, the list goes on and on. These differences are boundless and whether they remain insignificant and unnoticeable by others (Goldberg, 1990), they still are there and with the changing global work practices, the impact of these differences or diversity is assuming all the more importance. Whatever the history and outcome of these personal differences may be, one common element accountable for these differences is our personality.

Personality theory has been an integral part of psychology and is basically concerned with framing and evaluating models of human nature (Hogan, 1991) and for the past 25 years or so many theories and frameworks of personality have been put forward. In this paper I will be following personality from the context of Big Five Model or the Five Factor Model (FFM). But before coming to the FFM, let's first come to terms with the concept of personality and the traits on which it is based.

Hogan (1991) defines personality at two levels; one which is open to others or public aspect and another, internal or private level, where personality is referred to as "structures, dynamics, processes, and propensities inside a person that explain why he or she behaves in a characteristic way." Personality, therefore, encompasses

Traits, corresponding to two aspects of personality, also operate at two levels; on the one hand trait refers to recurring regularities or trends in a person's behavior and on the other hand, trait also denotes psychological features, attitudes, emotions, and ways of perceiving and thinking, the ways that exist inside a person and explain the recurring tendencies in a person's behavior (Hogan, 1991). In short, traits are the stylistic consistencies exhibited by individuals in their social behaviors or broadly referring to stable and consistent ways of thinking, feeling, or acting exhibited by individuals (Judge, Locke & Durham, 1997). It is, however, important to note that researchers acknowledge the major value of traits lying not in their usefulness in predicting specific behaviors, but in their value as predictors of aggregated behavior, that is, of behavior in the longer run averaged over many situations, occasions, and responses (Epstein & O'Brien, 1985).

Why Choose Big Five Framework?

Big Five Framework has a reasonably long history to its credit and has endured many a tests imposed on it by personality researchers, and the recent verdict on FFM by Funder (2001) is that it is," "latitude and longitude" along which any new personality construct should be routinely mapped.

Sir Francis Galton was probably among the first scientists to recognize explicitly the fundamental lexical hypothesis, meaning that most important individual differences in human behavior can be encoded as single terms in some or all of the world's languages (Goldberg, 1990). Galton (1884) is known to have come up with full one thousand words expressing human character. Thurstone, a pioneer in the development of factor analysis, later on in 1934, developed a list of sixty adjectives for describing people. It was the application of factor analysis on these sixty adjectives that identified five factors as we know them today. By1936, the personality taxonomy of Raymond B. Cattell. Allport and Odbert, catalogued about 18,000 such terms.

Personality researchers have utilized two prominent systems for naming the five factors, one derived from the lexical tradition and one from the questionnaire tradition (McCrae & John, 1992). Many writers take Norman's (1963) annunciation of an "adequate taxonomy of personality attributes" derived from Cattell's reduction of natural language trait terms as the formal beginning of the FFM, and the factor numbers and names Norman chose – I: Extraversion or Surgency; II: Agreeableness; III: Conscientiousness; IV: Emotional Stability; and V: Culture – are often used to this day. Peabody and Goldberg (1989) have noted that the order in which these factors emerged roughly parallels their representation among English language trait items in the dictionary.

The second tradition that led to the modern FFM comes from the analysis of questionnaires, and particularly from the work of H.J. Eysenck, who identified Extraversion (E) and Neuroticism (N) as major components of psychological tests.

The five factor model so obtained was later reaffirmed by Fiske (1949) and Tupes and Christal (1961). It was later corroborated in four subsequent studies by Borgatta (1964), Hakel (1974), Norman (1963) and, Smith (1967). Borgatta's findings are considered especially noteworthy because he obtained five stable factors across five methods of data gathering. Norman's work is also especially significant because his labels (Extraversion, Emotional Stability, Agreeableness, Conscientiousness, and Culture) are used commonly in the literature and have been referred to, subsequently, as "Norman's Big Five" or simply as the "Big Five" (Barrick & Mount, 1991).

This nomenclature and taxonomy development is a major achievement of the FFM as one of the difficulties with personality studies previously conducted is that they lacked a coherent and uniform taxonomy resulting in a wide variety of personality traits being measured, utilizing a mixture of different types of methodologies. The emergence of the Big Five personality model has been widely accepted as a valid and reasonably generalized taxonomy for personality structure and has been used by numerous researchers as a framework to explore the criterion-related validity of personality in relation to job performance and other industrial settings (Clarke & Robertson, 2005). Research in the recent years has demonstrated the generalizability of FFM and the Big Five personality marker studies conducted in New Zealand showed great similarity with US findings in terms of their relation to job satisfaction and contextual performance criteria (Guenole & Chernyshenko, 2005). This is a major advantage of using the FFM as it provides the opportunity for integrating commonalities among diverse approaches to personality, and hence making the Big Five particularly useful for cumulating results across studies (Bono & Judge, 2004).

Digman reported in 1990 that, "in the past 10 years, the views of many personality psychologists have converged regarding the structure and concepts of personality. Generally, researchers agree that there are five robust factors of personality which can serve as a meaningful taxonomy for classifying personality attributes". There are many work area and fields in industrial and organizational psychology where FFM has been put to

analyses during the past 15 years (Barrick & Mount, 1991; Judge, Locke & Durham, 1997; Witt, Burke, Barrick & Mount, 2002; Judge & Mount, 2002; Barrick, Stewart & Piotroweski, 2002; Judge, Heller & Mount, 2002; Judge & Llies, 2003; Thoresen, Bradley, Bliese & Thoresen, 2004) have not only confirmed the dispositional impact on performance and satisfaction, but have also, repeatedly confirmed the validity and applicability of the FFM across different occupations, job situations and with varying samples.

In more recent times researchers have linked up FFM with more diverse fields. FFM has been linked with accident propensities in occupational and non occupational settings (Clarke & Robertson, 2005), longevity and health behavior in a study involving US presidents, from Washington to Nixon (McCaan, 2005), cross-cultural investigation of work values (Furnham, Petrides, Tsaousis, Pappas & Garrod, 2005; Aluja & Garcia, 2004), adult attachment and job mobility (Van Vianen, Feij, Krauz & Taris, 2003), general mental ability and career success (Judge & Higgins, 1999), formation and violation of psychological contracts (Raja, Ntalianis & Johns, 2002), transformational and transactional leadership (Bono & Judge, 2004) etc. FFM has also withstood the demands imposed on it through testing its measuring instruments and their validity and reliability. Guenole and Chernyshenko (2005) found FFM to be generalizable across cultures in their study on Big Five personality markers and evaluation of its criterion validity. Similarly Bernard, Walsh & Mills (2005) reported their findings in Counseling & Clinical Psychology Journal about the comparative validity of various measures of five factors. In short the empirical status of FFM shows evidence of comprehensiveness. In the words of McCrae & John (1992),"Amelang and Borkenau (1982) collected both self-reports and peer ratings on a set of German adjective trait rating scales, and self-reports on a diverse set of personality inventories. Five factors were found in each data set which showed some similarities to the standard five." McCrae and Costa (1985 & 1987) showed convergence for all five factors across both observers and instruments. McCrae & John (1992) also report similar findings by Goldberg (1989), Ostendorf (1990), and Trapnell and Wiggins (1990). Similarly, the subsequent research on questionnaire measures, such as, Hogan Personality Inventory (HPI) and NEO Personality Inventory confirm the comprehensiveness of the FFM.

THE OUTCOME OF FIVE FACTOR MODEL

I will now turn to the heart of this paper by formulating profiles of the five components of the FFM. I will use Goldberg's (1990) approach of developing two poles for each of the component so that a clear picture of the whole continuum emerges.

I. Extraversion

According Raja, Ntalianis & John (2002), "extraversion is one of the most widely researched personality traits from the Big Five personality taxonomy" (Borgatta, 1964; Goldberg, 1990; Hakel, 1974, McCrae & Costa, 1989; Norman, 1963). They also assert that, "according to Hogan (1983) ambition and sociability are the two primary components that synthesize extraversion. However, more recent research has illustrated that extraversion is a multifaceted dimension synthesized by several other components" (Watson & Clark, 1997).

Bono & Judge (2004) point out the other components formulating extraversion when they report Depue and Collins (1999) arguing that, "extraversion is composed of two central components, affiliation (having and valuing warm personal relationships) and agency (being socially dominant, assertive, and influential). Positive emotionality is at the core of extraversion – extraverts experience and express positive emotions."

The following bipolar list of narrow or specific traits provides a description of extraversion: (The traits under positive pole are those which are exhibited by individuals high on extraversion whereas those under negative pole are the ones shown by individuals low on extraversion, not the traditional connotations associated with the words positive and negative).

Positive Pole of Extraversion

- Sociable
- Gregarious
- Assertive
- Talkative
- Active
- Energetic
- Enthusiastic
- High sensation seekers
- Experiencing positive emotions (PA)
- Spirit
- Spontaneity
- Boisterousness
- Conceit
- Vanity
- Sensuality
- Lower level of vigilance
- More liable to be involved in accidents
- Decrement in performance under monotonous conditions

Negative Pole of Extraversion

- Lethargy
- Aloofness
- Silence
- Modesty
- Unfriendliness
- Reserved
- Shy
- Inhibited
- Un aggressive
- Passive
- Pessimist

II. Agreeableness

Individuals high in agreeableness basically value affiliation and avoid conflict (Bono & Judge, 2004). As the name of the factor suggests, these individuals are generally easy to get along and are quite friendly. One of their basic trait is flexibility; their ability to adapt and adjust in different situations and circumstances. That is probably the reason why agreeableness has also been named as friendliness, social conformity and more recently as likeability (Noller, Law & Comrey, 1987). According to Raja et al. agreeableness, in the context of psychological contract formation, "refers to preference for interpersonal relationships and social interactions that are socially desirable. In contrast to extraverts, agreeables are flexible and generous and do not have a high desire for economic rewards and status (Costa & McCrae, 1992; Goldberg, 1990). They are adept at problem solving and uninclined to engage in conflict and acts of hostility. Agreeables themselves feel more secure when they act as team rather than individual players (Antonioni, 1998). They are ready to give up their personal interests to satisfy the concerns of other parties (Rahim, 1992). Its high levels are associated with dependency, passivity, and symptoms of excessive conformity. Less vigilant, will have lower expectations, greater desire for stability, security and relationships".

Positive Pole of Agreeableness

- Courteous
- Flexible
- Trusting
- Good natured
- Cooperative
- Forgiving
- Soft hearted
- Tolerant
- Appreciative
- Generous
- Kind
- Sympathetic
- Pleasant
- Not defensive
- Easy to get along
- Tactful
- Trust, compliance & altruism
- Friendly compliance
- Having Humane aspect of humanity
- Amiability
- Moral
- Warm
- Natural

Negative Pole of Agreeableness

- Hostility
- Indifference to others
- Self-centered
- Spiteful
- Jealous
- Hostile noncompliance
- Vindictive
- Ill humor
- Disdainful
- Over critical
- Antagonist
- Dogmatic
- Belligerent
- Bossy
- Rude
- Cruel
- Pompous
- Irritable
- Stubborn
- Distrusting
- Selfish
- Callous
- Cunning
- Prejudiced
- Unfriendly
- Volatile
- Stinging
- Thoughtless

III. Conscientiousness

Conscientious people are described as organized, reliable, hardworking, determined, self-disciplined and achievement oriented (Barrick, Stewart & Piotroweski, 2002). Along with extraversion, Conscientiousness is also one of the extensively studied factors of the Big Five model.

At its roots, conscientiousness relates to a desire to exercise self-control and autonomy and thereby to follow the dictates of one's conscience (Costa & McCrae, 1992). Therefore most of the conscientious employees' main focus is task accomplishment and fulfillment of obligations and are high on accomplishment striving, which reflects an individual's intentions to accomplish tasks and is characterized by a high task orientation (Barrick et

Raja et al. (2002) denotes conscientiousness as related with two major facets of achievement and dependability while Bono & Judge (2004) credit these individuals with a tendency to have a strong sense of direction and working hard to achieve their goals. In a unique study on the health behavior of US presidents, McCaan (2005), associate conscientiousness with a feeling of general well being and having perception of good health. Since conscientiousness is related with task achievement and accomplishment, it is no surprise when people high on it are also linked with higher educational achievements (Smith, 1967; Wiggens et al, 1969; Digman, 1972). As a matter of fact the *will* to achieve, accomplish, organize and order is so basic to the theme of conscientiousness that Digman (1990) has used it interchangeably with the word "will".

In their constellation approach to examine personality's influence on work behavior, (cross-dimensional effects of personality traits), Witt, Barrick, Burke & Mount (2002) identify the existence of, "a particularly relevant interaction effect between conscientiousness and agreeableness in explaining job performance." This seems quite plausible as one can easily foresee as to what can the combined effect of will (conscientiousness) and flexibility (agreeableness) could do to job performance!

Positive Pole of Conscientiousness

- Thoroughness in decision making
- Feeling of well being
- Perception of good health
- Will
- Link with educational achievements
- Dependable
- Careful
- Thorough
- Responsible
- Organized
- Achievement oriented
- Persevering
- Efficient
- Planners
- Reliable
- Industrious
- Evangelists (zealous)
- Graceful
- Mature
- Passionless
- Logical
- Conventional
- Punctual
- Decisive
- Dignified
- Precise

Negative Pole of Conscientiousness

- Negligent
- Rebellious
- Irreverent (profane)
- Provincial (awkward, unrefined)
- Self-indulgent (excessive)
- Disorganized
- Inconsistent
- Forgetful
- Reckless
- Aimless
- Sloth
- Frivolous
- Non conforming

Lesson 5

FIVE FACTOR MODEL

IV.Neuroticism

After extraversion and conscientiousness, neuroticism is the most researched personality trait from the Big Five (Raja et al, 2002). They are emotionally unstable, with frequent mood swings, closely associated with negative affectivity or NA (Watson & Tellegen, 1985). The element of NA tends to force neurotics with a negative world view, to be anxious, sleepless and doubting. As a result they are less inclined to seek control of their life and work environment. "At the core of neuroticism is the tendency to experience negative affects" (Bono & Judge, 2004).

People high on neuroticism tend to be easily distracted as they are mostly preoccupied with their internal worries, anxieties and, stresses. In short, neuroticism is the opposite of "emotional stability."

Positive Pole of Neuroticism (Characteristics of individuals high on neuroticism)

- Distractible
- Respond negatively to environmental stresses
- Negative world view
- Anxious
- Depressed
- Angry
- Embarrassed
- Emotional
- Worried
- Insecure
- Self pitifying
- Tense
- Touchy
- Unstable
- Fearful
- Instable
- Envious
- Gullible
- Timid
- Immature

Negative Pole of Neuroticism

- Placid
- Independent
- Emotionally stable
- Strong willed
- Brave
- Confident
- Secure

V. Openness to Experience

Openness to experience is the least studied Big 5 personality dimension, especially in relation to job performance. Individuals high on openness to experience tend to be highly sensitive to art, science, culture (Clark & Robertson, 2005) and civilization. Since they are "open to experience", they are more effective at managing change and this has been confirmed by studying their behavior during the transitional job stage (Thoresen, Bradley & Bliese, 2004; Judge, Thoresen, Pucik, Welbourne, 1999).

Traditional conceptualization of openness includes affinity for culture and a liberal and critical attitude toward societal values and intellect and, the ability to learn and reason (Bono & Judge, 2004).

Positive Pole of Openness to Experience

- Unconventional
- Curious
- Cultured
- Intelligent
- Openness to new ideas, feelings
- Flexibility of thought
- Readiness to indulge in fantasy
- Reflective
- Imaginative
- Original
- Broad minded
- Insightful
- Artistic
- Wide interests
- Political liberalism

Negative Pole of Openness to Experience

- Shallow
- Simple
- Dull
- Unimaginative
- Stupid

The Construct: INTRINSIC MOTIVATION

In English language the word "intrinsic" has synonyms like inherent, native, built-in, central and, natural, whereas the synonymous for word "motivation" include incentive, inspiration, drive, enthusiasm, impetus,

built and naturally occurring inspiration or drive. A natural question arises here; what would this in-built drive accomplish or do? Warner (1987, p. 38), while analyzing the philosophy of Kantian motivation, provides clues to this question through defining motives as, "desire in general…….a state that plays a certain role in commonsense psychological explanation and justification of thought and action." The in-built drive or desire, therefore, accomplishes our thoughts and actions, or forms, the very bases of our volitional behavior. Warner also notes that, "motives vary in intensity, and the greater the intensity, the more likely – as a rule – it is that the motive will cause action." It implies therefore that stronger the motive or the in-built drive or intrinsic motivation, stronger the likelihood of some action or at least thought leading up to action.

Literature identifies another form of motivation; extrinsic motivation, which also involves thought and action but these thoughts and actions are not inherently based and are rather contingent upon rewards, either financial or in the form of advancement in work, influence in organization or self enhancement. Baker (2004) captures the two constructs beautifully when he says that, "intrinsic motivation refers to doing an activity or behavior voluntarily for its own sake, and the inherent pleasure and satisfaction derived from participation, while extrinsic motivation refers to activities engaged in as a means to an end such as, to gain reward or avoid criticism, rather than for satisfaction of the activity itself."

The above mentioned definition of motivation mentions the notions of means and ends. These means and ends are basically motives or the reasons people hold for initiating and performing voluntary behavior (Reiss, 2004). An example of an end motive would be a schoolboy playing guitar for the pleasure of it i.e. for no apparent reason other than that is what the schoolboy of our example desires to do. In contrast mean or instrumental motives are indicated when an act is performed for its instrumental value. For example, consider a professional cricketer who plays at international level and gets paid for it. Here the end motive is probably financial and status gains rather than a pure love for the game. Studies have also identified goals as forming the basis of intrinsic and extrinsic motivation. Mastery goals, for example, involve participation in a task to increase competence, very similar to our example of schoolboy playing guitar for the sake of pleasure and gaining mastery or competence in the process. By setting performance goals people want to demonstrate their competence to others and then gain extrinsic rewards (Remedios, Ritchie and Lieberman, 2005). Literature also speaks about conscious and sub conscious motivation (Locke & Latham, 2004) where conscious motivation probably refers to the more manifested or extrinsic form of motivation and sub conscious to the more inherent and natural, intrinsic form of motivation.

Intrinsic motivation (IM) or engaging in a task for its engagement value is one of the most powerful forms of motivation. It is associated with enhanced performance, improved conceptual and creative thinking, superior memory recall, positive affect, subsequent willingness to engage in other tasks, and better psychological and physical health compared with other forms of motivation. (Bumpus, Olberter & Glover, 1998).

Up to this point it seems as if all IMs are pleasurable, a contention challenged by Reiss (2004) while presenting his multifaceted theory of IM. He mentions that, "whereas IM theorists have said that psychological aim of inquiry is intellectual pleasure…….. aims of inquiry are learning and knowledge……highly curious people desire knowledge and understanding so strongly they pursue the inquiry process even when they must endure anxieties, severe criticism, devastating failures, and other frustrations." This prerequisite for IM, the ability to withstand anxiety and frustration, is also noted by other writers and it is said that, "intrinsic motivation is inversely related to anxiety (Gottfried, 1990) and depression" (Boggiano & Barrett, 1992).

Another important distinction between intrinsic and extrinsic motivation is provided by Deci and Ryan (1991). According to them, "motivated actions are self-determined to the extent that they are engaged in wholly volitionally and endorsed by one's self, whereas actions are controlled if they are compelled by some interpersonal or intra psychic force." The element of self-determination is at the heart of IM and again represents an inherent or internal characteristic. When a behavior is self-determined, the regulatory process is choice, but when it is controlled, the regulatory process is compliance (or in some cases defiance). The important point to note is that both self-determined and controlled behaviors are motivated or intentional but their regulatory processes are very different (Robert, Pelletier & Ryan, 1991). A feeling of personal causation or free choice seems to be a crucial component of IM (Bumps, Olberter & Glover, 1998). In the case of IM the motivational force is provided by the self whereas in extrinsic motivation the motivational force is controlled through rewards or feedback.

It does not, automatically, imply form the above that IM necessarily decreases with rewards and feedback. The Cognitive Evaluation Theory (CET) identifies two needs; autonomy and competence, and two types of rewards; controlling and informational. People with high need for autonomy are more liable to have IM and

a pleasant experience and again IM will be high. Controlling rewards are basically task contingent rewards i.e. people have to work on the task to obtain the rewards so they (rewards) become controlling and in this case IM will decrease. In the case of performance contingent rewards, rewards are again strongly controlled but IM will decrease only if the cue value or feedback is also controlling (e.g. "you should keep up your work" or "you have done as well as you should"). If the feedback is not controlling but informational, informing people why they have performed well, then there will be a strong competence affirmation and IM will increase (Deci, Koestner & Ryan, 1985 & 1999).

In their 1999 meta-analysis of 128 controlled experimental studies exploring the effects of extrinsic rewards on IM, Deci, Koestner and Ryan conclude that "In general, tangible rewards had a significant negative effect on intrinsic motivation for interesting tasks……verbal rewards – or what is usually labeled as positive feedback in the motivation literature – has a significant positive effect on intrinsic motivation."

The effects of controlling rewards and feedback on IM are also highlighted by a recent study in Northern Ireland where effects of sitting a transfer test were studied on the IM of school pupils. The study showed that after sitting the test, motivation of test pupils decreased significantly relative to no-test pupils despite the fact that most of the pupils achieved grades they needed for admission to grammar school (Remedios, Ritchie & Lieberman, 2005).

Literature thus explores and confirms the over justification theory according to which providing external rewards decreases IM (Deci, Koestner & Ryan, 1999; Dev 1998; Edwards 1994; Fair & Silvestri, 1992; Kohn, 1993; Lapper et al. 1973) and reports that "an intrinsically motivated person acts out of an internalized desire to self-actualize" (Watts, Randolph, Cashwell and Schweiger, 2004).

The Basis of Intrinsically Motivated Behavior

Why certain people seem content and happy with life while others don't? Why certain people don't let their motivation decrease in the face of failure and frustrations? These are difficult questions to answer but in light of the literature review, one is tempted to suggest that three factors (apart from a possible role of genetics and inheritance) explain the determination of intrinsically motivated behavior. One is the element of *cognition* and the other two are *affect* or emotions and *values* (in this paper, my focus would be entirely on work values).

Intrinsic Motivation and Cognition

We have already seen that CET defines two basic elements of motivational behavior; free choice and evaluation of competence through positive and informational feedback. According to Barrick, Stewart and Piotroweski (2002), "one theme that continually emerges in discussions of motivational models is the importance of cognitive processes" and they also quote Locke and Latham (1990) as saying that, "although cognition and motivation can be separated by abstraction for the purpose of scientific study, in reality they are virtually never separate." Barrick et al (2002) also mention the centrality of cognition as captured by Mitchell's (1997) definition of motivation as "those psychological processes involved with the arousal, direction, intensity, and persistence of voluntary actions that are goals directed." And in a search of a broad set of such cognitive goals, Barrick et al (2002) "building on the concepts from evolutionary biology, anthropology, and sociology, as well as socio analytic theory" find that "individuals strive for communion and for agency and status".

Intrinsic Motivation and Affect

Literature also demonstrates a link between affect and IM and Reene & Cole (1987) mention that, "the experience of feeling active, alive (i.e. excitement) and joyful are fundamentally associated with activity interest……The excitement and joy formulation of IM emphasizes the important role of affect factors in IM…..Intrinsically motivated behavior is a consequence of excitement (& joy to a lesser extent) via curiosity and exploration".

A study examining the relationship between exercise motives and psychological well-being also points to the possible role of affectivity in the causation of intrinsic exercise motives or IM for exercise, "in the short term, extrinsic exercise motives for exercise are significantly related to poorer psychological well-being, whereas in the long term, intrinsic exercise motives for exercise are related to aspects of better psychological well-being……It is perhaps more likely that a more integrated relationship occurs whereby exercise motives and psychological well-being interact, through reinforcement of positive feelings, and exercise becomes more rewarding" (Maltby & Day, 2001).

Other researchers like Judge & Llies (2003) report that "NA (negative affectivity) reflects individual tendencies

reflects the propensity to experience positive states such as enthusiasm, confidence and cheerfulness. The emotional states associated with PA are the ones that form the basis of an intrinsically motivated behavior.

Intrinsic Motivation and Values

Work values are a class of motives that serve as standards or criteria to engender thought and action. People are motivated to find work environment that are congruent with their values (Furnham, Petrides, Tsaousis, Pappas and Garrod, 2005). Values are also defined as "cognitive constructs that explain individual differences in regard to aims in life and behavior principles and priorities" (Renner, 2003). Work values are of two types; extrinsic and intrinsic. Extrinsic work values include money, prestige, way of life, security, economic return (reward oriented) plus those independent of content of work like surroundings, associates, supervisory relationships, etc. whereas intrinsic work values are manifested through activity pleasure, goal accomplishment, creativity, management, achievement, altruism, independence, intellectual stimulation, and aesthetics. Table 1 outlines ten categories of values identified by Schwartz (1992) along with their description and the type to which they belong (Aluja & Garcia, 2004).

Table 1

Value	Description	Value Type
Power	social status & prestige, dominance over people	Extrinsic
Achievement	personal success, capable, ambitious, influential	Intrinsic
Hedonism	pleasure gratification for self, enjoying life	Extrinsic
Stimulation	excitement, novelty, and challenge in life, daring	Extrinsic
Self-direction	independent thought, exploring, curious, freedom, creativity	Intrinsic
Universalism	understanding, tolerance, social justice, broadminded	Intrinsic
Benevolence	welfare of others, honest, helpful, forgiving	Intrinsic
Tradition	respect for traditional culture and religion, humble, moderate	Extrinsic
Conformity	honoring parents and elders, polite, obedient	Extrinsic
Security	safety and stability of society and of self and relationships	Intrinsic

It almost seems obvious that those individuals with strong intrinsic work values will be high on IM whereas those having stronger preference for extrinsic values will be more motivated extrinsically. Researchers have explored similar links between values and personality and it is reported that extraverts seek jobs with variety and neurotics seek jobs with stability (Furnham et al, 2005).

We can, therefore, conclude from the literature that IM is based on three elements of cognition, affect and values. This is a crucial understanding and I will come back to it in more detail while exploring the linking mechanism between IM and personality.

The Outcome: A Trait-Like Orientation for Intrinsic Motivation

Motivational orientation is not solely a function of personal characteristics, on the other hand it arises from the interaction of task features, individual characteristics, and situational aspects (Bumpus, Olberter & Glover, 1998), yet for the purpose of clarity and, developing link with personality later on, we now turn to a trait-like profile of an individual high on IM.

For the purpose of developing such a profile, Pinder's definition of motivation should serve as a good start. His definition reveals two important features; (1) motivation as energizing force or inducer of actions and (2) this force has implications for form, direction, intensity and duration of behavior. In other words what they (employees) are motivated to achieve? How will they achieve it? And when will they stop? (Meyer, Becker & Vandenberghe, 2004). This revelation gives us a broad idea that an intrinsically motivated individual is goal-oriented, achievement oriented and, is wise and well organized. And our profile of a high IM individual is based on this broad idea and our earlier discussions on motivation literature.

A person high on IM is suggested to have the following characteristics:

- Challenge seeker
- Hard worker
- Learning oriented
- Curious
- Competent
- Enthusiastic
- Confident
- Cheerful
- Assertive
- Energetic
- Experiencing positive emotions (PA)
- Spirit
- Flexible
- Trusting
- Tolerant
- Appreciative
- Sympathetic
- Pleasant
- Not defensive
- Tactful
- Altruistic
- Moral
- Thoroughness in decision making
- Feeling of well being
- Perception of good health
- Willful
- Dependable
- Thorough
- Responsible
- Organized
- Achievement oriented
- Persevering
- Planner
- Reliable
- Industrious
- Evangelists (zealous)
- Mature
- Precise
- Independent
- Emotionally stable
- Brave
- Secure
- Intelligent
- Open to new ideas, feelings
- Insightful

A comparison of these traits with the multifaceted theory of intrinsic motivation (Reiss, 2004) and the sixteen desires of Power, curiosity, independence, status, social contact, vengeance, honor, idealism, physical exercise, romance, family, order, eating, acceptance, tranquility, and saving quite clearly shows that optimal fulfillment of these desires is only possible by individuals who have the above mentioned characteristics ingrained in their personalities.

Link Between Personality and Intrinsic Motivation: The Model

Our model in Figure 1 shows how personality can have impact on the levels of IM in an individual through the agency of cognition, affect and values. Figure 1 is shown on next page:

Lesson 6

MOTIVATION

Motivation: The willingness to exert high levels of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need.
Three key elements can be seen in this definition; effort, goals and needs.

Effort element is a measure of intensity or drive. The quality of effort is equally important to the intensity of the effort.

Need: An internal state that makes certain outcomes appears attractive. An unsatisfied need creates tension that stimulates drives within an individual. These drives lead to a search behavior to find particular goals that, if attained, will satisfy the need and reduce the tension.

Performance and Motivation: Motivation alone does need lead to performance. The level of performance attained is determined by three independent factors; ability, motivation, and resources. For performance levels to be high, all three factors must be high. If any one is low or missing, the performance level will be adversely affected. For example, a very intelligent student who has the books, but because he/she does not care about grades, will not study (low motivation) and will not get an A grade.

EARLY THEORIES OF MOTIVATION

1. **Hierarchy of needs theory**

Maslow's theory that there is a hierarchy of five human needs: Physiological, safety, social, esteem, and self – actualization.
Physiological needs: A person's needs for food, drink, shelter, sexual satisfaction, and other physical needs.
Safety needs: A person's needs for security and protection from physical and emotional harm.
Social needs: A person's needs for affection, belongingness, acceptance, and friendship.
Esteem needs: A person's needs for internal factors such as self – respect, autonomy, and achievement, and external factors such as status, recognition, and attention.
Self – actualization needs: A person's needs to become what he or she is capable of becoming.

2. **Theory X**

The assumptions that employees dislike work, are lazy, avoid responsibility, and must be coerced to perform.

Theory Y

The assumptions that workers are creative, enjoy work, seek responsibility, and can exercise self – direction.
McRegor's theory of X and Y is however not confirmed.

3. Herzberg's Motivation – hygiene theory

The motivation theory that intrinsic factors are related to job satisfaction and motivation, whereas extrinsic factors are associated with job dissatisfaction.
Hygiene factors: Factors that eliminate job dissatisfaction but don't motivate.
Motivators: Factors that increase job satisfaction and motivation. These factors are intrinsic.

CONTEMPORARY THEORIES OF MOTIVATION

1. **McClelland's Three – needs theory**

The motivation theory that says three needs – achievement, power, and affiliation – are major motives in work.
Needs for achievement (nAch): The drive to excel, to achieve in relation to a set of standards, and to strive to succeed.
Needs for power (nPow): The need to make others behave in a way that they would not have behaved otherwise.
Need for affiliation (nAff): The desire for friendly and close interpersonal relationship. Of these three needs, need for achievement has been researched most extensively.

The propositions that specific goals increase performance and that difficult goals, when accepted, result in higher performance than do easy goals.
Self – efficacy: An individual's belief that he or she is capable of performing a task.

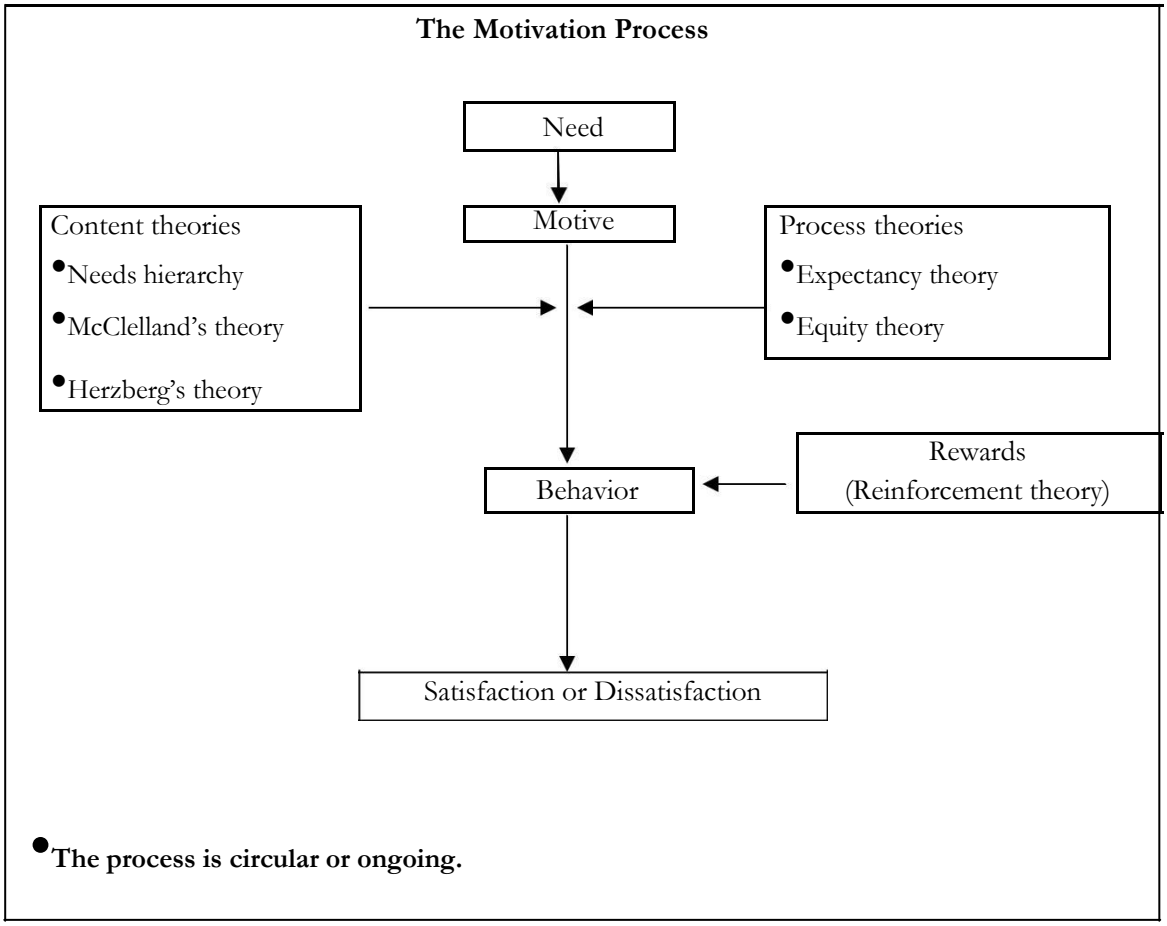
3. Reinforcement theory
The theory that behavior is a function of its consequences.
Reinforcers: Any consequence immediately following a response that increases the probability that the behavior will be repeated.

Designing Motivating Jobs
Job design: The way tasks are combined to form complete jobs.
Job scope: The number of different tasks require in a job and the frequency with which those tasks are repeated.
Job enlargement: The horizontal expansion of a job by increasing job scope.
Job enrichment: The vertical expansion of a job by adding planning and evaluating responsibilities.
Job depth: The degree of control the employees have on their work.

Job characteristics model (JCM)
A framework for analyzing and designing jobs that identifies five primary job characteristics, their interrelationships, and their impact on outcomes.
Skill variety: The degree to which a job requires a variety of activities so that an employee can use a number of different skills and talents.
Task identity: The degree to which a job requires completion of a whole and identifiable piece of work. **Task significance:** The degree to which a job has a substantial on the lives or work of other people. **Autonomy:** The degree to which a job provides substantial freedom, independence, and discretion to the individual in scheduling work and determining the procedures to be used in carrying it out.
Feedback: The degree to which carrying out work activities required by a job results in the individual's obtaining direct and clear information about his or her performance effectiveness.

4. Equity theory
The theory that an employee compares his or her job's inputs – outcomes ratio with that of relevant others and then corrects any inequity.
Referents: The persons, systems, or selves against which individuals compare themselves to assess equity.

5. Expectancy theory
The theory that an individual tends to act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.



HOW TO MOTIVATE A DIVERSE WORKFORCE?

Compressed workweek
A workweek in which employees work longer hours per day but fewer days per week.
Flexible work hours (Flextime)
A scheduling system in which employees are required to work a certain number of hours per week but are free, within limits, to vary the hours of work.
Job sharing
The practice of having two or more people split a full time job
Telecommuting
A job approach in which employees work at home and are linked to the workplace by a computer and modem.
Pay – for – performance programs
Compensation plans that pay employees on the basis of some performance measure.
Open – book management
A motivational approach in which an organization's financial statements are shared with all employees.
Cultural Differences in Motivation
The motivation theories just discussed are developed largely by US researchers and were validated with US workers. These theories may need to be modified for different cultures.

Lesson 8

INTERPERSONAL COMMUNICATION

When asked to define interpersonal communication from communication in general, many people say that interpersonal communication involves fewer people, often just two. Although much interpersonal communication involves only two or three people, this isn't a useful way of defining interpersonal communication. If it were, then an exchange between a homeowner and a plumber would be interpersonal, but a family conversation wouldn't be. Clearly, the number of people involved is not a good criterion for defining interpersonal communication.

Some people suggest that intimate contexts define interpersonal communication. But this also doesn't define interpersonal communication as the context doesn't necessarily tell us what is unique about interpersonal communication.

What distinguishes interpersonal communication is the particular quality, or character, of interaction. This emphasizes what happens between people, not where they are or how many are present.

A Communication Continuum

We can begin to understand the unique character of interpersonal communication by tracing the meaning of the word interpersonal. It is derived from the prefix inter, meaning "between", and the word person, so interpersonal communication literally occurs between people. In one sense, all communication happens between people, yet many interactions don't involve us personally. Communication exists on a continuum from impersonal to interpersonal.

A lot of our communication doesn't involve personal interaction. Sometimes we don't acknowledge others as people at all but treat them as objects; they bag our groceries, direct us around highway construction, and so forth. In other instances, we interact with others in stereotypical or role-bound ways but don't deal with them as distinct people. With a select few people we communicate in deeply personal ways. These distinctions are captured by philosopher Martin Buber (1970) who distinguished between three levels of communication: I-It, I-You, and I-Thou.

I-It Communication: In an I-It relationship, we treat others impersonally, almost as objects. In I-It Communication we do not acknowledge the humanity of the other people; we may not even affirm their existence. Salespeople, servers in restaurants, and clerical staff often are treated not as people but as instruments to take orders and deliver what we want. In the extreme form of I-It relationships, others are not even acknowledged. When a homeless person asks for money for food, some people do not even respond but look away as if the person isn't there. In dysfunctional families, parents may ignore children, thereby treating the children as I-It, not as people.

I-You Communication: the second level Buber identified is I-You Communication, which accounts for the majority of our interactions. People acknowledge one another as more than objects, but they don't fully engage each other as unique individuals. For example, suppose you go shopping and a salesclerk asks, 'May I help you?' chances are you won't have a deep conversation with the clerk, but you might treat him or her as more than an it. Perhaps you say, 'I'm just browsing today. Yow know how it is at the end of the month – no money.' The clerk might laugh and commiserate about how money gets tight by the end of each month. In this interaction, you and the clerk treat each other as more than its: the clerk doesn't treat you as a faceless shopper, and you don't treat the clerk as just as an agent of the store.

I-You relationships may also be more personal than interactions with salesclerks. For instance, we talk with others in our classes, on the job, and on our sports teams in ways that are somewhat personal. The same is true of interaction in chat rooms where people meet to share ideas and common interests. Interaction is still guided by our roles as peers, members of a class or team, and people who have common interests. Yet we do affirm their existence and recognize them as individuals within those roles. Teachers and students often have I-You relationships. In the work place majority or our relationships are I-You. We communicate in less depth with more people in our social circles than those we love most. Casual friends, work associates and distant family members typically engage in I-You communication.

I-Thou Communication: the rarest kind of relationship involves I-Thou communication. Buber regarded this as the highest form of human dialogue because each person affirms the other as cherished and unique. When we interact on an I-Thou level, we meet others in their wholeness and individuality. Instead of dealing with them as occupants of social roles, we see them as unique human beings whom we know and accept in their

totality. Also, in I-Thou communication we open ourselves fully, trusting others to accept us as we are with virtues and vices, hopes and fears, strengths and weaknesses.
Buber believed that only in I-Thou relationships we become fully human, which for him meant we discard the guises we use most of the time and allow ourselves to be completely genuine in interaction (Stewart, 1986). Much of our communication involves what Buber calls 'seeming', in which we're preoccupied with our image and careful to manage how we present ourselves. In I-Thou relationships, however, we engage in 'being' through which who we really are and how we really feel.
I-Thou relationships are not common because we can't afford to reveal ourselves totally to everyone all of the time. Thus, I-Thou relationships and the communication with them are rare and special.

Definition of Interpersonal Communication
We can build on Buber's poetic description to define interpersonal communication as a selective, systemic, unique and ongoing process of transaction between people who reflect and build personal knowledge of one another and create shared meanings.
The heart of interpersonal communication is shared meanings between people (Duck, 1994a, 1994b). We don't just exchange words when we communicate. Instead, we create meanings as we figure out what each other's words and behaviors stand for, represent, or imply. Meanings grow out of histories of interactions between unique persons. For example, my partner, Robbie, and I are both continuously committed in our professional obligations, and we worry about the pace of each other's life. Often one of us says to the other, "bistari, bistari." That phrase means nothing to you unless you know enough Nepalese to translate as its meaning 'slow down, go gradually.' When one of us says 'bistari, bistari,' we not only suggest slowing down but also remind each other of our special time living and trekking in Nepal. Most close friends and romantic partners develop vocabularies that have meaning only to them. People who work together also develop meanings that grow out of their interactions over time. Once in my department, faculty members argued for 30 minutes over whether we wanted a semicolon or a dash in a sentence that was part of our mission statement. Now, whenever we start debating small issues, one of us is bound to say 'semicolon or a dash?' Usually this evokes laughter and persuades us to abandon a trivial argument.
You might have noticed that I refer to meanings, not just one meaning. This is because interpersonal communication has two levels of meaning (Watzlawick, Beavin, & Jackson, 1967). The first level, called the content meaning, deals with literal or denotative meaning. If a parent says to a five year old child, 'clean your room now,' the content meaning is that the room is to be cleaned.
The second level is the relationship meaning. This refers to what communication expresses about the relationship between communicators. The relationship meaning of 'clean your room now' is that the parent has the right to order the child; they have an unequal power relationship. If the parent had said, 'would you mind cleaning your room?' the relationship meaning would have reflected a more equal relationship. Suppose a friend says, 'you're the only person I can talk to about this,' and then discloses something that is worrying him. The content level includes the actual issue itself and the information that you're the only one with whom he can discuss this issue. But what has he told you on the relationship level? He has communicated that he trusts you, he considers you special, and he probably expects you to care for his troubles.
Scholars have identified three dimensions of relationship – level meanings. The first dimension is responsiveness, and it refers to how aware of others and involved with them are we. Perhaps you can remember a conversation you had with someone who shuffled papers and glanced at a clock or kept looking at a computer screen while you were talking. If so, you probably felt that she wasn't interested in you or what you were saying. Low responsiveness is communicated on the relationship level of meaning when people don't look at us or when they are preoccupied with something other than talking with us. Higher responsiveness is communicated with eye contact, nodding, and feedback that indicates involvement (Richard & McCroskey, 2000).
A second dimension of a relationship meaning is liking, or affection. This concerns the degree of positive or negative feeling that is communicated. Although liking may seem synonymous with responsiveness, they are actually distinct. We may be responsive to people we don't like but have to pay attention to, and we are sometimes preoccupied and unresponsive to people we care about. We communicate that we like or dislike other by what we actually say as well as by tone of voice, racial expressions, how close we sit to them, and so forth.
Power or control is the third dimension of relationship meaning. This refers to the power balance between the

communicates that the parent has the power to tell the child what to do. Friends and romantic partners sometimes engage in covert power struggles on the relationship level. One person suggests going to a particular movie and then to dinner at a pizza parlor. The other responds by saying she doesn't want to see that movie and isn't in the mood for pizza. They could be arguing on the content level about their different preferences for the evening. If arguments over what to do or eat are recurrent and heated, however, chances are the couple is negotiating power. In interpersonal level of meaning often is the most important, for it sets the tome of interaction and for how people feel about each other.

In sum, we have seen that communication exists on a continuum, ranging from impersonal to interpersonal. We've also learned that it is best understood as a transactional process, not a linear exchange or an interaction. Based on the transactional model, we defined interpersonal communication as a selective, systemic, unique, and ongoing process of transaction between people who reflect and build personal knowledge of one another as they create meanings. Meanings, we have seen, reflect histories of interaction and involve content and relationship levels. Building on this definition, we're now ready to identify basic principles of interpersonal communication.

PRINCIPLES OF INTERPERSONAL COMMUNICATION

There are eight basic principles of effective communication which we would describe one by one:

1. We Cannot "Not Communicate"

Whenever people are together, they communicate. We cannot avoid communicating when we are with others because they interpret what we do and say as well as what we don't do and don't say. Even if we chose to be silent, we are communicating. Even when we don't intend to communicate, we do so. We may be unaware of a grimace that gives away our disapproval or an eye roll that shows we dislike someone, but we are communicating nonetheless.

2. Communication Is Irreversible

Perhaps you have been in heated arguments in which you lost your temper and said something you later regretted. It could be that you hurt someone or revealed something about yourself you meant to keep private. Later you might have tried to repair the damage by apologizing, explaining what you said, or denying what you revealed. But you couldn't erase your communication; you couldn't unsay what you said. That means what we say and do does matter and becomes a part of the relationship. Remembering this principle keeps us aware of the importance of choosing when to speak and what to say – or not say!

3. Interpersonal Communication Involves Ethical Choices

Ethics is a branch of philosophy that focuses on moral principles and code of conduct. Ethical issues concern what is right and what is wrong. Because interpersonal communication is irreversible and affects others, it always has ethical implications. For instance, if you read a message in a hat room that makes you angry; do you fire off a nasty reply, assuming you will never meet the person so you won't face any consequences? In work settings, should you avoid giving negative feedback because it could hurt others' feelings? In these and many other instances, we face ethical choices.

4. Meanings Are Constructed In Interpersonal Communication

Human beings construct the meaning of their communication. The significance of communication doesn't lie in words and nonverbal behaviors. Instead, meanings arise out of how we interpret one another. This calls our attention to the fact that humans use symbols, which sets us apart from other creatures.

For example, what does it mean if someone says, "You're sick"? To interpret the comment, you have to consider the context (a counseling session, a professional meeting), who said it (a psychiatrist, supervisor or subordinate, a friend, an enemy), and the words themselves, which may mean various things (a medical diagnosis, a challenge to your professional competence, a compliment, a disapproval).

5. Metacommunication Affects Meanings

The word metacommunication comes from two root terms; meta, which means "about" and communication. Thus, metacommunication is communication about communication. For example, during a conversation with your friend, you notice that his body is tense and his voice is sharp. You might say, "You seem really stressed."

The statement metacommunicates because it communicates about your friend's nonverbal communication. Metacommunication is both verbal and nonverbal.

Metacommunication can increase the chance of creating shared understanding. For example, teachers sometimes say, "The next point is really important." This comment signals students to pay special attention to what follows. A parent might tell a child, "What I said may sound harsh, but I'm only telling you because I care about you." The comment tells the child how to interpret a critical message.

Research has found that women are more likely than men to appreciate metacommunication when there is no conflict or immediate problem to be resolved. While curled up on a sofa and watching TV, a woman might say to her husband, "I really feel comfortable being close with you." This comments on the relationship and on the nonverbal communication between the couple.

6. Interpersonal Communication Develops And Sustains Relationships

Interpersonal communication is the primary way we build, refine, and transform relationships because it allows us to express and share dreams, imaginings, and memories and to weave all of these into the joint world of relational partners.

7. Interpersonal Communication Is Not A Panacea

As we have seen, we communicate to satisfy many of our needs and to create relationship with others. Yet it would be a mistake to think communication is a cure-all. Many problems can't be solved by talk alone. Communication by itself won't end hunger, abuse of human rights around the globe, racism, or physical disease. Nor can words alone bridge irreconcilable differences between people or erase the hurt of betrayal. Although good communication may increase understanding and help us find solutions to problems, it will not fix everything. We should also realize that the idea of talking things through is distinctly Western. Not all societies think it's wise or useful to communicate about relationships or to talk extensively about feelings.

8. Interpersonal Communication Effectiveness Can Be Learned

It is incorrect to believe that effective communicators are born. Although some people have exceptional talent in athletics or writing, all of us can become competent athletes and writers. Similarly some people have an aptitude for communicating, but all of us can become competent communicators.

Lesson 9

THE WORLD BEYOND WORDS

Nonverbal communication is all aspects of communication other than words themselves. It includes not only gestures and body language, but also how we utter words: inflection, pauses, tone, volume, and accent. These nonverbal features affect the meaning of our words. Nonverbal communication also includes features of environments that affect interaction, personal objects such as jewelry and clothes, physical appearance, and facial expressions.

Scholars estimate that nonverbal behavior accounts for 65% to 93% of the total meaning of communication. To understand verbal and nonverbal dimensions of communication, we identify both similarities and differences between them.

SIMILARITIES BETWEEN VERBAL AND NONVERBAL COMMUNICATION

1. Nonverbal communication is symbolic: Like verbal communication, nonverbal communication is symbolic. To represent different moods, we shrug our shoulders, lower our eyes, and move away from or toward others. We smile to symbolize pleasure in seeing a friend, frown to show anger or irritation, and widen our eyes to indicate surprise. Because nonverbal communication is symbolic, like verbal communication it is arbitrary, ambiguous, and abstract. Thus, we cannot be sure what a wink or hand movement means. Similarly, we can't guarantee that others will perceive the meanings we intend to communicate with our nonverbal actions.
2. Nonverbal communication is rule guided: Within particular societies we share general understanding of what specific nonverbal behaviors are appropriate in various situations and what they mean. For example, in United States and many other countries, handshakes are the conventional method of beginning and ending business meetings. Smiles generally are understood to express friendliness, and scowls generally are perceived as indicating displeasure of some type. We follow rules (often unconsciously) to create different interaction climates. For a formal speech, a room might be set up with a podium that is at a distance from listeners' chairs. The chairs would be arranged in neat rows. To symbolize a less formal speaking occasion, a podium might be omitted, chairs might be arranged in a circle, and the person speaking might be seated.
3. Nonverbal communication may be intentional or unintentional: Both verbal and nonverbal communication may be deliberately controlled or unintentional. For example, you may carefully select clothes to create a professional impression when you are going to a job interview. You may also deliberately control your verbal language in the interview to present yourself as assertive, articulate, and respectful. We exert conscious control over most of our nonverbal communication.
4. Nonverbal communication reflects culture: Like verbal communication, nonverbal communication is shaped by cultural ideas, values, customs, and history. Just as we learn the language of a culture, we also learn it nonverbal codes. For example, in the United States most people use knives, forks and spoons to eat. In Korea, Japan, China, Nepal, and other Asian countries, chopsticks often are the primary eating utensil.

DIFFERENCES BETWEEN VERBAL AND NONVERBAL COMMUNICATION

1. Nonverbal communication is believed to be more believable than verbal: One major difference is that most people perceive nonverbal communication as more trustworthy than verbal communication, especially when verbal and nonverbal messages are inconsistent. If someone glares and says, "I'm glad to see you;" you are likely to believe the nonverbal message, which communicates a lack of pleasure in seeing you.
2. Nonverbal communication is multichanneled: Nonverbal communication often occurs simultaneously in two or more channels, whereas verbal communication tends to take place in a single channel. Nonverbal communication may be see, felt, heard, smelled, and tasted, and we may receive nonverbal communication through several of these channels at the same time.
3. Nonverbal communication is continuous: Finally, nonverbal communication is more continuous than verbal communication. Verbal symbols start and stop. We say something or write something and then we stop talking or writing. However, it is difficult , if not impossible, to stop nonverbal communication.

PRINCIPLES OF NONVERBAL COMMUNICATION

1. Nonverbal Communication May Supplement Or Replace Verbal Communication

Communication researchers have identified five ways in which nonverbal behaviors interact with verbal communication. First, nonverbal behaviors may repeat verbal messages. For example, you might say, "yes" while nodding your head. Second, nonverbal behaviors may highlight verbal communication. For example, you can emphasize particular words by speaking more loudly. Third, we use nonverbal behavior to complement or add to words. When you see a friend, you might say, "I'm glad to see you" and underline the verbal message with a warm embrace. Fourth, nonverbal behaviors may contradict verbal messages, as when someone says, "Nothing's wrong" in a hostile tone of voice. Finally, we sometimes substitute nonverbal behavior for verbal ones. For instance, you might roll your eyes to indicate that you disapprove of something.

2. Nonverbal Communication May Regulate Interaction

More than verbal cues, nonverbal behavior regulates the flow of communication between people. In conversations, we generally know when someone else is through speaking and when it is our turn to talk. Seldom do explicit verbal cues tell us when to speak and when to keep silent.

3. Nonverbal Communication Often Establishes Relationship-Level Meanings

The content level of meaning is the literal message. The relationship level of meaning defines communicators' identities and relationship between them. Nonverbal communication often acts as a "relationship language" that expresses the overall feeling of relationships. Three dimensions of relationship-level meanings are conveyed primarily through nonverbal communication; responsiveness, likeness, and power.

TYPES OF NONVERBAL COMMUNICATION

In this section we describe nine types of nonverbal communication:

1. KINESICS refers to body position and body motions, including those of the face. Someone who stands erectly and walks confidently announces self-assurance, whereas someone who slouches and shuffles seems to be saying, "I'm not very sure of myself." One of the most important aspects of kinesics concerns how we position ourselves relative to others and what our positions say about our feelings toward them.
2. HAPTICS, the sense of touch, is the first of our five senses to develop, and many communication scholars believe touching and being touched are essential to a healthy life. Research on dysfunctional families reveals that mothers touch babies less often and less affectionately than mothers in healthy families. Touching also communicates power and status. People with high status touch others and invade others' space more than people with less status. As adults, women tend to engage in touch to show liking and intimacy, whereas men are more likely than women to use touch to assert power and control.
3. PHYSICAL APPEARANCE: Western culture places a high value on physical appearance. For this reason, in face-to-face interactions, most of us notice how others look, and we often form initial evaluations of others based on their appearance, over which they have limited control. This excessive emphasis on physical appearance in the West probably explains the astounding growth in cosmetic surgery.
4. ARTIFACTS are personal objects we use to announce our identities and heritage and to personalize our environment. We craft our image by how we dress and what objects we carry and use. Nurses and physicians wear white and often drape stethoscope around their necks, professors travel with briefcases, whereas students more often tote backpacks.
5. ENVIRONMENTAL FACTORS are elements of settings that affect how we feel and act. For instance, we respond to architecture, colors, room design, temperature, sounds, smells, and lighting. Rooms with comfortable chairs invite relaxation, whereas rooms with stiff chairs induce formality.
6. PROXEMICS refers to space and how we use it. Every culture has norms that prescribe how people should use space, how close people should be to one another, and how much space different people are entitled to have. Space also announces status, with greater space being assumed by those with higher status.
7. CHRONEMICS refer to how we perceive and use time to define identities and interaction. Within

Conversely, people with low status are expected to be punctual. It is standard practice to have to wait, sometimes a good while, to see a physician, even if you have an appointment. This carries the message that the physician's time is more valuable than yours. Similarly, the duration of time we spend with various people reflect our interpersonal priorities.

8. PARALANGUAGE is communication that is vocal, but does not use words. It includes sounds, such as murmurs and gasps, and vocal qualities, such as volume, pitch, and inflection. Paralanguage also includes accents, pronunciation, and the complexity of sentences. Whispering, for instance, signals secrecy and intimacy, whereas shouting conveys anger. A sarcastic tone communicates scorn or dislike more emphatically than words.
9. SILENCE is a final type of nonverbal behavior, which can communicate powerful messages. "I'm not speaking to you" actually speaks volumes. We use silence to communicate different meanings. For instance, it can symbolize contentment when intimates are so comfortable, they don't need to talk. Silence can also communicate awkwardness, as you know if you've ever had trouble keeping conversation going on a first meeting.

MINDFUL LISTENING

Hearing is a physiological activity that occurs when sound waves hit our eardrums.

Listening is far more complex than hearing or otherwise physically receiving messages. Listening has psychological and cognitive dimensions that mere hearing does not. The first step in listening is making a decision to be mindful or being present in the moment. To be mindful is to keep your mind on what is happening in the here and now. When we are mindful, we don't let our thoughts wander away from the present situation.

Literature identifies three levels of listening:

1. With MARGINAL LISTENING, as the sender speaks, the receiver does not pay attention. The use of marginal listening results in misunderstanding and errors.
2. EVALUATIVE LISTENING requires the listener to pay reasonably close attention to the speaker. The receiver evaluates the speaker's remarks as correct or not and determines if he or she will continue to really listen. Once the receiver hears something he or she does not accept, listening stops, and the rebuttal is formed.
3. EMPHATIC LISTENING is the ability to understand and relate to another's situation and feelings. Most messages have two components – feelings and content. Try to relate to both. In this type of listening the receiver listens carefully, putting him or her self into the position of the sender to understand what is being said from the speaker's viewpoint.

EMPHATIC LISTENING TIPS

1. Pay attention
2. Avoid distractions
3. Stay tuned in
4. Do not assume and interrupt
5. Watch for nonverbal cues
6. Ask questions
7. Take notes
8. Convey meanings
9. Think
10. Evaluate after listening
11. Evaluate facts presented
12. Paraphrase first
13. Watch for nonverbal cues

Lesson 10

TRANSACTIONAL ANALYSIS

Transactional analysis (TA) provides useful models for leadership styles. Eric Berne developed transactional analysis, and it has been applied, and written about ever since. TA has been used with organizational development and to improve quality of work life. Recently TA has been used to develop multinational corporations prepare mangers to operate efficiently within other cultures. TA is being used within relationship marketing to develop good human relations with customers.

Transactional analysis is a method of understanding behavior in interpersonal dynamics. When you talk to someone about anything, you are involved in interpersonal dynamics, and a series of transactions take place. An organization is a product of the process of its human relations.

Organizations have trained their employees in TA to improve their ability to handle difficult personal situations. A few of these companies include Pan American World Airways, the United Telephone Company of Texas, and Pitney Bowes. Studying TA can help you better understand people's behavior, and how to deal with emotions in a more positive way.

Below are three ego states, types of transactions, and life positions and stroking. Keep in mind that people are diverse and you will encounter a variety of ego states.

EGO STATES

According to Berne, we all have three major ego states that affect our behavior or the way we transact. The three ego states are *the parent, child, and adult*. We change ego states throughout the day, and even during a single discussion a series of transactions can take place between different ego states. Your parent, child, and adult ego states interact with other people's parent, child, and adult ego states. Understanding the ego state of the person you are interacting with can help you to understand his or her behavior and how to transact in an effective way.

Parent Ego State

When the parent ego is in control, people behave from one of two perspectives:

1. Critical Parent. When you behave and respond with evaluative responses that are critical, judgmental, opinionated, demanding, disapproving, disciplining, and so on, you are in critical parent ego state. People in the critical parent ego use a lot of do's and don'ts. Managers using the autocratic style tend to be in the critical parent ego state because they use high task/directive behavior.
2. Sympathetic Parent. On the other hand, you can also be a different type of parent. When you behave and respond with reassuring response that are protecting, permitting, consoling, caring, nurturing, and so on, you are in sympathetic parent ego state. Managers using the consultative and participative styles tend to be in sympathetic parent ego state because they are using high supportive/relationship behavior.

Child Ego State

When the child ego state is in control, people behave from one of two perspectives:

1. Natural Child. When you behave and respond with probing responses that shows curiosity, intimacy, fun, joyfulness, fantasy, impulsiveness, and so on, you are in natural child ego state. Successful managers do not tend to continuously operate from the natural child ego state.
2. Adapted Child. When you behave with confronting responses that express rebelliousness, pouting, anger, fear, anxiety, inadequacy, procrastination, blaming others, and so on, you are in adapted child ego state. Managers should avoid behaving from the adapted child ego state because this type of behavior often leads to the employee becoming emotional and behaving in a similar manner. When managers are transacting with an employee in this ego state, they should not react with similar behavior, but should be in the adult ego state.

Adult Ego State

When the adult ego is in control, people behave in a thinking, rational, calculating, factual, unemotional manner. The adult gathers information, reasons things out, estimates probabilities, and makes decision with cool and calm behavior. When communicating in the adult ego state, you avoid becoming the victim of the other person by controlling your response to the situation.

Generally, the most effective behavior, human relations, and performance come from the adult ego state. When

Identifying their ego state will help you understand why they are behaving the way they are and help you to determine which ego state you should use during the interaction. For example, if the person is acting like an adult, you most likely should, too. If the person is acting like a child, it may be appropriate way for you to act like a parent rather than an adult. And there are times when it is appropriate for you to act out of the child ego state and have a good time.

Lesson 11

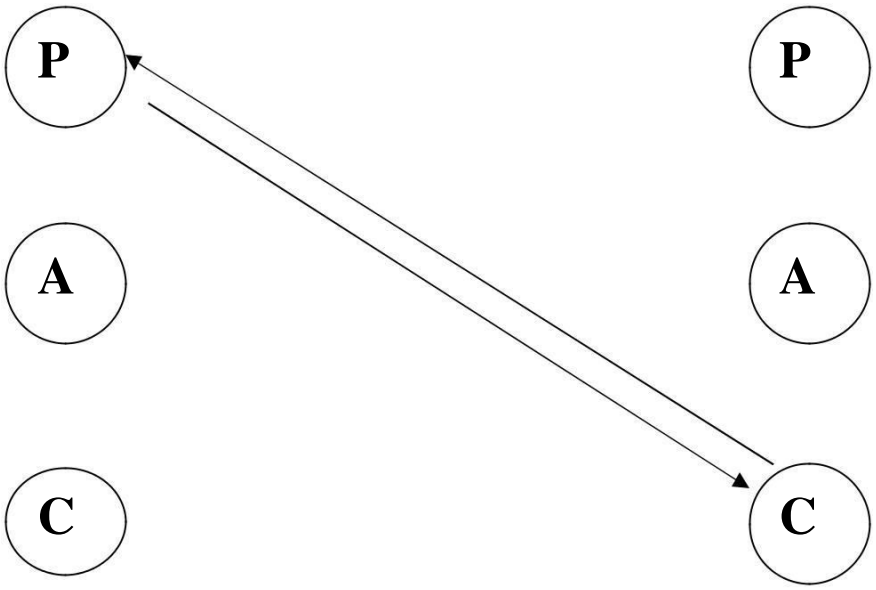
TYPES OF TRANSACTIONS

Within ego states there are three different types of transaction: *complementary, crossed, and ulterior*

Complementary Transactions

A complementary transaction occurs when the sender of the message gets the intended response from the receiver. For example, an employee makes a mistake and, wanting some sympathy, apologizes to the boss. Employee – 'I just dropped the thing when I was almost done. Now I have to do it all over again.'
Supervisor – 'It happens to all of us; don't worry about it.' This complementary transaction is illustrated below.

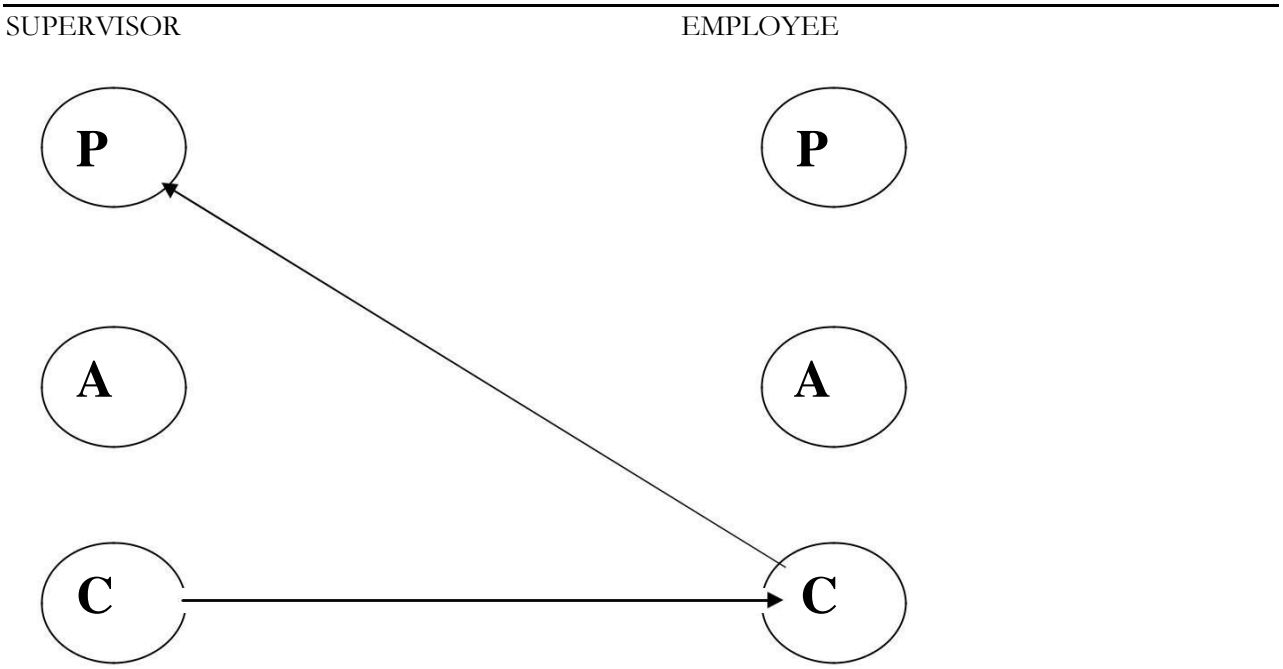
SUPERVISOR EMPLOYEE



Another example of a complementary transaction is a supervisor who wants a job done and delegates it, expecting the employee to do it. The supervisor behaves on an adult-to- adult level. Supervisor – 'please get this order ready for me by two o'clock.' Employee – 'I'll have it done before two o' clock, no problem.'
Generally, complementary transactions result in more effective communication with fewer hurt feelings and arguments. In other words, they help human relations and performance. Exceptions are if an employee uses an adapted child or critical parent ego state and the supervisor does, too. These complementary transactions can lead to problems.

Crossed Transactions

Crossed transactions occur when the sender of the message does not get the expected response from the receiver. Returning to our first example: Employee – 'I just dropped the thing when I was almost done. Now I have to do it all over again.' Supervisor – 'you are so clumsy.' This transaction is illustrated below.



From our second example: Supervisor – 'please get this order ready for me by two o' clock.' Employee – 'why do I have to do it? Why don't you do it yourself? I am busy.' This cross transaction is an adult – adapted – to – child response.

Generally, cross transactions result in surprise, disappointment, and hurt feelings for the sender of the message. The unexpected response often gets the person emotional, which often results in his or her changing to the adapted child ego sate, which causes the communication to deteriorate further. Cross transactions often end in arguments and hurt human relations.

Cross transactions can be helpful when the negative parent or child ego response is crossed with an adult response. This cross over may result in the preferred adult – to – adult conversation.

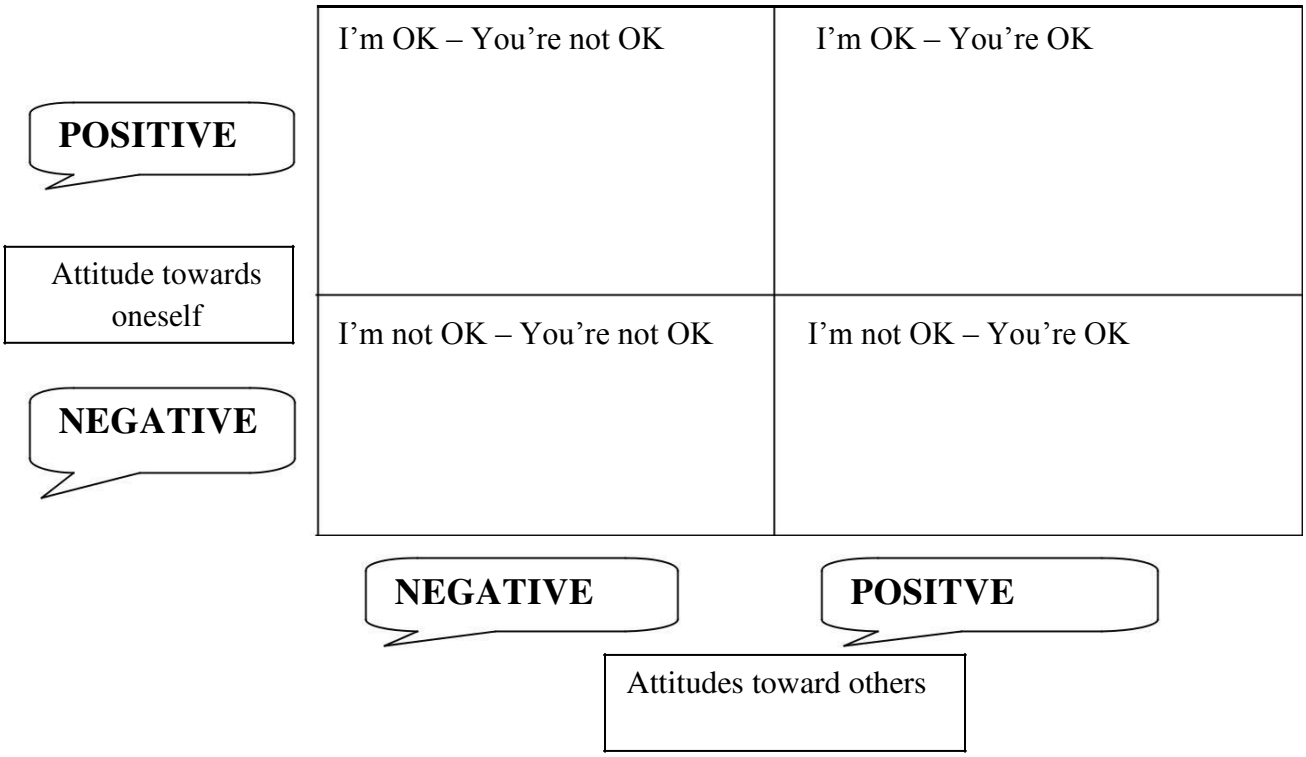
Ulterior Transactions

Ulterior, or hidden, transactions occur when the words seem to be coming from one ago state, but in reality the words or behaviors are coming from another. For example, after a training program, one of the participants came up to a consultant asking advice on an adult ego sate. When the consultant gave advice, the participant twice had quick responses as to why the advice would not work (child rather than adult behavior). The consultant realized that what the participant actually wanted was sympathetic understanding for his situation, not advice. The consultant stopped making suggestions and listened actively, using reflective responses. The consultant changed from the adult to the sympathetic parent ego state in order to have a complimentary transaction.

Sometimes people don't know what they want or how to ask for it in a direct way, so they use ulterior transactions. When possible, it is best to avoid ulterior transactions because they tend to waste time. Avoid making people search for your hidden meanings. Plan your message before you send it. When receiving messages look for ulterior transactions and turn them into complimentary transactions, as stated above.

Life Positions

Attitudes affect your behavior and human relations. Within the TA framework, you have attitudes toward yourself and toward others. Positive attitudes are described as OK, and negative attitudes are described as NOT OK. The four life positions are illustrated below.



The most desirable life position is shown in the upper right hand box: "I am OK – You are OK". With a positive attitude towards yourself and others, you have a greater chance for having adult – to – adult ego state communication. You can change your attitude, and you should, if they are not positive, to create win – win situations. People with a positive self-concept tend to have positive attitudes.

Lesson 12

NEURO-LINGUISTIC-PROGRAMMING

Our experience of the world is created by gathering information through the use of our five senses. However, each of us tends to develop a favorite mode of focus, or a modality, as it is often called. Some people are more impacted, for example, by what they see; their visual system tends to be more dominant. For others, sounds are the trigger for the greatest of life's experiences, while for others, feelings are the foundation.

Even within each of these modes of experience, though, there are special elements of pictures, sounds, or other sensations that can be changed in order to increase or decrease the intensity of our experience. These foundational ingredients are called **sub modalities**. For example, you can make a picture in our mind and then take any aspect of that image (a sub modality), and change it to change your feelings about it. You can brighten the picture, immediately changing the amount of intensity you feel about the experience. This is known as a changing sub modality. Probably the greatest expert in sub modalities is Richard Bandler, co – founder of Neuro- Linguistic Programming. The lineage of experts on this dates back to the foundational work on he five senses done by Aristotle, which categorizes perception models.

You can radically raise or lower your intensity the feeling about anything by manipulating sub modalities. They affect how you feel about virtually anything, whether you feel joy, frustration, wonder, or despair. Understanding them enables you to not only change how you feel about any experience in your life, but to change what it means to you and thus what you can do about it.

One image I've found very useful is to think of sub modalities as the grocery store UPC bar codes, those clusters of little black lines that have replaced price tags in just about every supermarket you patronize today. The codes look insignificant, yet when pulled across the checkout scanner, they tell the computer what the item is, how much it costs, how its sale affects the inventory, and so on. Sub modalities work the same way. When pulled across the scanner of the computer we call the brain, they tell the brain what this thing is, how to feel about it, and what to do. You have your own bar codes, and there is a list of them coming up alone with question to ask to determine which of them you use.

For example, if you tend to focus upon you visual modalities, the amount of enjoyment you can get from a particular memory is probably a direct consequence of the sub modalities of size, color, brightness, distance, and amount of movement in the visual image you've made of it. If you represent it to yourself with auditory sub modalities, then how you feel depends on the volume, tempo, pitch, tonality, and other such factors you attach to it. For example, in order for some people to feel motivated, they have to tune in a certain channel first if their favorite channel is visual, then focusing on the visual elements of the situation gives them more emotional intensity about it. For other people it's auditory or kinesthetic channels. And for some, the best strategy works like a combination lock. First the visual lock has to be aligned, then the auditory, then the kinesthetic. All three dials have to be lined up in the right place and the right order for the vault to open.

Once your aware f this, you'll realize that people are constantly using words in their day–to–day language to tell you which system and which sub modalities they are tuning in. Listen to the ways they describe their experience, and take it literally. (For example, in the last two sentences I used the terms 'tuning in' and 'listen' – clearly these are auditory examples.)

How many times have you heard someone say,' I can't picture doing that'? They're telling you what the problem is: If they did picture doing it, they'd go into state where they'd feel like they could make it happen. Someone may have once said to you,' your blowing things out of proportion.' If you're really upset, they may be right. You may be taking images in your mind and making them much bigger, which tends to intensify the experience. If someone says,' this is weighing heavily upon me.' You can assist them by helping them feel lighter about the situation and thereby get them in a better state to deal with it. If someone says, 'I'm just tuning you guys out.' You've got to tune them back in so the can change states. **Our ability to change the way we feel depends upon our ability to change our sub modalities**. We must learn to take control of the various elements with which we represent experiences and change them in ways that support our outcomes. For example, have you ever found yourself saying you need to 'get distance' from a problem? I'd like you try something, if you would. Think of a situation that is challenging you currently. Make a picture of it in your mind, and then imagine pushing that picture farther and farther away from yourself. Stand above it and look down upon the problem with a new perspective. What happens to your emotional intensity? For most people, it drops. What if the image becomes dimmer or smaller? Now take picture of the problem and make it bigger, brighter, and closer. For most people, this intensifies it. Push it back out and watch the sun melt it. A simple

change in any one of these elements is life changing the ingredients in a recipe. They're definitely going to alter what you finally experience in your body.

Remember, how you feel about things is instantly changed by a shift of sub modalities. For example, think of something that happened yesterday. Just for a moment, picture that experience. Take the image of this memory and put it behind you. Gradually push it back until its miles behind you, a tiny, dim dot far off in the darkness. Does it feel like it happened yesterday, or a long time ago? If the memory is great, bring it back. Otherwise, leave it there! Who needs to focus on this memory? By contrast, you've had some incredibly wonderful experiences in your life.

Think of one right now, one that happened a long time ago. Recall the imagery of that experience. Bring it forward; put it in front of you. Make it big, bright, and colorful; make it three – dimensional. Step into your body as you were then and feel that experience right now as if you were there. Does it feel like it happened a long time ago, or is it something you're enjoying right now? You see, even your experience of time can be changed by changing sub modalities.

Lesson 13

CREATE YOUR OWN BLUEPRINT

Discovering your sub modalities is a fun process. You may want to do this on your own, although you may find it more fun to do with someone else. This will help with the accuracy, and if they're also reading this, you'll have a lot to talk about and a partner in your commitment to personal mastery. So very quickly now, think of a time in your life when you had a very enjoyable experience, and do the following: Rate your enjoyment on a scale from 0 – 100, where 0 is no enjoyment at all and 100 is the peak level of enjoyment you could possibly experience. Let's say you came up with 80 on this emotional intensity scale. Now, go to the Checklist of Possible Sub modalities (PPT Slide), and let's discover which elements are apt to create more enjoyment in your life than others, more pleasure feelings than pain feelings.

Begin to evaluate each of the questions contained in the checklist against your experience. So, for example, as you remember this experience and focus on the **visual** sub modalities, ask yourself,' is it a movie or a still frame?' If it's a movie, notice how it feels. Does it feel good? Now change it to its opposite. Make it a still frame and see what happens. Does your level enjoyment drop? Does it drop significantly? By what percentage? As you made it a still frame, did it drop from 80 to 50, for example? Write down the impact that this change has made so you'll be able to utilize this distinction in the future.

Then, return the imagery to its initial form; that is, make it a movie again if that's what it was, so you feel like you're back at 80 again. Then go to the next question on your checklist (PPT Slide). Is it in color or in black and white? If it was in black and white, notice how it feels. Now, again, do the opposite to it. Add color and see what happens. Does it raise your emotional intensity higher than 80? Write down the impact this has upon you emotionally. If it brings you to a 95, this might be a valuable thing to remember in the future. For example, when thinking about a task you usually avoid, if you add color to your image of it, you'll find that your positive emotional intensity grows immediately. Now drop the image back down to black and white, and again, notice what happens to your emotional intensity and what a big difference this makes. Remember to always finish by restoring the original state before going on to the next question. Put the color back into it; make it brighter than it was before, until you're virtually awash in vivid color.

In fact, brightness is an important sub modality for most people; brightening things intensifies their emotion. If you think about the pleasurable experience right now, and make the image brighter and brighter, you probably feel better, don't you? (Of course, there are exceptions. If you're savoring the memory of a romantic moment, and suddenly turn all the lights on full blast, that may not be entirely appropriate.) What if you were to make the image dim, dark, and defocused? For most people, that makes it almost depressing. So make it brighter again; make it brilliant!

Continue down your list, nothing which of these visual sub modalities changes your motional intensity the most. Then focus on the **auditory** sub modalities. As you re-create the experience inside your head, how does it sound to you? What does raising the volume do to the level of pleasure you feel? How does increasing the tempo affect the enjoyment? By how much? Write it down, and shift as many other elements as you can think of. If what you're imagining is the sound of someone's voice, experiment with different inflections and accents, and notice what that does to the level of enjoyment you experience. If you change the quality of the sound from smooth to silky to rough and gravelly, what happens? Remember, finish by restoring the sounds to their original auditory form so that all the qualities continue to create pleasure for you.

Finally, focus on **kinesthetic** sub modalities. As you remember this pleasurable experience, how does changing the various kinesthetic elements intensify or decrease your pleasure? Does raising the temperature make you feel more comfortable, or does it drive you up the wall? Focus on your breathing. Where are you breathing from? If you change the quality of your breaths from rapid and shallow to long and deep, how does this affect the quality of your experience? Notice what a difference this makes, and write it down. What about the texture of the image? Play around with it; change it from soft and fluffy, to wet and slimy, to gooey and sticky.

As you go through each of these changes, how does your blood feel? Write it down. When you're done experimenting with the whole checklist of sub modalities, go back and adjust until the most pleasurable image re – emerges; make it real enough so you can get your hands around it and squeeze the juice from it!

As you go through these exercises, you will quickly see that some of these sub modalities are much more powerful for you than others. We're all made differently and have are own preferred ways of representing our experience to ourselves. What you've just done was to create a blueprint that maps out how your brain is wired. Keep it and use it; it will come in handy some day – may be today! By knowing which modalities trigger you,

For example, if you know that making something big and bright and bringing it close can tremendously intensify your emotion, you can get yourself motivated to do something by changing its imagery to match these criteria. You'll also know not to make your problems big, bright and close or you'll intensify your negative emotions as well! You'll know how to instantly shake yourself out of limiting state and into an energizing, empowering one. And you can be better equipped to continue your pathway to personal power.

Knowing the large part that sub modalities play in your experience of reality is crucial in meeting challenges. For example, whether you feel confused or on track is a matter of sub modalities. If you think about a time when you felt confused, remember whether you were representing the experience as a picture or a movie. Then compare it to a time when you felt that you understood something. Often when people feel confused, it's because they have a series of images in their heads that are piled up too closely together in a chaotic jumble because someone as been talking too rapidly or loudly. For other people, they get confused if things are taught to them too slowly. These individuals need to see images in a movie form, to see how things related to each other; otherwise the process is too disassociated. Do you see how understanding someone's sub modalities can help you to teach them much more effectively?

The challenge is that most of us take our limiting patterns and make them big, bright, close, loud, or heavy – whichever sub modalities we're most attuned to – and then wonder why we feel overwhelmed! If you've ever pulled yourself out of that state, it's probably because you or somebody else took that image and changed it, redirecting your focus. You finally said,' oh, it's not that big a deal.' Or you worked on one aspect of it, and by doing so; it didn't seem like such a big project to tackle. These are simple strategies.

Lesson 14

LEADERSHIP

Organizational Democracy and Organization Structure Link: Role of Strategic Leadership & Environmental Uncertainty

Abstract
This theoretical paper focuses on the issue of implementing democratic principles in modern day organizations facing turbulent and changing environments around them. The paper captures the notion of participatory style of management through the construct; organizational democracy. It traces the origin of this construct from theories and philosophies of political democracy. The paper also briefly describes the notion of economic democracy and why it failed to succeed in the face of partial success of political democracy. The underlying question which the paper raises is the role of organizational structure and strategic leadership style in the successful implementation of democratic principles in organizations in the face of a turbulent and dynamic environment. The paper also attempts to raise some thought provoking questions for future research.

INTRODUCTION

People who grew up feeling comfortable and secure working for a manufacturing firm appreciate just how elusive stability and security are in these days when the companies across the globe are feeling the enormous impact of globalization on their style of work, leadership, communication, reporting mechanisms, and other structural and contextual dimensions of present-day companies. There are a number of ways in which organizations are coping with the reality of globalization and the need for 'organizational excellence' focus is realized to be more than any other time in industrial history. Recent research has identified four threads of corporate excellence (Daft, 2000, pp. 483). These include, *strategic orientation* (customer-driven, fast in responding, ability to establish interorganizational links), *top management leadership style* (leadership vision, bias towards action & change), *organization design* (horizontal structure, empowerment of employees, use of electronic technology & e-commerce) and, *corporate culture* (creating a climate of trust, sharing information, encouraging productivity through people).

The impact of globalization is no doubt different for different industries. The high-velocity industries like electronics and information technology are probably more exposed to the impact of globalization as compared to typical manufacturing industries, but in general, the focus on 'productivity through people' (Hitt & Ireland, 1999) has largely meant a participatory style of management and decision-making. This paper presents the notion of organizational democracy to capture the participatory management style within a company and also examines the relationship between this participatory style and other dimensions of the company like strategic leadership style and turbulent environment.

HISTORY AND BACKGROUND OF ORGANIZATIONAL DEMOCRACY

The term democracy originated from Greek word *demokratia* where *demo* means people, and *kratia* referring to power or rule, so democracy means rule of the people (Powley *et al.* 2004). The Greeks were no doubt the first to try to build political philosophy theories and Plato equated the three elements of human soul with the three elements of an ideal or just state (Moore & Bruder, 2001, pp. 266). His notion of democracy is however a degenerated form of plutocracy which results because, "a society cannot hold wealth in honor and …… establish self-control in its citizens" (*Republic*). Aristotle too regarded state as an organism and defined democracy as an improper rule by many.

Later on, during the period of renaissance, Nicolo Machiavelli's *The Prince* (1532) was labeled as, "one of the most famous political treatise of all times" (Moore & Bruder, 2001, pp. 272). In fact Machiavelli established his reputation as the first one to advocate the notion of power politics. Lock, Rousseau, John Stuart Mill, all mentioned "liberty" and "happiness" as essential ingredients of good governance.

By 19th Century, Karl Marx (1818 – 1883) brought in the issue of "class struggle" in the governance of a society. He also attacked the foundations of capitalist theories by pointing out that workers produce the product but don't own it!

Be it in the West or in the "form of varna and jati in Hindu society" (Presby, Struhl & Olsen, 2000, pp. 591) in East, most of the philosophers who wrote on politics and its philosophy mention the classes in society and the need for a fair and transparent governance system to bring these classes and factions together in the

The 20th Century is therefore labeled as the "century of democracy" as the older versions of democracy improved in quality and further experience was gained in governance through democracy and one can witness that from 1985 to 2000, the number of most democratic countries in the world increased from 44 to 82 and the number of authoritarian regimes declined from 67 to 26 (Ringen, 2004).

Economic democracy, on the other hand has not witnessed such successful proliferation as its political counterpart. Though it seems logical that economic democracy follows from the democratic principles and that economic power should also be under the democratic control but in contrast to political democracy, economic democracy, "does not appear to be something people are ready to take to the streets and fight for" (Ringen, 2004). In the same article on distributional theory of economic democracy, Ringen (2004) captures the failure of economic democracy in the following way:

"Various attempts can be identified through the last century of subordinating economic resources and activities to political control, all failures. The extreme case is that of Soviet-style command economy……British style nationalization of heavy industry……French socialists' move under President Mitterrand to nationalize major banks……Swedish idea of bringing capital under democratic control".

All of these above mentioned endeavors enjoyed brief success but none lasted long.

The advocates of the concept of Inclusive Democracy recognize this failure and are of the view that, "the world is in a multidimensional crisis, caused by concentration of power in the hands of various elites, as a result of the establishment of the economic system of market/growth economy, its political complement in the from of representative democracy" (Gezerlis, 2003). The principle of political democratic equality understood as "one man one vote" does not probably apply to economic democracy and a recent case study of political decision-making in Skanderburg, a small town in Denmark only confirms this (Sorensen & Torfing, 2003).

Even the modern political democracy is seem to be under attack from factors like, "commercialization of education, media consolidation, news uniformity……extension of application of psychology from the cultivation of consumer tastes to the cultivation of political ideology and voter perception……and a consumer culture that has elevated material wealth to be all, end all" (Swaney, 2003).

It would now be interesting to pose the question: Why various efforts and experiments to launch economic democracy failed? Why the theory that political control over the economy would be conducive to economic efficiency did not work?

The answers to these questions seem to lie in the "big tradeoff" of the economist Arthur Okum, according to which citizens in democratic societies value both prosperity and equality, they want equality but not at the cost of prosperity (Ringen, 2004). Slowly and gradually issues like poverty, income inequality have been absorbed in the society with little or no political resistance. Political equality has been somewhat achieved in equal rights and the universal vote (at least in the developed countries) while economic equality has been given up, even in these advanced societies, as it not possible without incurring prohibitive costs. Can we imagine a society where everyone has the same economic power? The answer to this question seems to be no as it's understood that real economies are comprised of different classes of people with uneven economic power, in contrast to political power, which is more or less equal as one man has only one vote, whatever his/her economic resources may be. Society has an upper, middle and lower class in terms of income and prosperity, though each person within these classes has the same political power of one vote. Laclau noted earlier that, "power which is equally distributed among all members of the community is no power at all" (Marchart, 2003), one can infer that the control and acquisition of economic resources is power as it is not equally distributed across any society in the world.

The political democracy, on the other hand, has seen some success and is probably one of the reasons of successful integration of the 'melting pot' culture of America as it has forged a single nation from people of remarkably diverse racial, religious, and ethnic origins through democratic principles and participatory democracy (Braceras, 2005). Political democracy has to its credit the adoption of Civil Rights Act of 1964 to redress and to eliminate inequality in the treatment of Black Americans. Samuel Loescher while examining the merits of a corporate progressive value added-tax to induce spin- offs by corporate giants to enlarge pluralism, notes the same merits of political democracy in including people to rise, but voices the above mentioned 'big tradeoff' question when he asks, "would adoption of any of these alternatives (tax incentives) be as economically efficient a use of citizens' 'love' for our democratic environment as a massive citizens' campaign for tax incentives to limit corporate power?" (Loescher, 1979).

The next natural question to rise is: If economic democracy has failed due to non homogenous society in terms of income inequality and class struggle, can organizational democracy succeed in organizations?

ORGANIZATIONAL DEMOCRACY

The idea of political democracy, as we have already seen, is deeply ingrained in Western culture. It is not surprising therefore if the organizations based in the Western economies are viewed as a natural setting in which to extend democratic values and practices (Kerr, 2004). Organizational democracy means that members of an organization participate in the processes of organizing and governance (Harrison et al. 2004). There is no doubt that the idea of applying democratic principles to organizations is appealing. It is argued that increase 'voice' (Fenwick, 2005) of the employees (as a result of democratic principles) would lead to higher level of organizational commitment which would further improve implementation rates of the decisions made, reduce dysfunctional behavior in employees and upgrade their skills and abilities due to more participation which would ultimately lead to improved organizational performance and productivity.

But the literature also points out that organizational democracy practices do not reach out the lowest employees as they are not in a position to capture the 'big picture' of organizational governance and hence the quality of their decisions will be compromised and not up to the mark of organizational requirements (Harrison, *et al.* 2004). It is also mentioned that organizational democracy is a time consuming process which demands sweeping changes, and fierce resistance from various worker groups and clash of interest of different corporate players would make it even more time consuming and difficult to implement in the organizations.

Organizations are after all much like societies in the sense that they are not homogenous and parallel the rich, middle and poor classes of society as top, middle and lower management hierarchies in organizations. In real economies there is a surplus and no equality (Ringen, 2004) and similarly in organizations there is profit with minimum equality among organizational members. If economic democracy has failed in society, in the face of success of political democracy, can we not assume that democracy in organizations, which are structured more or less like societies, is doomed for failure as well? Is it not the nature of an organizational person to grasp power rather than sharing it or giving it up?

These questions at least caution us to the fact that trying to blindly duplicate political democracy in organizations will end up in failure and trouble. The recent researchers define corporate democracy as, "referring to a system of democratic governance embedded in a *supportive organizational structure* that includes shared residual claims by all members in combination with democratic decision-making rules" (Harrison, *et al.* 2004).

We can see that this definition of organizational democracy is subject to 'supporting organizational structures' as a main moderating variable which will decide the fate of the application of democratic principles in organizations. The conceptual and structural differences among different organizations are explained aptly in the following paragraph:

"Some (organizations) are truly command -and-control organizations where attempts by employees or managers to be more democratic are disparaged by owners and senior executives……A few organizations are built not just on democratic principles but are in fact 'democratically designed communities' where ownership, employment and business processes are all aligned to create viable entities that achieve a high level of results……While larger organizations have difficulty transitioning to a full democracy, many smaller companies have embraced a systemic approach called 'open book management'" (Caimano, 2004).

In the nutshell, the organizational democracy principles can be summarized as follows:

- Participative management practices
- Increased 'voice' of employees
- Focus on change

The basic theory underlying my proposed model of organizational democracy implementation in organizations is based on the interaction between its *structural* and *contextual* dimensions. Organizational dimensions fall into two categories: structural and contextual. Structural dimensions provide labels to describe the internal characteristics of an organization and include degree of formalization, specialization, centralization in decision-making, breadth of the span of control and, length and width of the hierarchy, while the contextual dimensions characterize the whole organization, including its size, technology, environment, and goals (Daft, 2000, pp. 16, 17 & 18). These dimensions of organizations design interact with one another as shown in Figure 1.

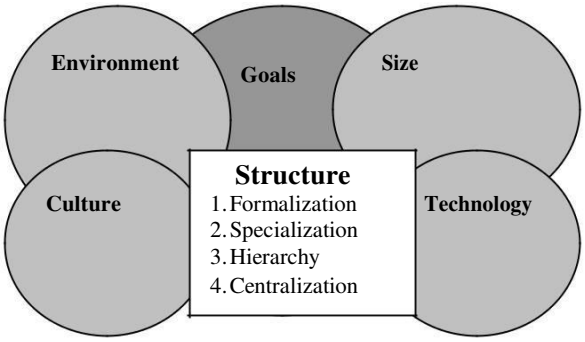
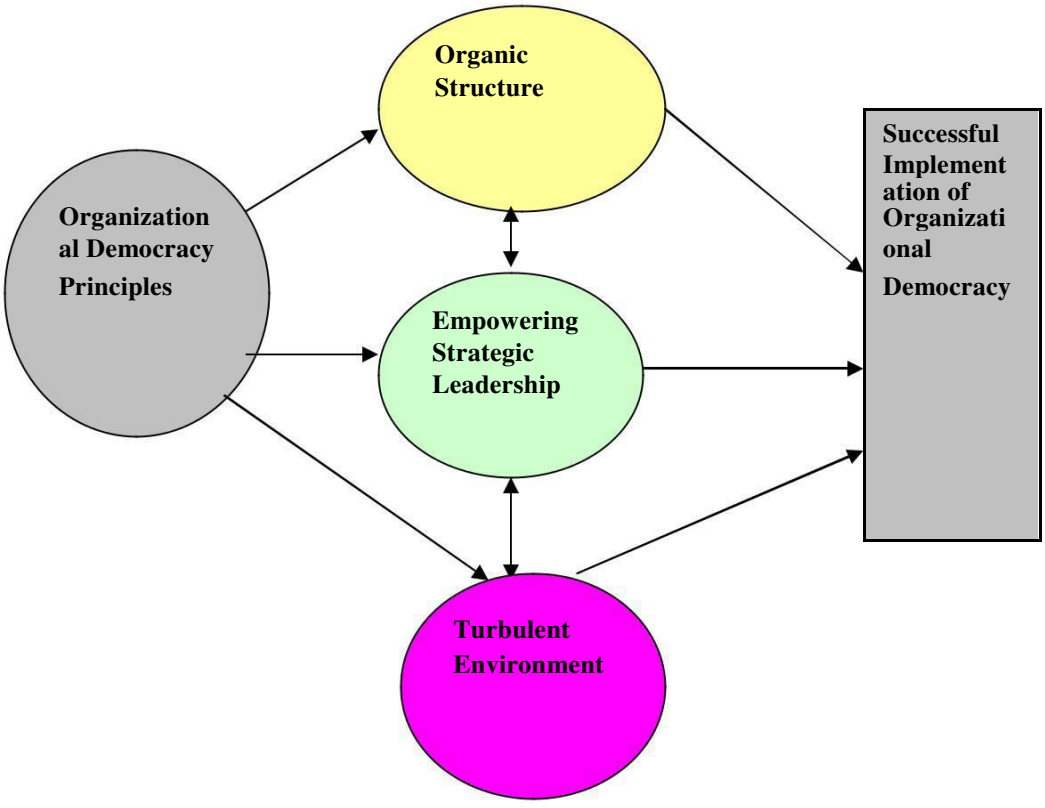


Figure 1: Interacting Contextual and Structural Dimensions of Organization Design
Adapted from Daft, 2000, pp. 17: Organization Theory & Design

The above shown interaction of the contextual and structural dimensions of the organization determine the unique design of that organization and research has proved that these dimensions or variables are interdependent, e.g., large organization size, a routine technology, and a stable environment all tend to create an organization that has greater formalization, specialization, and centralization (Daft, 2000, pp. 20) or mechanistic structure (Daft, 2000, pp. 144; Sharfritz & Ott, 2001, pp. 201). Similarly, a medium size, a non-routine technology, and a turbulent and dynamic environment tend to create an organization that has lesser formalization, specialization, and centralization or in other words, an organic structure.

Figure 2: Theoretical Framework Linking Organizational Democracy to organizations' Structure, Strategic Leadership Style and Turbulent Environment. *Double-arrows indicate interdependencies*.



The underlying theory of my proposed model for successful implementation of organizational democracy is therefore, embedded in the current literature on organizational theory. Since organizational democracy requires participative style of management, the best suited structure to achieve this would be a free flowing organic structure and not the rigid mechanistic structure. In the sections to follow, I will address how successful implementation of organizational democracy depends on the presence of supportive organizational structure and two additional variables; strategic leadership style and change (captured by the environmental uncertainty). My proposed model is shown in Figure 2. This figure is not meant to be a full-blown theoretical model, but it does summarize and integrate some of the findings of the previous research, along with my structure-based predictions. For example, my contention on the connection between successful implementation of organizational democracy and organization structure is that the relationship between the two would be augmented in the presence of two additional variables; a dynamic strategic leadership on top of an organic structure and with a turbulent environment around the organization.
The link of organizational democracy with supportive organizational structure, strategic leadership and turbulent environment is now described in some detail.

Supportive Organization Structures and Organizational Democracy
Most organizational theorists like Taylor and Perrow have determined two definitions of organization structure and have evolved the concept of mechanistic versus organic structures (Kennedy, 1983; Ambrose & Schminke, 2003).
Organizations have a mechanistic or organic structure not because they like to have one, it is because of a particular type of product/service which the organizations is offering and to the degree of environmental stability or the lack of it, around that organization which defines and imposes the structural requirements on the organizations. Burns and Stalker observed that external environment was related to the internal management structure to the extent that when external environment was stable, the internal organization was characterized by rules, procedures and a clear hierarchy of authority. The opposite was observed to be true when the external environment confronting an organization was complex and dynamic. These organizations tended to have loose, free- flowing and adaptive organic structure (Daft, 2000, pp. 144). Various authors and researchers in the field of organization theory have developed sets of characteristics which are intrinsic to mechanistic and organic structure. The following table summarizes some of these characteristics:

Table 1

Mechanistic Structure	Organic Structure
1. Tasks are broken down into specialized separate parts	1. Employee contribute to the common tasks of the department
2. Tasks are rigidly defined	2. Tasks are adjusted and redefined through teamwork
3. There is a strict hierarchy of authority and control, rules are many	3. There's less hierarchy of control and authority, there are few rules
4. Knowledge and control of tasks are centralized	4. Knowledge and control are located anywhere in the organization
5. Communication is vertical	5. Communication is horizontal

Source: Adapted from Richard L. Daft, 7th edition, 2001

These two above mentioned structures are in reality the two formally contrasted forms of management systems, a mechanistic management system which is appropriate in stable conditions and the organic form which is appropriate to changing conditions (Shafritz & Ott, 2001, pp. 201- 201).
Michael Porter's framework of competitive strategies of either low cost leadership or differentiation also captures the same structural differences among organizations as a result of their interaction with the environment. His low cost leadership strategy where the organization aggressively seeks efficient facilities, pursue cost reduction, and uses tight controls to produce the product more efficiently (Daft, 2001, pp. 60) is clearly more suitable for mechanistic organizations rather than organic forms where the strategy of differentiation, characterized by organizational attempts to distinguish their products or services from others, would be more suitable.
Broadly speaking, one can conclude that organizations with an efficiency focus would be more prone to have a

do better with an organic structure. In a business context, increased efficiency can result from providing greater output for a fixed set of inputs, by marinating output at reduced levels of input or combining the two approaches, the inputs are generally seen as costs which are usually minimized in order to achieve efficiency (Bronn et al. 2005). Other researchers have also defined organizational efficiency as cost-effectiveness or value for money (Smith & Street, 2005; Lear & Fowler, 1997) and as fostering, "intra firm compromises economically" (Gellner, Frick & Sadowski, 1997). It is also mentioned in the literature that corporate efficiency is measured in terms of productivity because increased productivity leads to more competitive cost structure and the ability to offer more competitive products and services (Chowdhury, 2005).

The discussion so far has yielded that organizational democracy cannot be blindly applied across all organizations. There seem to be some prerequisites or some, "internal conditions that facilitate……democratic organizations" (Rothschild & Whitt, 1986, pp. 172). I now enlist some of these prerequisites of organizational democracy:

1. a more provisional sense of temporality towards organizations than that of bureaucracy
2. a climate (culture) in which constructive mutual and self-criticism can flourish
3. small size
4. homogenous membership in terms of backgrounds and values
5. a turbulent and dynamic environment around the organization so that the organization's main focus in innovation and idea generation (differentiation) rather than efficiency (cost leadership)
6. a team culture
7. an internal environment where employees trust each other and this trust is emanating from the leadership of the organization
8. a horizontal and flat organization as opposed to a tall and vertical one

A comparison of the above mentioned prerequisites with the structural characteristics mentioned in Table 1 clearly demonstrates that organic organizations with horizontal communication, employee participation, less vertical hierarchies and decentralization would be much more suited for the practice of democratic principles than a large and tall bureaucratic organization.

Even in organic organizations the assumption that organizational democracy would work like political democracy is a far fetched idea. The top management of organizations is not elected representatives like members of a politically elected government and employees, specially the lower cadre employees, cannot be expected to understand the longer-term repercussions of their decisions and hence the quality of these decisions can be challenged. But organizational democracy in large and bureaucratic organizations seems just out of question. In mechanistic organizations it's not the people but rules and procedures and their meticulous implementation which makes possible the successful realization of a cost leadership strategy in their intensely competitive but relatively stable environments. There is little scope for 'participatory' management systems in mechanistic organizations and hence little scope for the practice of democratic principles in these organizations.

On the basis of the discussion so far, following is the first proposition of this paper:

Proposition 1: *Organizational democracy would be implemented more successfully in organizations with an organic structure*.

Lesson 15

LEADERSHIP

ORGANIZATIONAL DEMOCRACY, STRUCTURES AND STRATEGIC LEADERSHIP

The study of leadership has progressed from a simple description of traits to examining complexities of interaction between leaders and followers and since 1940s, the main approach in studying leadership focuses on leadership styles (Athanasaw, 2003).

Hambrick and Pettigrew (2001) note two distinctions between the terms leadership and strategic leadership; first, leadership theory refers to leaders at any level in the organization, whereas the strategic leadership theory refers to the study of people at the top of the organization, second, in contrast to the micro focus of leadership research on relationship between leaders and followers, strategic leadership research focuses on executive work, not only as a relational activity but also as a strategic activity and a symbolic activity. One branch of leadership research which has proven useful to the study of CEO-level management is the framework of transactional/transformational leadership (Vera and Crossan, 2004). This framework stems from the visionary or charismatic school of leadership theory, which along with other five main schools, trait school, behavioral or style school, contingency school, emotional intelligence school and, competency school, formulate the six main themes or schools of leadership theories over the past 70 years or so (Dulewicz & higgs, 2003; Handy, 1982; Partington, 2003). Recent work has suggested that the positive relationship between charismatic leadership and performance found in earlier studies also holds true at the strategic (CEO) level (Waldman et al., 2004).

Transactional leadership, primarily *task-focused* (Turner & Muller), motivates individuals primarily through contingent-reward exchanges. These leaders set goals, articulate explicit agreements regarding what the leader expects from organizational members and how they will be rewarded for their efforts and commitment, and provide constructive feedback to keep everyone on task (Howell & Hall-Merenda, 1999; Jung and Avolio, 1999). Operating within an existing system, transactional leaders seek to strengthen an organization's culture, strategy, and structure and hence is similar in nature to the cultural maintenance for of leadership described by Trice and Beyer (1993) They clarify the performance criteria for followers and also explain to them what they would receive in return (Hartog, Muijen and Koopman, 1997; Waldman et al., 2001).

Transformational leadership, primarily *people-focused* (Turner & Muller, 2005) in contrast, is charismatic, inspirational, intellectually stimulating, and individually considerate (Avolio et al., 1999; Carless, 1998; Hartog et al., 2004). Some researchers have treated charisma and transformational leadership as distinct concepts but others mention transformational leaders talking of articulating a vision, which creates considerable loyalty and trust among the followers (Tichy and DeVanna, 1986) which sounds very similar to charisma. Similarly, some researchers use the term empowering leadership to capture five themes of this type of leadership, the themes are leading by example, participative decision making, coaching, informing and showing concern for team members (Srivastava, Bartol and Locke, 2006). These five themes of empowering leadership are no different than the definition of charismatic/transformational leadership. In this paper, therefore, the terms transformational and charismatic leadership are used interchangeably. Similarly, House and Shamir (1993) propose that charisma is the central concept in the theories of charismatic, transformational or visionary leadership. Transformational/charismatic leaders help individuals transcend their self-interest for the sake of the larger vision of the firm. They inspire others with their vision, create excitement through their enthusiasm, and have everybody do the same. These leaders seek to raise the consciousness of followers by appealing to higher ideals and moral values such as liberty, justice, equality, peace, and humanitarian, and not to basic emotions such as fear, greed, jealousy, or hatred. Transformational leadership has been specified as an important mechanism for introducing organizational change in the recent research literature (Masood, Dani, Burns and Backhouse, 2006).

Based on these research findings, following is the second proposition formulated in this paper:

Proposition 2: *Organizational democracy would be implemented more successfully in organizations with an organic structure and where the strategic leadership style is that of empowering or transformational/charismatic type.*

Organizational Democracy, Structures, Strategic Leadership and Turbulent Environment

The relationship between organizations and environment is perhaps the most popular and conceptually appealing aspect of the structural-contingency model (Hrebiniak and Snow, 1980). Present day theorists view the interaction between the organization and the environment as the critical variable in determining the nature of internal strategies and processes and point to the need to develop appropriate systems of differentiation and

integration, depending on the degree of turbulence within the environment (Shipton, Dawson, West and Patterson, 2002).

The organizational environment is typically divided into two levels. The most influential level is termed the task environment and consists of firms that directly influence the setting and achievement of goals for a particular organization. The general environment, on the other hand, has no out boundary and includes the source of conditions, trends, political pressures, norms and social trends. Changes originate in the general environment and, in turn, influence task environment phenomena (White, 1998) and it is also suggested that organizational uncertainty is derived from failure to understand a task environment and from interdependence with elements of task environment (Lang and Lockhart, 1990).

Milliken (1987), in a review of the literature and research on the environment, developed a general definition of environmental uncertainty, calling it "an individual's perceived inability to predict an organization's environment accurately" because of a "lack of information" or "an inability to discriminate between relevant and irrelevant data" (Buchko, 1994). Key managers in the industry rely on, "some minimum level of perceived predictability – specifically, predictability relating to customer demands and competitor actions" to formulate strategies to cope with the environmental uncertainty (Dickson and Weaver, 1997).

Environmental uncertainty has also been defined as the degree to which an environment is stable-unstable, simple-complex, and concentrated- dispersed (Karimi, Somers and Gupta, 2004). The stable-unstable dimension refers to whether the elements in organization task environment are dynamic. Organizational task environments, "include all the sectors with which organizations interact directly and have the potential to impact organizations' ability to achieve their goals and typically include industry, market sectors, raw materials, human resources, and, perhaps, international sectors" (Daft, 2001). Under unstable conditions, organization task environment shift abruptly, and companies react with aggressive moves and countermoves regarding advertising and new products. Dynamism is characterized by the rate of change and innovation in production and service technologies, as well as the uncertainty of customer taste and actions by the firm's main industries. Firms in more unstable environments face a number of similar external elements that change frequently and unpredictably. Environmental dynamism poses the challenge of planning and control as managers must cope with unpredictable external events and must seek to integrate and improve operating processes. To do so the managers and decision-makers require detailed, timely information that allows them to coordinate the flow of activities, at all levels in organization, with an understanding of process dynamics and their relationship to organizational performance. As environmental uncertainty increases, interdependency becomes more important due to increased need for coordination for internal resolutions and the need to link the organization with the key elements in the task environment to detect, bring, and send information about changes in the environment (Maier et al. 1997; Schwab et al. 1985).

The simple-complex dimensions concern environmental complexity and refer to heterogeneity, which is the degree of similarity or differentiation within the organization task environment. Firms in these environments face many distinctive elements that remain the same or change slowly and require very different marketing, production, and administrative practices. Organizations in such environment have a great need for information processing to reduce uncertainty and it is expected that the decision-makers in these organizations are more likely to face a higher frequency of non-routine and interdependent tasks.

The concentrated-dispersed dimensions refer to scarce material and financial resources and the need to ensure the availability of resources. Hostile task environments are characterized by severe regulatory restrictions, a harsh and overwhelming business climate, intense competition in price, product, technology, and distribution, a shortage of labor or raw material and the relative lack of exploitable opportunities and resources (Miller and Friesen, 1983). Under these conditions, the organizations' responses can be in the forms of greater integration and coordination and establishing favorable links with key elements of its task environment. These responses can be in the form of joint ownership, contract, joint ventures, interlocking directorates, executive recruitment, buffering, advertising, and public relations (Daft, 2001; Kopp and Litschert, 1980). Some companies also use innovation, marketing differentiation strategies, high quality, auxiliary services, convenient distribution, and comprehensive warranties to induce customer loyalty in the face of a changing and turbulent environment (Miller, Droge and Toulouse, 1988). The firm's perception of environmental uncertainty has been attributed to its perceptions of the level of control it exerts over its environment (Perrow, 1967). Research evidence further suggest that firms operating in highly uncertain environments are more likely to form exchange relationships that mitigate their organizational risk levels; conversely, firms that perceive that they have a greater degree of control over their current and future technologies (more certain environment) are less likely to forge relational

The use of uncertainty as an environmental variable flows from an information-processing view of organizations, a view that explains organizational adjustments, like changes in structure, by variations in information, as filtered by managerial perceptions of their external environment (Koberg, 1987). Duncan (1972) made a distinction between the internal and external environments of a company. The internal environment refers to all those internal forces operating within an organization itself, such as the company's goals and objectives, nature of its' products and services, communication processes and networks within the organization, and the educational background of the employees; the external environment refers to all those forces outside the company, such as customers, competitors, suppliers, governments, and trade unions (Tung, 1979). Overall, the literature suggests that firms should adopt a more organic structure to cater to a more complex environment where jobs are less specialized and more complex, companies should apply a mechanistic structure to a more predictable environment with greater subdivision of tasks and similar job assignments (Chang, Lin and Sheu, 2002). Similarly, other theorists and researchers have suggested that increase in environmental complexity increases need for strategic activities like developing interorganizational linkages to cope with complexity and uncertainty of the environment (Stearns, Hoffman and Heide, 1987). The recognizable pattern of organizational responses to environmental conditions is determined not so much by the objective characteristics of organization-environment interactions as by managerial perceptions of the strategic importance of the critical areas contained within different organizational functions. Researchers investigating the link between perceived environmental uncertainty (PEU) and the relative strategic importance of different organizational functions have found that "externally oriented functions (e.g., market research and product development) received emphasis with high PEU but internally-oriented functions (e.g., production) assumed more strategic importance with low PEU (Hitt, Ireland and Palia, 1982). Organizational contingency theories traditionally have argued that when contextual variables (technology, environmental conditions) are matched with appropriate organizational responses (centralization, communication, formalization, subdivision of work), effectiveness of the unit will be enhanced (Morrow, 1981).

Environment and Strategic Leadership Link

While developing a theoretical model of the impact of CEO and top management leadership styles and practices on organizational learning, Vera and Crossan (2004) argue that, "in times of change, these (organizational learning) processes make evident the need to alter a firm's institutionalized learning – a task best suited to transformational leadership….in times of stability, organizational learning processes serve to refresh, reinforce, and refine current learning – a task best suited to transactional leadership".

Howell and Higgins (1990) suggest that champions of innovation have characteristics of transformational leaders. These leaders rely on innovation and risk taking more than non-champions. Pinto and Slevin (1989) found that aspects of transformational leadership, such as mission awareness, predicted the success of R&D projects. Similarly, Keller's (1992) work found that transformational leadership of project leaders in R&D organizations predicted performance at two times, concurrently and a year after leadership was measured. Thite (2000) notes that transactional leadership also predicts project success but to a lesser extent than transformational leadership (Berson and Linton, 2005).

Organizations exhibit three types of inertial forces; cognitive inertia, motivational inertia and obligation inertia (Gersick, 1991). During changing environments, overcoming these organizational inertial forces is viewed as an important condition for improving organizational performance (Tichy & DeVanna, 1990). Charismatic leaders overcome cognitive inertia (inability to think beyond one's own schema) because their strong values shape choices concerning strategy as they can create exciting visions of future and promote unconventional problem-solving approaches. Motivational inertia (desire to avoid change) can be overcome through a leader's ability to provide followers with confidence that changes can be positive. Finally, obligation inertia (commitment to constituencies) can be overcome through leader's ability to change current contractual relationships with various stakeholders (Agle et al., 2006).

Transformational leaders, in unstable, shaky, risky, or crisis situations take on greater symbolic importance as the followers feel the need for direction and guidance under these conditions, and therefore, willingness to a follow a leader may be more pronounced in unstable and turbulent environments (Agle et al., 2006). Studies also suggest that crisis and the associated stress and uncertainty may foster the emergence of charismatic leadership and Waldman's (2001) study empirically prove that charismatic leadership of CEO is highly related to an organization's performance when the environment is perceived to be uncertain and volatile, and the same link between charismatic leadership and performance, does not come strongly in the face of certain and stable

Based on the above discussion, following is the third proposition of this paper:

Proposition 3: *Organizational democracy would be implemented more successfully in organizations with an organic structure and where the strategic leadership style is that of empowering or transformational/charismatic type and where the surrounding task environment of the organization is dynamic (complex and unstable).*

Concluding Remarks

This paper raises the critical question of the suitability of the application of organizational democracy in different organizations and under the influence of the interaction between their structural and contextual dimensions, resulting in unique settings or organizational designs and as such should serve as a food for thought for researchers to probe the following research areas:

- Empirical testing of the underlying theme of this paper and the proposed model (figure 1) that organizational democracy cannot be justified in mechanistic structures with stable environments around them and that it would be more successful in organic set ups in turbulent environments and where the leadership style of the top management is empowering or transformational/charismatic.
- The cultural differences across various nations and their role in preparing organizations for organizational democracy also need to be empirically studied. For example, Western societies with their long history of involvement with democracy are perhaps more suited to apply democracy in organizations in contrast to those nations where democracy has not been the preferred style of governance.
- Certain industrial sectors, for example service sector, have inherently different structural requirements as compared to organizations in production sector. It would make an interesting study to examine the possibility of employing organizational democracy principles in service organizations and to gauge their success in terms of productivity and performance to those service sector organizations where principles of democracy are not applied.
- Similarly in high-velocity industries like Information Technology and Electronics, where the environment is dynamic and turbulent and the rate innovation is high, the need for empowering leadership, horizontal structures and organizational democracy would be more pronounced as compared to other traditional production-focused industries.
- Organizational democracy as a construct needs further development in the sense that measuring instruments be developed to try to measure it empirically. Their relationships with other organizational variables like performance, job satisfaction, strategic leadership style and, uncertain environment would also shed further light on this construct.

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Lesson 16

UNDERSTANDING GROUP BEHAVIOR

The behavior of a group is not merely the sum total of the behaviors of all the individuals in a group. Why? Because individuals act differently in groups than they do when they are alone. Therefore, if we want to understand organizational behavior more fully, we need to study groups.

WHAT IS A GROUP?

A group is defined as two or more interacting and interdependent individuals who come together to achieve particular goals. Formal groups are work groups established by the organization that have designated work assignments and specific tasks. In formal groups, appropriate behaviors are established by and directed toward organizational goals.
In contrast, informal groups are social. These groups occur naturally in the workplace in response to the need for social contact. Informal groups tend to form around friendships and common interests.

Stages of Group Development

Group development is a dynamic process and following is a brief description of its five stages:

Forming: The first stage of group development in which people join the group and then define the group's purpose, structure, and leadership.

Storming: The second stage of group development, which is characterized by intragroup conflict.

Norming: The third stage of group development, which is characterized by close relationships and cohesiveness.

Performing:
The fourth stage of group development in which the group is fully functional and performs.

Adjourning: The final stage for group development for temporary groups during which group members are concerned with wrapping up activities rather than task performance.

Basic Group Concepts

Role: A role is a set of behavior patterns expected of someone occupying a given position in a social unit.

Norm: Norm is an acceptable standard or expectation shared by group members.

Status: Status means a prestige grading, position, or rank within a group.

Group Size: Does the group size affects the group's overall behavior? The answer is a definite yes, but the affect depends on the outcomes on which one is focusing. For instance, small groups are faster at completing tasks than the large groups. However, if the group is engaged in problem solving, larger groups consistently get better results.

A Free Rider Tendency: A group phenomenon in which members reduce their individual efforts and contribution as the group size increases.

Group Cohesiveness: The degree to which group members are attracted to one and another and share the group goals.

Conflict: Perceived incompatible differences that result in interference or opposition.
Conflicts are of the following types:

1. Traditional conflicts

3. Interactionist view of conflict
4. Functional conflicts
5. Dysfunctional conflicts
6. Task conflicts
7. Relationship conflict
8. Process conflict

Advantages of Group Decision Making

1. Provide more complete information
2. Generate more alternatives
3. Increase acceptance of a solution
4. Increased legitimacy

Disadvantage of Group Decision Making

1. They are time consuming
2. Minority domination
3. Pressure to conform
4. Ambiguous responsibility

Lesson 17

UNDERSTANDING TEAM BEHAVIOR

Most of you are already familiar with teams especially if, for no other reason, than you've watched organized sports activity. Work teams are formal groups made up of interdependent individuals who are responsible for attainment of a goal.

TYPES OF TEAMS

Although there are many ways to categorize teams, we will look at teams in terms of four characteristics: purpose, duration, membership and, structure.

Functional Team

A type of work team composed of a manager and his or her subordinates from a particular functional area.

Self-Managed Team

A type of work team that operates without a manager and is responsible for a complete work process or segment.

Virtual Team

A type of work team that uses computer technology to link physically dispersed members in order to achieve a common goal.

Cross-Functional Team

A type of work team that's a hybrid grouping of individuals who are experts in various specialties and who work together on various tasks.

Characteristics of Effective Teams

1. goal clarity
2. relevant skills
3. mutual trust
4. unified commitment
5. good communication
6. negotiating skills
7. appropriate leadership
8. internal and external support

Management of Teams

1. Planning
2. Organizing
3. Leading
4. Controlling

Lesson 18

EMOTIONAL FACET

Throughout this course, we've continually studied the mastery of emotion, and you've developed a broad spectrum of tools to powerfully and rapidly change any emotion you desire. You now realize that changing how you feel is the motivation behind virtually all of your behavior. Thus, it's time that you develop a proactive plan for dealing with the negative emotional patterns that you habitually experience. It's equally important to give yourself the gift of expanding the amount and quality of time that you spend in positive emotional states. The arsenal of skill you have for changing our emotional states includes:

- Physiology
- Focus
- Questions
- Sub modalities
- Transformational Vocabulary
- Metaphors
- Neuro – Associative Conditioning
- Beliefs
- Compelling future
- Values
- Rules
- References
- Identity

PHYSICAL FACET

The failure of most individuals to grasp the difference between health and fitness is hat causes them to experience the frustration of working out is religiously and still having the same five to ten pounds stubbornly clinging of their midsection. Talk about learned helplessness! Worse than that is the plight of those who make exercise the centerpiece of their lives and believe that their actions are making them healthier, yet each and every day they are pushing themselves one step further toward fatigue, disease and emotional upheaval.

What exactly do I mean by difference health and fitness? Fitness is "the physical ability to perform athletic activity." Health, however, is defined as "the state where all the systems of the body – nervous, muscular, skeletal, circulatory, digestive, lymphatic, hormonal, etc. – are working in an optimal way…." Most people think that fitness implies health, but the truth is that they don't necessarily go hand in hand. It's ideal to have both health and fitness, but by outing health first, you will always enjoy tremendous Benefits in your life. If you achieve fitness at the expense of health, you may not live long enough to enjoy your spectacular physique.

The biggest difference between health and fitness comes down to understanding the distinction between *aerobic* and *anaerobic* exercise, between *endurance* and *power*. Aerobic means, literally, "with oxygen," and refers to moderate exercise sustained over a period of time. Your aerobic system is your system for endurance, and encompasses the heart, lungs, blood vessels and aerobic muscles. If you activate your aerobic system with proper exercise and diet, you burn fat as your primary fuel.

On the other hand, anaerobic means, "without oxygen," and refers to exercises that produce short bursts of power. Anaerobic exercise burns glycogen as its primary fuel, while causing the body to store fat. Genetics play a part in your body's ability to burn fat and, in fact, some people are born with a highly aerobic system already in place. These are the people we envy who seemingly can eat anything and not gain an ounce.

Most types of exercise can be either aerobic or anaerobic. The level of intensity determines whether you are using your aerobic or anaerobic system. Walking, jogging, running, biking, swimming, dancing, etc. can provide either benefit. Lower heart rates make these activities aerobic and higher heart rates make them anaerobic…. Usually, tennis, racquetball, basketball and similar sports are anaerobic.

Most Americans today have a lifestyle that causes them to live in a constantly anaerobic state, inundated with stress and demands, compounding it with the way they choose to exercise. As a result, they train their metabolism to continuously be anaerobic, i.e., burn glycogen as a primary source of energy. When levels of glycogen become excessively low, the an aerobically trained metabolism turns to blood sugar as its secondary source of fuel. This immediately disrupts your level of health and vitality.

As your anaerobic demands rob your body of blood sugar you could be using for other tasks, you immediately

the deficit created by anaerobic exercise can cause neuromuscular problems like headaches or disorientation. Here is a list of some telltale symptoms directly related to excessive anaerobic raining of your metabolism: fatigue, recurrent, exercise injuries, low blood sugar patterns, depression and anxiety, fat metabolism problems, premenstrual syndrome or circulation problems and stiff joints.

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Lesson 19

HUMAN RESOURCE DEVELOPMENT & THE ROLE OF GOVERNACE

Governance means the process of decision making and the process by which decisions are implemented or otherwise? The concept is not new and as old as human civilization. Since governance is the process of decision making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decisions. Government plays a predominant role in governance both in rural and urban, beside other involved in governance depending upon the level, like in rural areas, influential landlord, associations of farmers, cooperatives, NGOs, religious leaders etc, while in urban areas, besides the actors as said for rural areas, media, international donors, multi-national cooperation etc. may play a role in decision making or influencing the decision making process. Thus governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

Good Governance has eight major characteristics:

1) Participation: All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.

2) Rule of Law: Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.

3) Transparency: Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them and enough information is provided to understand and monitor them.

4) Responsiveness: Institutions and processes try to serve all stakeholders.

5) Consensus Orientation: Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.

6) Equity: All men and women have opportunities to improve or maintain their well-being.

7) Effectiveness and Efficiency: Processes and institutions produce results that meet needs while making the best use of resources.

8) Accountability: Decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organization and whether the decision is internal or external to an organization. It is clear that good governance is an ideal which is difficult to achieve in its totality. The countries, which have come close to achieve good governance in its totality, are able to achieve sustainable human development. It is a known fact that economic growth is a means to sustainable

Human development not an end itself. There are five aspects to sustainable human development all affecting the living of the poor & vulnerable.

1) Empowerment: The expansion of men and women's capabilities and choices increases their ability to exercise those choices free of hunger, want and deprivation. It also increases their opportunity to participate in, or endorse, decision-making affecting their lives.

2) Co-operation: With a sense of belonging important for personal fulfillment, wellbeing and a sense of purpose and meaning, human development is concerned with the ways in which people work together and interact.

3) Equity: The expansion of capabilities and opportunities means more than income – it also means equity, such as an educational system to which everybody should have access.

4) Sustainability: The needs of this generation must be met without compromising the right of future generations to free of poverty and deprivation and to exercise their basic capabilities.

5) Security: Particularly the security of livelihood. People need to be freed from threats, such as disease or repression and from sudden harmful disruptions in their lives. According to the Human Development Report 1999, South Asia remains region divided between the types of rich and despair of the poor. A region where the richest one-fifth areas almost 40 percent of the income and the poorest one-fifth makes do with less than 10 percent. A region where today begins with the struggle of survival for 515 million poverty ridden destines, and

tomorrows threatens the future of 395 million illiterate adults, where women are often denied basic human rights and minorities continue their struggle
against prejudice and discrimination, about one twelfth of the world's population live in a state of severe deprivation, lacking & sufficient access to adequate nutrition, health, housing, safe water, sanitation, education and employment, so the big challenge is to put the region on the path of humane responsible development, as what has been the main problem in the regions governance and how they can be addressed.

Lesson 20

HUMAN RESOURCE DEVELOPMENT

The achievement of sustained and equitable development remains the greatest challenge facing the human race. Despite good progress over the past generation, more than 1 billion people still live in acute poverty and suffer grossly inadequate access to the resources-education, health services, infrastructure , land and credit-required to give them a chance of a better life. The essential task of development is to provide opportunities so that these people and hundreds of millions not much better off, can reach their potential.

World Bank, 1992

The world has progressed in many unique ways and directions in the last three decades. It has developed technologically, economically and industrially. It is also richer in terms of human capabilities, facilities and quality of living. Improvements in education, communication, technology and markets have made the world a global village. People live longer today, are better informed, can communicate with one another across the world and therefore carry on economic, professional, educational, social and other activities with ease. These decades of development indicate the vast potential for creating a world of order, security and well-being.

The developments of the last three decades also indicate that while remarkable progress has been made in a number of directions, the fruits of development have not benefited the world's growing number of poor people. And where some benefits have reached the poor, new problems are appearing in the form of deteriorating social fabric and environmental degradation.

The world faces two major development challenges. The first is to ensure that the fruits of development reach the neediest through equitable distribution of resources, opportunities and benefits. The second is to develop human capabilities and address the challenges of development - political, economic and social. The few countries that have been able to meet both these challenges have demonstrated the importance of investing in developing people and improving the quality of their life through the adoption of human resource development strategies.

THE CONTEXT AND THE NEED FOR HUMAN RESOURCE DEVELOPMENT

Today, there is practically no government or international agency that does not see the importance of human resource development. The World Bank; the United Nations and its constituent bodies include UNDP, UNIDO, WHO, ILO, UNICEF, UNESCO, UNFPA, UNESCAP; regional bodies like ASEAN and SAARC; the South Commission; the Commonwealth Secretariat; international non-government organizations(NGO's); and bilateral aid agencies, all recognize the need for , and the importance of, human resource development. The components and dimensions of human resource development which they perceive as being of strategic importance at a given point of time, for a given country or a group of countries, may vary, but the focus is uniform.

The context for the renewed emphasis on human resource development is significant. The structural adjustments programmers adopted in a number of countries have brought home the vulnerability of human development variables. The linkages between investments in human development programs and economic development have become sharper. There have been major international developments-such as the opening of global markets, the increased market orientation of economies and the restructuring in socialist countries-which have given rise to an increased competition, forcing developing countries to produce and market quality products at competitive prices. At the same time a range of concerns, including environmental issues, the changing role of women, the new information culture and demands for liberalization and democracy, are influencing policy and practice.

The knowledge base surrounding human resource development is increasing rapidly, within government and agencies. It is an area where there are many pressing demands. These demands have to be balanced. Resources have to be found, frontiers agreed upon and strategies formulated. These are issues with which policy makers, planners, decision makers, sectoral planners and government managers have to contend.

This course attempts to provide insights into the strategic importance of investments in developing people, methods of doing the same, strategic choices that need to be made in developing people in terms of the categories of people to be targeted, processes that could be used for effective implementation of human resource development policies and programs, and the sectoral points of attention which are critical for development.

The course focuses particularly on the developing countries and their human resource development goals,

developing human competencies for economic and technological development and to the issue of equitable distribution of resources, opportunities and benefits to improve the quality of life. The course thus sees human resource development as both a means and an end itself.

The Concept and Its Dimensions

People make things happen. If people have to make things happen, they need a set of 'circumstances' to make them happen. However, it is the people that create 'circumstances' that can help them and others to make things happen. *HRD is the process of enabling people to make things happen*. It deals both with the process of competency development in people and the creation of conditions (through public policy, programs and other interventions) to help people apply these competencies for their own benefit and for that of others. There are many things included and implied in such a definition of HRD. These are now briefly explained.

Competencies and Benefits

Competencies may include knowledge, skills, attitudes and values. The competencies also may deal with any field: agriculture, industry, science, technology, management, various professions (like medicine, law, engineering and teaching), politics, public administration, home science, cooking, labor, telecommunications, research and tourism. The capabilities may be developed in individuals, and communities or collectives. The competencies may be simple, like learning the alphabets, or complex, involving high technology applications relating to medicine, space, telecommunications, defense, environment, etc. the competencies so developed could 'enable' people to act and improve their own lives and those of others. Through such an enabling process people can create more alternatives for themselves and for others and increase their choices. The above definition also emphasizes the purpose of HRD as benefiting people, the individual, group or the community of which the individual is a member. Such benefits may be in terms of basic needs and welfare including a decent living or high level comforts, leisure and self actualizing opportunities.

The individual or the group should perceive these benefits as benefits. Thus, increased income or purchasing power may be a benefit for some, while freedom to choose one's representative in the political system and freedom of expression may be benefits for others. Thus what is the beneficial depends on the time, group and other circumstances, and may keep changing

Human Development and Human Resource Development

Some agencies and individual writers have made a distinction between human resource development and human development. For some, human development is a much larger and all-encompassing concept, while HRD is limited to the skill development and knowledge acquisitions often demanded by organizations for employment purposes. They take a limited view of HRD and attribute it as relevant to personnel management practices of the organized sector. Such a distinction, however, is slowly disappearing with the realization that the broadness and all-inclusive nature of the concept of HRD depend on the context in which it is used. For example, it may have somewhat restricted meaning when used in an organizational context, though even in an organizational context there is evidence of it being used in the same sense as human development (Silvera, 1990; Pareek and Rao, 1981). However, there seems to be a convergence of the needs and priorities set out by various national governments, international agencies and experts in this area, whether they use the term human development or human resource development. The main objection raised by a few to the term human resource development is that it is a narrower concept and it connotes more of skill development. Another objection, rather a mild one, is that the word 'resource' somehow seems to imply that human beings are treated like material and other resources and as 'instruments' of development rather than the beneficiaries of development . The differences are more linguistic than conceptual and seem to depend more on the region or affiliation. Thus those associated with the UNESCAP, ILO, CIDA, Commonwealth Secretariat and other agencies seem to prefer the term human resource development and the UNDP prefers human development. In the recent past, even UNDP has indicated a broad meaning it is giving to the term HRD within the context of human development. It defines HRD as referring to those

Policies and programmes that support and sustain equitable opportunities for continuing acquisition and application of skills, knowledge and competencies which promote individual autonomy and are mutually beneficial to individuals, the community and the larger environment of which they are a part(UNDP, BPPE, 1991, p.19).

DIMENSIONS OF DEVELOPMENT

Implied in the above conceptualization of HRD are the main facets of development of people including their physical, intellectual, emotional, social, moral, political, spiritual and all other forms of development. People cannot function or make things happen unless they are physically well developed, healthy and free from disease. Thus food, nutrition and freedom from disease become important. People need to earn their food and living by working for it. They need to engage themselves in productive activities for which again a combination of both physical development and intellectual development are important. Intellectual development comes through the process of education and socialization. Social development involves developing the ability to live as a member of the society or a group and contribute to it, at the same time deriving benefits from it. The need of coexistence of all human beings makes this development imperative. Political development ensures human dignity through freedom of expression, democratic participation and an opportunity to influence things that is turn influence the individual's living. Moral and spiritual development is required to bring order, discipline and peace into life and ensure that one person's comfort does not become his neighbor's poison. Thus all forms of development of people can be included in the definition of HRD.

Targets of Development

Such a definition of HRD implies that people may be developed individually, or as groups, or as communities and collectives. When an individual acquires capabilities, they enable the individual to make things happen. However, societies are much more than individuals. They are required to function as groups and for historic reasons they may also be grouped into collectives - for example, the poor or the landless are a collective of people who are poor and without land; some of them may organize themselves to form action groups.

Human resource development also looks at the process of developing such groups and collectives to function better or transform themselves by acquiring new competencies. Although such competencies are acquired by individuals, there are competencies which apply only to a group. For example, the ability of a group to ensure that credit is available to its members from a rural bank and that the individuals repay the loan as per the understanding. Thus HRD focuses not only on the development of individuals but also on the collectives.

The target groups for development can be many: doctors, politicians, businessmen, civil servants, fieldworkers, teachers, voluntary workers, rural leaders, farmers, unemployed youth, scientists, engineers, slum-dwellers, children, girls, illiterates, women, labor (skilled and unskilled), primary school goers, university students, etc. the target groups can be classified on the basis of their age, sex, current socio-economic status, past deprivation, profession, occupation, etc. some of these groups have well-developed HRD systems or mechanisms that are already in operation as a part of their respective sectors and/or government intervention. The teachers in most countries, for example, have a good system of preparing themselves for their roles and continuously updating their competencies. So are the other professionals like doctors and managers. Their efficiency and effectiveness could be improved through sectoral interventions, as well-stabilized sectoral institutions, departments and/or ministries exist to ensure their development and bring it in line with the needs of the country.

Some of the groups in a country have a strategic significance due to the multiplier effect their development has on others. Women and girls form one such group which is important because of the multiplier effect they have on the development of others through families. Women and girls have been found to influence the education and the well being of the entire family. Groups which have been deprived for a long time due to external factors are another important group for equity considerations. Similarly, unemployed youth and the poor also are important target groups - the youth, for the role they play in building the future of any nation, and the poor, for the impact they can have on the economy once they develop besides equity consideration. Development of the poor becomes a critical step for ensuring a sound economic development.

In summary, HRD should be treated as an integrated concept. It deals with the development of all people and is not limited to any one section or sector. It is important and equally critical for all sectors wherever people are involved and are required to make things happen. It is needed for all groups, but particularly the underprivileged; it is needed for the unemployed, underemployed, the employed and the self-employed; it is needed by the politicians, bureaucrats and intellectuals to play their roles better and more effectively; it is needed for running the governments effectively, for improving the effectiveness of various agencies and their services; it is needed for NGOs to be effective and play a strategic role; it is needed for mobilizing resources, community participation and involvement; it is needed for ensuring economic, scientific and technological development of nations; it is needed to ensure that people leave a healthy place of living for future generations.

As discussed earlier in this hand-out, HRD encompasses two major undertakings; the inculcation of

various mechanisms to help them apply these acquired competencies and capabilities, the first part of this course therefore, deal with understanding of human beings as individuals and, the second part revolves around different interventions, policies and programs required to create optimal conditions so that the benefits of HRD become far-reaching and long-lasting for the whole community.

Lesson 21

HUMAN DEVELOPMENT INDEX (HDI)

The **Human Development Index** (**HDI**) is a comparative measure of life expectancy, literacy, education, and standard of living for countries worldwide. It is a standard means of measuring well being, especially child welfare. It is used to determine and indicate whether a country is a developed, developing, or underdeveloped country and also to measure the impact of economic policies on quality of life. The index was developed in 1990 by Indian Nobel prize winner Amartya Sen, Pakistani economist Mahbub ul Haq, with help from Gustav Ranis of Yale University and Lord Meghnad Desai of the London School of Economics and has been used since then by the UNDP in its annual HDR. Described by Sen as a "vulgar measure", because of its limitations, it nonetheless focuses attention on aspects of development more sensible and useful than the per capita income measure it supplanted, and is a pathway for serious researchers into the wide variety of more detailed measures contained in the Human Development Reports.

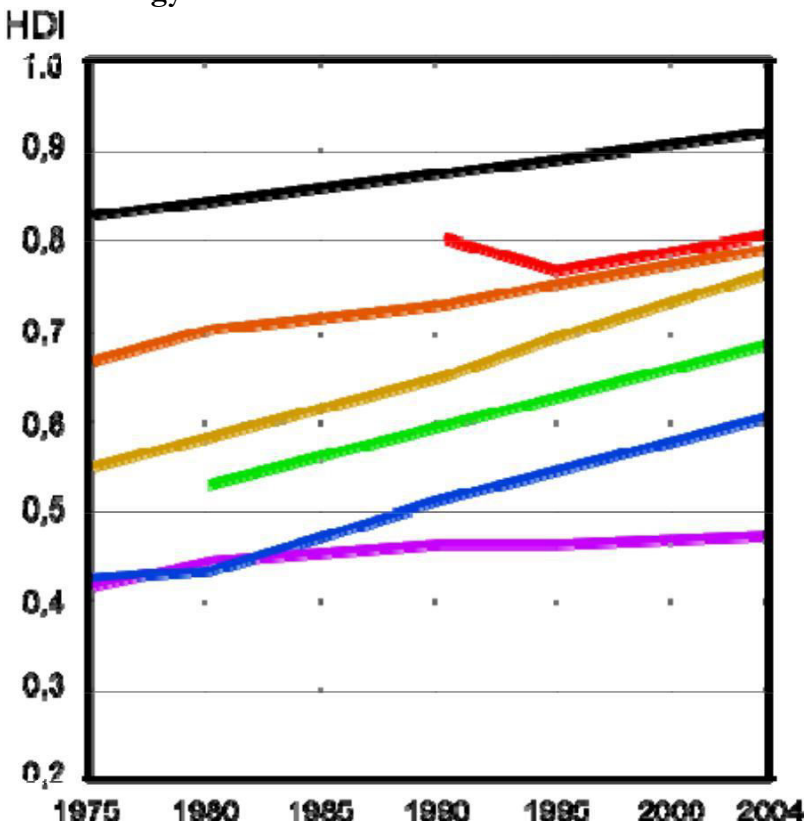
The HDI measures the average achievements in a country in three basic dimensions of human development:

- A long and healthy life, as measured by life expectancy at birth.
- Knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary, and tertiary gross enrollment ratio (with one-third weight).
- A decent standard of living, as measured by the log of gross domestic product (GDP) per capita at purchasing power parity (PPP) in USD.

Each year, UN member styates are listed and ranked according to these measures. Those high on the list often advertise it, Former Prime Minister of Canada), as a means of attracting talented immigrants (economically, individual capital) or discouraging emigration.

An alternative measure, focusing on the amount of poverty in a country, is the Human Poverty Index

Methodology



HDI trends between 1975 and 2004

OECD Central and Eastern Europe, and the CIS Latin America and the Caribbean East Asia Arab States South Asia Sub-Saharan Africa

In general to transform a raw variable, say x, into a unit-free index between 0 and 1 (which allows different

- x-index = $\dfrac{x - \min(x)}{\max(x) - \min(x)}$

where max(x)and min(x)are the lowest and highest values the variable x can attain, respectively.

The Human Development Index (HDI) then represents the average of the following three general indices:

Life Expectancy Index = $\dfrac{\text{LE} - 25}{85 - 25}$

Education Index = $\dfrac{2}{3} \times ALI + \dfrac{1}{3} \times GEI$

Adult Literacy Index (ALI) = $\dfrac{\text{ALR} - 0}{100 - 0}$

Gross Enrollment Index (GEI) = $\dfrac{\text{CGER} - 0}{100 - 0}$

GDP Index = $\dfrac{\log(\text{GDP}^{pc}) - \log(100)}{\log(40000) - \log(100)}$

LE: Life expectancy at birth
ALR: Adult literacy rate (ages 15 and older)
CGER: Combined gross enrolment ratio for primary, secondary and tertiary schools
GDP_{pc}: GDP per capita at PPP in USD
UNDP has created a technical note on the definition of the HDI.

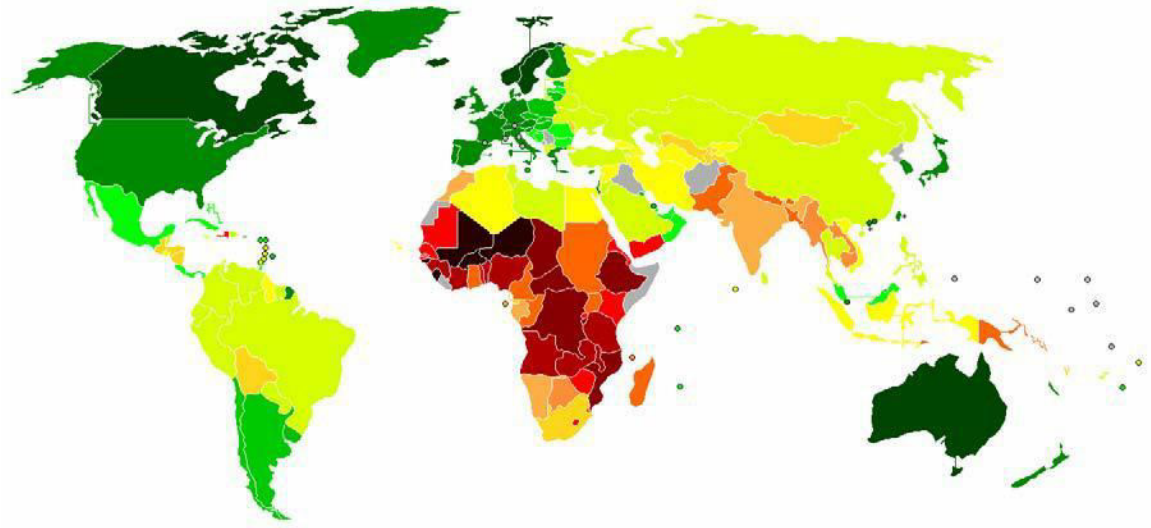
Examples

Calculation examples of the indices.

Index	Measure	Minimum value	Maximum value	Formula
Longevity	Life expectancy at birth (LE)	25 yrs	85 yrs	$L = \dfrac{\text{LE} - 25}{60}$
Education	Literacy rate (LR)	0%	100%	$E = \dfrac{2\text{LR} + \text{CGER}}{3}$
	Combined gross enrolment ratio (CGER)	0%	100%	
GDP	GDP per capita (PPP)	100 USD	40,000 USD	$G = \dfrac{\text{Log}_{10}\,\text{GDP}_{pc} - 2}{2.60206}$

2006 report

Main article: List of countries by HDI



Coloured world map indicating Human Development Index (2004)

0.950 and over
0.900–0.949
0.850–0.899
0.800–0.849
0.750–0.799
0.700–0.749
0.650–0.699
0.600–0.649
0.550–0.599
0.500–0.549
0.450–0.499
0.400–0.449
0.350–0.399
0.300–0.349
under 0.300
N/A

The report for 2006 was launched in Cape Town, South Africa, on November 9, 2006. Its focus was on "power, poverty and the global water crisis.. Most of the data used for the report are derived largely from 2004 or earlier, thus indicating an HDI for 2004. Not all UN member states choose to or are able to provide the necessary statistics.

The report showed a stagnation in world HDI, as the continued improvement of developed countries was offset by a general decline of the developing world. Countries in Sub-Saharan Africa and South Asia showed an important decline in HDI, in comparison with last year's report. Other developing regions showed little to no improvement.

A HDI below 0.5 is considered to represent *low development* and 29 of the 31 countries in that category are located in Africa, with the exceptions of Haiti and Yemen. The bottom ten countries are all in Africa. The highest-scoring Sub-Saharan countries, Equatorial Guinea and South Africa, are ranked 120th and 121st, respectively (with a shared HDI of 0.653).

A HDI of 0.8 or more is considered to represent *high development*. This includes all developed countries, such as those in North America, Western Europe, Oceania, and Eastern Asia, as well as some developing countries in Eastern Europe, Central and South America, Southeast Asia, the Caribbean, and the oil-rich Arabian Peninsula.

Top thirty countries (HDI range from 0.965 down to 0.885)

1. Iceland 0.968	11. Finland 0.952	21. Hong Kong 0.937
2. Norway 0.968	12. United States 0.951	22. Germany 0.935
3. Australia 0.962	13. Spain 0.949	23. Israel 0.932
4. Canada 0.961	14. Denmark 0.949	24. Greece 0.926
5. Ireland 0.959	15. Austria 0.948	25. Singapore 0.922
6. Sweden 0.956	16. United Kingdom 0.946	26. South Korea 0.921
7. Switzerland 0.955	17. Belgium 0.946	27. Slovenia 0.917
8. Japan 0.953	18. Luxembourg 0.944	28. Cyprus 0.903
9. Netherlands 0.953	19. New Zealand 0.943	29. Portugal 0.897
10. France 0.952	20. Italy 0.941	30. Brunei 0.894

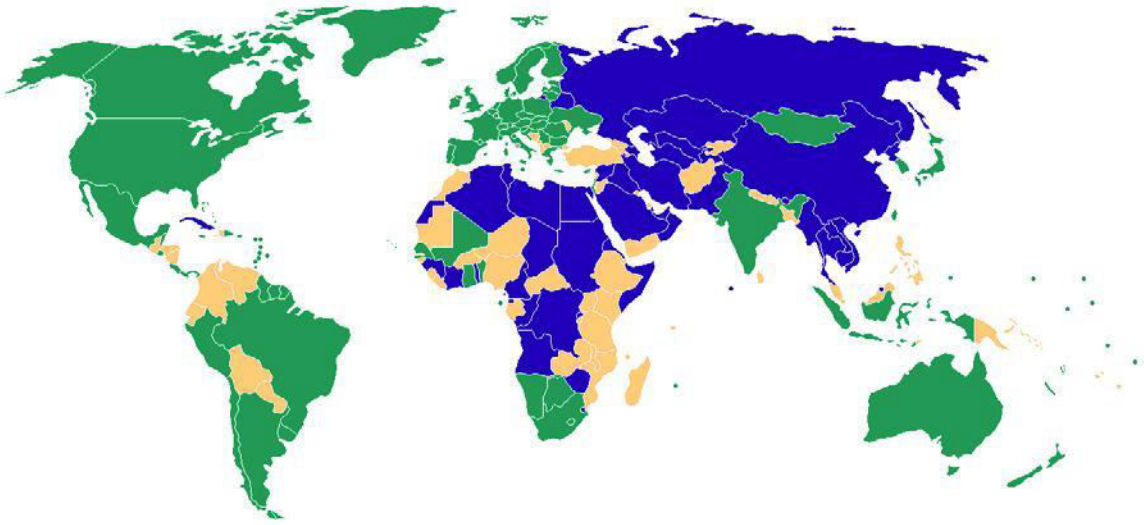
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Top/bottom three countries by region

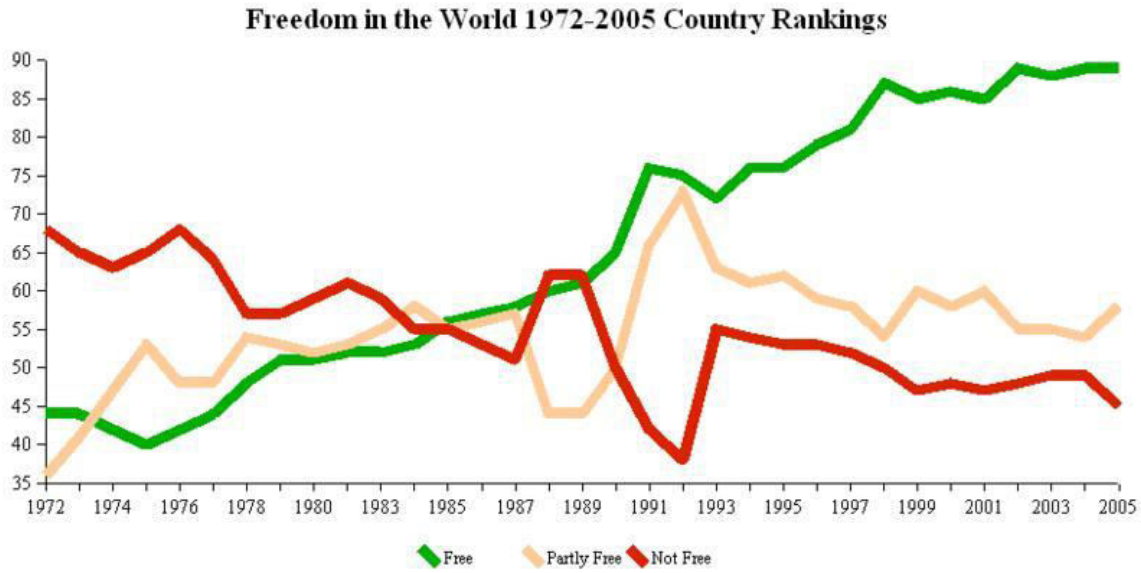
Asia	Africa
007. Japan 0.949 022. Hong Kong 0.927 023. Israel 0.927	047. Seychelles 0.842 063. Mauritius 0.800 064. Libya 0.798
138. Nepal	175. Mali 0.338 176. Sierra Leone 0.335 177. Niger 0.311

Lesson 22

REPORTS



This map reflects the findings of Freedom House's 2007 survey Freedom in the World, concerning the state of world freedom in 2006. Free Partly Free Not Free



This graph shows the number of nations in the different categories given above for the period for which there are surveys, 1972-2005



Countries highlighted in **blue** are designated "Electoral Democracies" in Freedom House's 2006 survey Freedom in the World.

Since 1972, (1978 in book form) Freedom House publishes an annual report, Freedom in the World, on the degree of democratic freedoms in nations and significant disputed territories around the world, by which it seeks to assess the current state of civil and political rights on a scale from 1 (most free) to 7 (least free). These reports are often used by political scientists when doing research. The ranking is highly correlated with several other ratings of democracy also frequently used by researchers.

In its 2003 report, for example, Canada (judged as fully free and democratic) got a perfect score of a "1" in civil liberties and a "1" in political rights, earning it the designation of "free." Nigeria got a "5" and a "4", earning it the designation of "partly free," while North Korea scored the lowest rank of "7-7", and was thus dubbed "not free." Nations are scored from 0 to 4 on several questions and the sum determines the rankings. Example questions: "Is the head of state and/or head of government or other chief authority elected through free and fair elections?", "Is there an independent judiciary?", "Are there free trade unions and peasant organizations or equivalents, and is there effective collective bargaining? Are there free professional and other private organizations?" Freedom House states that the rights and liberties of the survey is derived in large measure from the Universal Declaration of Human Rights.

The research and ratings process involved two dozen analysts and more than a dozen senior-level academic advisors. The eight members of the core research team headquartered in New York, along with 16 outside consultant analysts, prepared the country and territory reports. The analysts used a broad range of sources of information--including foreign and domestic news reports, academic analyses, nongovernmental organizations, think tanks, individual professional contacts, and visits to the region--in preparing the reports.

The country and territory ratings were proposed by the analyst responsible for each related report. The ratings were reviewed individually and on a comparative basis in a series of six regional meetings--Asia-Pacific, Central and Eastern Europe and the Former Soviet Union, Latin America and the Caribbean, Middle East and North Africa, Sub-Saharan Africa, and Western Europe--involving the analysts, academic advisors with expertise in each region, and Freedom House staff. The ratings were compared to the previous year's findings, and any major proposed numerical shifts or category changes were subjected to more intensive scrutiny. These reviews were followed by cross-regional assessments in which efforts were made to ensure comparability and consistency in the findings. Many of the key country reports were also reviewed by the academic advisers. Regardless, such a process contains elements of subjectivity.

The survey's methodology is reviewed periodically by an advisory committee of political scientists with expertise in methodological issues.

Freedom House also produces annual reports on press freedom (*Press Freedom Survey*), governance in the nations of the former Soviet Union (*Nations in Transit*), and countries on the borderline of democracy (*Countries at the Crossroads*). In addition, one-time reports have included a survey of women's freedoms in the Middle East. Freedom House generally uses standard geographic regions for its reports, though it groups the countries of the Middle East and North Africa together, separately from Sub-Saharan Africa; and it still uses the arguably outdated concept of Western Europe, to include countries such as Turkey and Cyprus, while categorizing

eastwards expansion of such organizations such as the EU and NATO. However, these groupings have nothing to do with the individual country ratings; they're merely used to make nations easier to find when perusing their reports, and also for comparative statistics between the modern day and the ratings of decades past.

Criticisms of Freedom House Methodology

The methodology Freedom House uses for its reports has been criticised for its perceived bias towards countries with pro-US positions. By relying on 'experts' or 'judges', the methodology is claimed to fall into the what is described as 'systematic measurement error': "Regardless of the direction of distortions, it is highly likely that every set of indicators formed by a single author or organization contains systematic measurement error. The origin of this measure lies in the common methodology of forming measures. Selectivity of information and various traits of the judges fuse into a distinct form of bias that is likely to characterize all indicators from a common publication.

Other activities

In addition to these reports, Freedom House participates in advocacy initiatives, currently focused on North Korea, Africa, and religious freedom. It has offices in a number of countries, where it promotes and assists local human rights workers and non-government organizations.

On January 12, 2006, as part of a crackdown on unauthorized nongovernmental organizations, the Uzbek government ordered Freedom House to suspend operations in Uzbekistan. Resource and Information Centers managed by Freedom House in Tashkent, Namangan, and Samarkand offered access to materials and books on human rights, as well as technical equipment, such as computers, copiers and Internet access. The government warned that criminal proceedings could be brought against Uzbek staff members and visitors following recent amendments to the criminal code and Code on Administrative Liability of Uzbekistan. Other human rights groups have been similarly threatened and obliged to suspend operations.

Freedom House is a member of the International Freedom of Expression Exchange, a global network of more than 70 non-governmental organisations that monitors free expression violations around the world and defends journalists, writers and others who are persecuted for exercising their right to freedom of expression.

The *Financial Times* has reported that Freedom House is one of several organisations selected by the State Department to receive funding for 'clandestine activities' inside Iran. In a research study, with Mr Ackerman acting as chief adviser, Freedom House sets out its conclusions: "Far more often than is generally understood, the change agent is broad- based, non-violent civic resistance - which employs tactics such as boycotts, mass protests, blockades, strikes and civil disobedience to de-legitimate authoritarian rulers and erode their sources of support, including the loyalty of their armed defenders.

Regarding regime change, the organization states "Freedom House works directly with men and women around the world to expand the political rights and civil liberties they experience in their countries. More specifically, Freedom House focuses on initiatives that contribute to long-term stability and growth in countries, such as strengthening civil society, promoting open government, defending human rights, and facilitating the free flow of information and ideas. While these activities - and the liberties they represent - may be threatening to some repressive governments, Freedom House does not initiate or sponsor regime change or popular revolutions. We help men and women of good will to improve their own societies.

Criticism and praise

As noted in the section on organization above, Freedom House receives most of its funding from the US government, and prominent US government officials reside on its board, most notably neo-conservatives. These ties to state power and rightist institutions have been criticized. The organisation states that its board of trustees contains Democrats, Republicans and Independents who are a mix of business and labor leaders, former senior government officials, scholars and journalists.

Noam Chomsky describes how Freedom House "had interlocks with AIM, the World Anticommunist League, Resistance International, and U.S. government bodies such as Radio Free Europe and the CIA, and has long served as a virtual propaganda arm of the (U.S) government and international right wing. He justifies this claim by presenting a series of national elections generally considered as staged, that the Freedom House observers however found "fair". He also criticizes the unconditional support of Freedom House members to all U.S. international military interventions, and the expenditure of "substantial resources in criticizing the media for insufficient sympathy with U.S. foreign-policy ventures and excessively harsh criticism of U.S. client states."

In May 2001, the Committee on Non-Governmental Organizations of the United Nations heard arguments pro and against Freedom House. Representatives of Cuba described the organization as a U.S. foreign policy instrument linked to the CIA and "submitted proof of the politically motivated, interventionist activities the NGO (Freedom House) carried out against their Government". They also pointed out the lack of criticism of U.S. human rights violations in the annual reports. These violations are well documented by other reports, such as those of Human Rights Watch. Other countries such as China and Germany also offered criticism. The Russian Federation representative also inquired "why this organization, an NGO which defended human rights, was against the creation of the International Criminal Court". The United States representative denied the links between Freedom House and CIA and pointed out that "his country was not immune from criticism from Freedom House" and that "the organization was a human rights organization, which sought to represent those who did not have a voice".

We must also remember that the organisation was formed by the United States government, which already makes it a not neutral -starting point. On a similar line, Freedom House has also been criticized by Justin Raimondo, who claims that "Freedom House standards are elastic, bending to the dictates of American foreign policy.

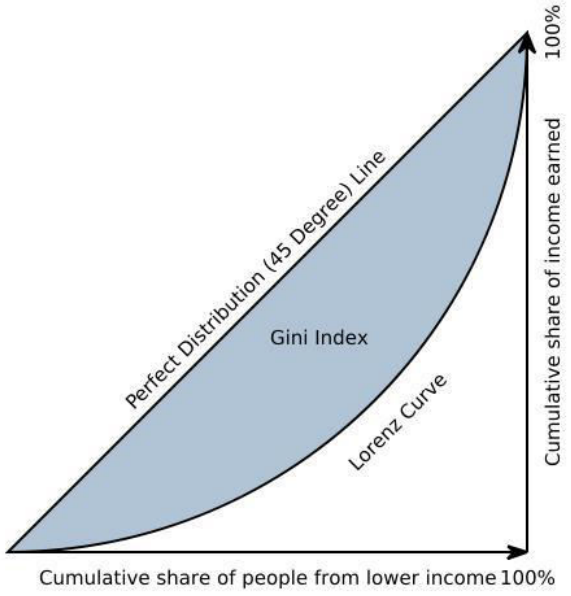
Freedom House reports have criticized both the United States and its major allies to a certain extent, for example in its 2006 report on the U.S. and Israel. Nevertheless, Israel earns good scores in political and civil rights, despite international perception that the Israeli state violates the rights of Arab populations. Evidently, Freedom House has also been critical of some traditional US allies, such as Saudi Arabia and Chile under Pinochet, classifying them as "Not Free" It was also strongly critical of apartheid South Africa and military dictatorships in Latin America. However, it could be argued that not to criticize the lack of political freedom of these regimes would be contradictory.

Despite the criticism, many thinkers defend the organization's dedication to the promotion of human rights. Writing in the rightist National Review Online, John R. Miller, a research professor at the George Washington University's Elliott School, states that

> Freedom House has unwaveringly raised the standard of freedom in evaluating fascist countries, Communist regimes, and plain old, dictatorial thugocracies. Its annual rankings are read and used in the United Nations and other international organizations, as well as by the U.S. State Department. Policy and aid decisions are influenced by Freedom House's report. Those fighting for freedom in countries lacking it are encouraged or discouraged by what Freedom House's report covers. And sometimes — most importantly — their governments are moved to greater effort.

Miller nevertheless criticized the organization in 2007

GINI COEFFICIENT



Graphical representation of the Gini coefficient

The **Gini coefficient** is a measure of inequality of income distribution or inequality of wealth distribution. It is defined as a ratio with values between 0 and 1: the numerator is the area between the Lorenz curve of the distribution and the uniform distribution line; the denominator is the area under the uniform distribution line. Thus, a low Gini coefficient indicates more equal income or wealth distribution, while a high Gini coefficient indicates more unequal distribution. 0 corresponds to perfect equality (e.g. everyone has the same income) and 1 corresponds to perfect inequality (e.g. one person has all the income, while everyone else has zero income). The Gini coefficient requires that no one have a negative net income or wealth.
The Gini coefficient was developed by the Italian statistician Corrado Gini and published in his 1912 paper "Variabilità e mutabilità" ("Variability and Mutability").
The Gini coefficient is also commonly used for the measurement of the discriminatory power of rating systems in credit risk management.
The **Gini index** is the Gini coefficient expressed as a percentage, and is equal to the Gini coefficient multiplied by 100. (The Gini coefficient is equal to half of the relative mean difference.)

Advantages of Gini coefficient as a measure of inequality

- The Gini coefficient's main advantage is that it is a measure of inequality by means of a ratio analysis, rather than a variable unrepresentative of most of the population, such as per capita income or gross domestic product.
- It can be used to compare income distributions across different population sectors as well as countries, for example the Gini coefficient for urban areas differs from that of rural areas in many countries (though the United States' urban and rural Gini coefficients are nearly identical).
- It is sufficiently simple that it can be compared across countries and be easily interpreted. GDP statistics are often criticised as they do not represent changes for the whole population; the Gini coefficient demonstrates how income has changed for poor and rich. If the Gini coefficient is rising as well as GDP, poverty may not be improving for the majority of the population.
- The Gini coefficient can be used to indicate how the distribution of income has changed within a country over a period of time, thus it is possible to see if inequality is increasing or decreasing.
- The Gini coefficient satisfies four important principles:
    - *Anonymity*: it does not matter who the high and low earners are.
    - *Scale independence*: the Gini coefficient does not consider the size of the economy, the way it is measured, or whether it is a rich or poor country on average.
    - *Population independence*: it does not matter how large the population of the country is.
    - *Transfer principle*: if income (less than the difference), is transferred from a rich person to a poor person the resulting distribution is more equal.

Disadvantages of Gini Coefficient as a Measure of Inequality

The Gini coefficient of different sets of people cannot be averaged to obtain the Gini coefficient of all the people in the sets: if a Gini coefficient were to be calculated for each person it would always be zero. When measuring its value for a large, economically diverse country, a much higher coefficient than each of its regions has individually will result.
For this reason the scores calculated for individual countries within the EU are difficult to compare with the score of the entire US: the overall value for the EU should be used in that case, 31.3, which is still much lower than the United States', 45. Using decomposable inequality measures (e.g. the Theil index T converted by $1 - e^{-T}$ into a inequality coefficient) averts such problems.
The Lorenz curve may understate the actual amount of inequality if richer households are able to use income more efficiently than lower income households. From another point of view, measured inequality may be the result of more or less efficient use of household incomes.
Economies with similar incomes and Gini coefficients can still have very different income distributions. This is because the Lorenz curves can have different shapes and yet still yield the same Gini coefficient. As an extreme example, an economy where half the households have no income, and the other half share income equally has a Gini coefficient of ½; but an economy with complete income equality, except for one wealthy household that has half the total income, also has a Gini coefficient of ½. In practice, such distributions don't exist, and therefore, the impact of different but realistic curves is less obvious.

GROSS NATIONAL HAPPINESS

Gross National Happiness (GNH) is an attempt to define quality of life in more holistic and psychological terms than Gross National Product.

The term was coined by Bhutan's King Jigme Singye Wangchuck in 1972. It signaled his commitment to building an economy that would serve Bhutan's unique culture based on Buddhist spiritual values. Like many worthy moral goals it is somewhat easier to state than to define, nonetheless, it serves as a unifying vision for the Five Year planning process and all the derived planning documents that guide the economic and development plans to the country.

While conventional development models stress economic growth as the ultimate objective, the concept of GNH claims to be based on the premise that true development of human society takes place when material and spiritual development occur side by side to complement and reinforce each other. The four pillars of GNH are the promotion of equitable and sustainable socio-economic development, preservation and promotion of cultural values, conservation of the natural environment, and establishment of good governance

Qualitative and Quantitative Indicators

There is no exact quantitative definition of GNH.

GNH is a qualitative condition that is often discussed in tandem with the Genuine Progress Indicator which, unlike GNP, attempts to quantify well-being and happiness. The two measures agree, however, that subjective measures like well-being are more relevant and important than more objective measures like consumption.

According to Daniel Kahneman, a Princeton University psychologist, the indicator is measured using a new technique called the day reconstruction method. It consists in recollecting memories of the previous working day by writing a short diary.

Happiness as Understood by Classical Liberalism

Under classical liberal economic theory happiness was already an economic measurement used interchangeably with utility as well as the general welfare. Classical liberal economists attempt to quantify happiness through measurements in consumption and profits. For example if X product is consumed in good quantity for high profit, classical liberal economists argue that societies know that this good, and all the factors used in the production of the good, generate a great deal of happiness for society. It is this equating of high consumption levels with happiness that has been challenged by proponents of GNH.

Criticism of GNH

Critics allege that because GNH depends on a series of subjective judgments about well-being, governments may be able to define GNH in a way that suits their interests. In the case of Bhutan, for instance, they say that the government expelled about one hundred thousand people and stripped them of their Bhutanese citizenship on the grounds that the deportees were ethnic Nepalese who had settled in the country illegally. While this would reduce Bhutan's wealth by most traditional measures such as GDP, the Bhutan government claims it has not reduced Bhutan's GNH.

Alternative indicators of economic progress have also been supported by a number of NGOs such as the UK's New Economics Foundation, and are employed in some governments notably in Europe and Canada.

Lesson 23

SECTORS OF A SOCIETY: SOME BASIC CONCEPTS

PUBLIC SECTOR

Public sector is the part of economic and administrative life that deals with the delivery of goods and services by and for the government, whether national, regional or local/municipal.

Examples of public sector activity range from delivering social security, administering urban planning and organizing national defences.

The organization of the public sector (public ownership) can take several forms, including:

- Direct administration funded through taxation; the delivering organization generally has no specific requirement to meet commercial success criteria, and production decisions are determined by government.
- Publicly owned corporations (in some contexts, especially manufacturing, "State-owned enterprises"); which differ from direct administration in that they have greater commercial freedoms and are expected to operate according to commercial criteria, and production decisions are not generally taken by government (although goals may be set for them by government).
- Partial outsourcing (of the scale many businesses do, e.g. for IT services), is considered a public sector model.

A borderline form is

- Complete outsourcing or contracting out, with a privately owned corporation delivering the entire service on behalf of government. This may be considered a mixture of private sector operations with public ownership of assets, although in some forms the private sector's control and/or risk is so great that the service may no longer be considered part of the public sector. (See Britain's Private Finance Initiative.)

In spite of their name, public companies are not part of the public sector; they are a particular kind of private sector company that can offer their shares for sale to the general public.

The decision about what are proper matters for the public sector as opposed to the private sector is probably the single most important dividing line among socialist, liberal, conservative, and libertarian political philosophy, with (broadly) socialists preferring greater state involvement, libertarians favoring minimal state involvement, and conservatives and liberals favouring state involvement in some aspects of the society but not others.

PRIVATE SECTOR

The private sector is fundamental part of the economy that is both run for profit and is not controlled by the state. By contrast, enterprises that are part of the state are part of the public sector; non-profit organizations are regarded as part of the voluntary sector.

A variety of legal structures exist for private sector business organizations, the most common of which is the limited company. However, there are many other structures available, such as partnerships and limited partnerships. A significant part of the private sector consists of individuals who trade directly, without being part of a company; these are known as sole traders.

Capitalism revolves primarily around the private sector controlling industry. The private sector is generally largest in capitalist and mixed economies.

The private sector employs the majority of the workforce in some countries. In some countries such as the People's Republic of China, the public sector employs most of the workers.

Even in countries where the private sector is regulated or even forbidden, some types of private business continue to operate within the Black Market.

The private sector is also integrated into the workings of the public sector, with the use of outsourcing or government contracts.

VOLUNTARY SECTOR

The voluntary sector of a nation's economy consists of those entities which are not for profit and yet, at the same time, are not agencies of the state - e.g. charities, volunteer community centres and religious organizations. They may, in some countries, be subject to state scrutiny if they wish to qualify for charitable

The UK government sees the Third Sector as "the place between State and (the) private sector" : see Cabinet Office - Office of the Third Sector Organisations within the Third Sector have social goals that are their main reason for being. The term 'voluntary sector' is restrictive to the extent that it excludes certain activities such as social enterprise, and social entrepreneurship, both of which are ways of addressing social problems.

CIVIL SOCIETY

Civil society is composed of the totality of voluntary civic and social organizations and institutions that form the basis of a functioning society as opposed to the force-backed structures of a state (regardless of that state's political system) and commercial institutions.

The term is often traced to Adam Ferguson, who saw the development of a "commercial state" as a way to change the corrupt feudal order and strengthen the liberty of the individual. While Ferguson did not draw a line between the state and the society, Georg Wilhelm Friedrich Hegel, a German philosopher, made this distinction in his *Elements of the Philosophy of Right*. In this work, civil society (Hegel used the term "buergerliche Gesellschaft" though it is now referred to as *Zivilgesellschaft* in German to emphasize a more inclusive community) was a stage on the dialectical relationship between Hegel's perceived opposites, the macro-community of the state and the micro-community of the family. Broadly speaking, the term was split, like Hegel's followers, to the political left and right. On the left, it became the foundation for Karl Marx's bourgeois society; to the right it became a description for all non-state aspects of society, expanding out of the economic rigidity of Marxism into culture, society and politics.

Definition

There are myriad definitions of *civil society*. The London School of Economics Centre for Civil Society working definition is illustrative:

Civil society refers to the arena of uncoerced collective action around shared interests, purposes and values. In theory, its institutional forms are distinct from those of the state, family and market, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power. Civil societies are often populated by organisations such as registered charities, development non-governmental organisations, community groups, women's organisations, faith-based organisations, professional associations, trade unions, self-help groups, social movements, business associations, coalitions and advocacy groups.

Lesson 24

NON GOVERNMENTAL ORGANIZATIONS (NGOS)

A **non-governmental organization** (**NGO**) is a private institution that is independent of the government although many NGOs, particular in the global South, are funded by Northern governments. Anheier places the number of internationally operating NGOs at 40,000. National numbers are even higher: Russia has 400,000 NGOs. India is estimated to have between 1 and 2 million NGOs.

History

International non-governmental organizations have a history dating back to at least the mid-nineteenth century. They were important in the anti-slavery movement and the movement for women's suffrage, and reached a peak at the time of the World Disarmament Conference. However, the phrase "non-governmental organization" only came into popular use with the establishment of the United Nations Organization in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter for a consultative role for organizations which are neither governments nor member states – see Consultative Status. The definition of "international NGO" (INGO) is first given in resolution 288 (X) of ECOSOC on February 27, 1950: it is defined as "any international organisation that is not founded by an international treaty". The vital role of NGOs and other "major groups" in sustainable development was recognized in Chapter 27 of Agenda 21, leading to intense arrangements for a consultative relationship between the United Nations and non-governmental organizations.

Globalization during the 20th century gave rise to the importance of NGOs. Many problems could not be solved within a nation. International treaties and international organizations such as the World Trade Organization were perceived as being too centered on the interests of capitalist enterprises. Some argued that in an attempt to counterbalance this trend, NGOs have developed to emphasize humanitarian issues, developmental aid and sustainable development. A prominent example of this is the World Social Forum which is a rival convention to the World Economic Forum held annually in January in Davos, Switzerland. The fifth World Social Forum in Porto Alegre, Brazil, in January 2005 was attended by representatives from more than 1,000 NGOs. Others argue that NGOs are often imperialist in nature and that the fulfil a similar function to that of the clergy during the high colonial era.

Types

Apart from 'NGO' often alternative terms are used as for example independent sector, volunteer sector, civil society, grassroots organizations, transnational social movement organizations, private voluntary organizations, self-help organizations and non-state actors (NSAs).

Nongovernmental organizations are a heterogeneous group. A long list of acronyms has developed around the term 'NGO'.

These include:

- INGO stands for international NGO, such as Doctors Without Borders / Médecins Sans Frontières;
- BINGO is short for business-oriented international NGO;
- ENGO, short for environmental NGO, such as Global 2000;
- GONGOs are government-operated NGOs, which may have been set up by governments to look like NGOs in order to qualify for outside aid or promote the interests of the government in question;
- QUANGOs are quasi-autonomous non-governmental organisations, such as the International Organization for Standardization (ISO). (The ISO is actually not purely an NGO, since its membership is by nation, and each nation is represented by what the ISO Council determines to be the 'most broadly representative' standardization body of a nation. That body might itself be a nongovernmental organization; for example, the United States is represented in ISO by the American National Standards Institute, which is independent of the federal government. However, other countries can be represented by national governmental agencies; this is the trend in Europe.)
- TANGO, short for technical assistance NGO;

There are also numerous classifications of NGOs. The typology the World Bank uses divides them into Operational and Advocacy:

The primary purpose of an operational NGO is the design and implementation of development-related projects. One frequently used categorization is the division into 'relief-oriented' or 'development-oriented'

whether they are religious or secular; and whether they are more public or private-oriented. Operational NGOs can be community-based, national or international.
The primary purpose of an Advocacy NGO is to defend or promote a specific cause. As opposed to operational project management, these organizations typically try to raise awareness, acceptance and knowledge by lobbying, press work and activist events.
USAID refers to NGOs as *private voluntary organizations*. However many scholars have argued that this definition is highly problematic as many NGOs are in fact state and corporate funded and managed projects with professional staff.
NGOs exist for a variety of reasons, usually to further the political or social goals of their members or founders. Examples include improving the state of the natural environment, encouraging the observance of human rights, improving the welfare of the disadvantaged, or representing a corporate agenda. However, there are a huge number of such organizations and their goals cover a broad range of political and philosophical positions. This can also easily be applied to private schools and athletic organizations.

Methods
NGOs vary in their methods. Some act primarily as lobbyists, while others conduct programs and activities primarily. For instance, an NGO such as Oxfam, concerned with poverty alleviation, might provide needy people with the equipment and skills to find food and clean drinking water.
Public relations: Non-governmental organizations need healthy relationships with the public to meet their goals. Foundations and charities use sophisticated public relations campaigns to raise funds and employ standard lobbying techniques with governments. Interest groups may be of political importance because of their ability to influence social and political outcomes. At times NGOs seek to mobilize public support.
Consulting: Many international NGOs have a consultative status with United Nations agencies relevant to their area of work. As an example, the Third World Network has a consultative status with the UN Conference on Trade and Development (UNCTAD) and the UN Economic and Social Council (ECOSOC). While in 1946, only 41 NGOs had consultative status with the ECOSOC, by 2003 this number had risen to 3550.
Project management: There is an increasing awareness that management techniques are crucial to project success in non-governmental organizations. Generally, non-governmental organizations that are private have either a community or environmental focus. They address varieties of issues such as religion, emergency aid, or humanitarian affairs. They mobilize public support and voluntary contributions for aid; they often have strong links with community groups in developing countries, and they often work in areas where government-to-government aid is not possible. NGOs are accepted as a part of the international relations landscape, and while they influence national and multilateral policy-making, increasingly they are more directly involved in local action.

Management
Two management trends are particularly relevant to NGOs: diversity management and participatory management. Diversity management deals with different cultures in an organization. Intercultural problems are prevalent in Northern NGOs which are engaged in developmental activities in the South. Personnel coming from a rich country are faced with a completely different approach of doing things in the target country. A participatory management style is said to be typical of NGOs. It is intricately tied to the concept of a learning organization: all people within the organization are perceived as sources for knowledge and skills. To develop the organization, individuals have to be able to contribute in the decision making process and they need to learn.

Staffing
Not all people working for non-governmental organizations are volunteers. Paid staff members typically receive lower pay than in the commercial private sector. Employees are highly committed to the aims and principles of the organization. The reasons people volunteer are not necessarily purely altruistic, and can provide immediate benefits for themselves as well as those they serve, including skills, experience, and contacts.
There is some dispute as to whether expatriates should be sent to developing countries. Frequently this type of personnel is employed to satisfy a donor who wants to see the supported project managed by someone from an industrialized country. However, the expertise these employees or volunteers may have can be counterbalanced by a number of factors: the cost of foreigners is typically higher, they have no grassroot connections in the

The NGO sector is an important employer in terms of numbers. For example, by the end of 1995, CONCERN worldwide, an international Northern NGO working against poverty, employed 174 expatriates and just over 5,000 national staff working in ten developing countries in Africa and Asia, and in Haiti.

Funding

Large NGOs may have annual budgets in the hundreds of millions or billions of dollars. For instance, the budget of the American Association of Retired Persons (AARP) was over US$540 million in 1999.. Funding such large budgets demands significant fundraising efforts on the part of most NGOs. Major sources of NGO funding include membership dues, the sale of goods and services, grants from international institutions or national governments, and private donations. Several EU grants provide funds accessible to NGOs.

Even though the term "non-governmental organization" implies independence from governments, some NGOs depend heavily on governments for their funding. A quarter of the US$162 million income in 1998 of the famine-relief organization Oxfam was donated by the British government and the EU. The Christian relief and development organization World Vision collected US$55 million worth of goods in 1998 from the American government. Nobel Prize winner Médecins Sans Frontières (MSF) (known in the USA as Doctors Without Borders) gets 46% of its income from government sources.

Monitoring and control

In a March 2000 report on United Nations Reform priorities, U.N. Secretary General Kofi Annan wrote in favor of international humanitarian intervention, arguing that the international community has a "right to protect" citizens of the world against ethnic cleansing, genocide, and crimes against humanity. On the heels of the report, the Canadian government launched the Responsibility to Protect RPPDF (434) project, outlining the issue of humanitarian intervention. While the R2P doctrine has wide applications, among the more controversial has been the Canadian government's use of R2P to justify its intervention and support of the coup in Haiti.

Years after R2P, the World Federalist Movement, an organization which supports "the creation of democratic global structures accountable to the citizens of the world and call for the division of international authority among separate agencies", has launched Responsibility to Protect - Engaging Civil Society (R2PCS). A collaboration between the WFM and the Canadian government, this project aims to bring NGOs into lockstep with the principles outlined under the original R2P project.

NGO Monitor is a conservative pro-Israel site which aims to promote "critical debate and accountability of human rights NGOs in the Arab-Israeli conflict." The organization has successfully conducted campaigns against Oxfam and the Ford Foundation — leading to formal apologies and changes in practice — on the grounds that these organizations are too anti-Israeli.

NGOWatch is a project of the American Enterprise Institute which monitors NGOs. The project is primarily a negative analysis of NGOs which are considered to be on the progressive side of the political spectrum.

Indian NGOs is a portal of over 20,000 NGOs who work with the corporate sector in India. This portal offers insights into how the corporate sector is using NGOs to benefit their program.

In recent years, many large corporations have beefed up their Corporate Social Responsibility departments in an attempt to preempt NGO campaigns against certain corporate practices. As the logic goes, if corporations work *with* NGOs, NGOs will not work *against* corporations.

Legal status

NGOs are not legal entities under international law, as states are. An exception is the International Committee of the Red Cross, which is considered a legal entity under international law because it is based on the Geneva Convention.

The Council of Europe in Strasbourg drafted the European Convention on the Recognition of the Legal Personality of International Non-Governmental Organisations in 1986, which sets a common legal basis for the existence and work of NGOs in Europe. Article 11 of the European Convention on Human Rights protects the right to freedom of association, which is also a fundamental norm for NGOs.

Citizen organization

There is a growing movement within the “non”-profit and “non”-government sector to define itself in a more constructive, accurate way. Instead of being defined by “non” words, organizations are suggesting new

number of organizations, such as The Center for the Study of Global Governance. The term "citizen sector organization" (CSO) has also been advocated to describe the sector — as one of citizens, for citizens. This labels and positions the sector as its own entity, without relying on language used for the government or business sectors. However some have argued that this is not particularly helpful given that most NGOs are in fact funded by governments and business.

Lesson 25

HEALTH SECTOR

Taken from page: http://www.emro.who.int/lebanon/crisis/Leb_national_strat_early_recovery_Aug06.pdf
National Strategy for Early Recovery of the Health Sector in Lebanon
31 August 2006 Christopher Black/WHO

INTRODUCTION

The conflict across the border between Lebanon and Israel that started on 12 July has claimed over 1100 civilian lives, left more than 4000 people wounded, and displaced more than a quarter of the Lebanese population.

The people of Lebanon showed remarkable unity in responding to the crisis, with communities banding together to absorb the displaced, providing temporary shelter in their own homes, and food and provisions from local supplies. Yet the challenges faced by the population remain overwhelming and will be compounded with the on-going blockade. Access to basic services, such as health, water, and education is significantly reduced across the country, and especially for all those who live in the affected areas. The Ministry of Public Health, with collaboration from the UN system, and especially from WHO, conducted an assessment of the damages to the health infrastructure in affected areas and identified the main effects on the population's health. Based on this initial analysis, a national strategy for early recovery of the health sector, summarized below, was prepared.

Health Impact of the Lebanon Crisis

Thirty-three days of military operations in mainly South Lebanon and South Beirut, as well as the Bekaa Valley, have left a long-lasting mark on the Lebanese population and infrastructure. The impact on the health sector can be summarized as follows:

- A High number of injured and disabled people generating additional pressure on the already overwhelmed health services;
- More than 900 000 internally displaced people (IDPs) and refugees, and an especially high number of returnees who have lost their homes and livelihoods, resulting in further constraints in accessibility and affordability of health care services;
- Disruption of basic public health functions normally provided by the local health authorities;
- Considerable damage to health facilities and functional disruption mainly of Primary Health Care clinics and centers, as well as key hospitals;
- Damage to roads and bridges, limiting access to health facilities;
- Shortages of fuel, drugs, and medical supplies.

1. High number of injured and disabled people: The casualties resulting from military operations, particularly the bombing of buildings and infrastructure, have lead to a considerable number of injured, engendering a corresponding increase in the demand for emergency health services, surgical procedures and hospitalization. Further, the number of disabled patients requiring treatment and rehabilitation has also increased. All of this has occurred against a backdrop of disrupted health services functionality and difficult access, hampering financial affordability and adding significant pressure to the already reduced number of functional health services in the affected areas and in the rest of the country.

2. Unmet health needs of IDPs and returnees: The populations that left the affected areas are rapidly returning. However, in many cases their homes and their livelihoods have been destroyed. Furthermore, severe economic disruption has affected their income and their ability to afford services such as health care.

The provision of adequate shelter, food, potable water and health care therefore are critical since it will take time to fully re-establish basic living conditions.

3. Disruption of public health functions: In the Governorates of the affected areas, the basic functioning of the local health authorities and their ability to perform essential public health functions has been significantly hampered. Many public health services such as communicable diseases surveillance and control, immunization, and environmental health, have been widely disrupted for more than one month. Restoring the ability to sustain epidemiologic surveillance and early warning systems activities of is of great importance, especially in an early

4. Damage to health facilities and functional disruption of health services: Preliminary results of the Health Facilities Damage Assessment conducted in August indicate that the level of destruction of health buildings varies drastically from one place to another. It is most severe in the regions of southern Tyre, Marjayoun, Nabatiyeh, Bint Jbeil, west Bekaa, Baalbek and Akkar. Indeed, between 50% and 70% of all Primary Health Care (PHC) facilities in Bint Jbeil and Marjayoun have been completely destroyed. The assessment shows that serious shortages of fuel, power supply and drinking water continue. In general, only 32.8% of health facilities have potable water, and only 26.9% remain linked to the general sewerage system. Only 24% of health facilities have a public power supply, meanwhile 31% use generators but only 16.6% have the fuel to run them.

The functional damage of the health care system is clearly demonstrated by the rapid assessment of the health facilities which shows a gap in maternal and child care services – only 23.3% of PHC services are able to provide antenatal care, 9.7% clean delivery, and 11.4% emergency obstetric care. As well, only 18.8% of the PHC services are still able to provide nutrition and breast feeding advisory services. Only 32% of PHC facilities have a functional cold chain, and 13% only are able to provide some mental health services.

5. Impediments to access and health care coverage: Government authorities, with the support of NGOs and UN agencies, have already begun clearing rubble from roads, destroyed buildings and bridges. However, access to health facilities needs to be completely resumed in order to meet the needs of populations returning en masse to their places of residence. Unexploded ordnances (UXO) continue to threaten safe population movement and to hinder humanitarian operations. Currently only 65% of the health facilities are accessible by road in the affected region, and merely 16.6% of hospitals have functioning ambulances.

6. Exhaustion of supplies: During the conflict period the delivery of medical care and health services to 950 0 IDPs both overstretched and exhausted limited resources like drugs, supplies and fuel for most of the country's health facilities. In addition, damage to a power station and water supply systems resulted in increased running costs. Moreover, the stockpiling of medicines has caused the uneven distribution and availability of drugs and medical supplies, particularly those related to mental health and to chronic diseases.

Main Challenges

The fundamental challenges faced by the health sector after the war and once the cessation of hostilities has been implemented are:

In the short term:

- Meeting the health needs of internally displaced populations to the affected areas, especially the most vulnerable groups of returnees who have lost their homes and their livelihoods.

In the medium and long term:

- Re-establishing and further improving the functionality of the health system in the affected areas involving all pertinent stakeholders;
- Rehabilitating the damaged health infrastructure and ensuring that is fully operational; • Ensuring adequate presence of qualified health manpower in the affected areas.

Strategic Approaches

The issues mentioned above call for two different but complementary approaches that need to be articulated as the "National Early Recovery Strategy and Action Plan for the Health Sector in Lebanon".

The first approach should be the implementation of urgently needed interventions that will allow the restoration of essential public health functions, basic health care services, and mechanisms of referral to specialized care.

This operation needs to take place between now and December 2006, concentrating on the affected areas. It will be led by the Ministry of Health, supported by WHO, in close cooperation with all pertinent national and local health partners. It should be aimed at ensuring:

a) Continuity in the provision of essential health care services, particularly to the most vulnerable including:

- The delivery of essential primary health care, including psychosocial services, to the affected population, targeting the most vulnerable groups;
- Nutritional supplementation to the most vulnerable groups;
- The implementation of immunization campaigns in the affected areas thus assuring sustained and improved coverage;

Adequate referral to secondary and tertiary health care services for the affected population.

b) Reinforcement of the capacity of the health system in discharging the essential public health functions including:

- The supply of potable water in the affected areas;
- Epidemiological surveillance and early warning systems for the early detection and control of communicable diseases;
- Environmental health interventions.

Early recovery interventions will be closely coordinated with nongovernmental organizations (NGOs) already operative in the health sector. Interventions will encompass the temporary organization of local public health teams, using existing staff from the public sector, from health NGOs and private health care providers. There would also be a need to strengthen and/or develop the public health infrastructure of local health authorities. The entire operation would aim to improve social protection in health for affected populations in areas damaged during the conflict. A special unit for early recovery will be established in the Ministry of Health with sub-units in each health district or local health circumscription.

The second approach would be the development and implementation of a Master Plan for Reconstruction of the Health Sector in Lebanon. Developed over the next three to four months, the Master Plan will form the fundamental agenda and roadmap for the long term reconstruction of Lebanon's health system, identifying permanent and sustainable solutions for the full recuperation of the health system functionality in the affected areas.

The exercise will be led by the Ministry of Health in close collaboration with the Ministries of Finance, Economic Planning, and the Office of the Prime Minister, and could be closely supported by both WHO and the World Bank. To this end, a planning team could be established or strengthened within the Ministry of Health and technical assistance provided by WHO.

Producing this Master Plan would Encompass:

- Conducting a detailed health situation and health systems needs assessment in the affected areas, beginning as early as possible in September 2006;
- Developing a framework for prioritizing necessary actions to meet the needs, and public and private investments in the health sector that can bring them to fruition;
- Developing projects for the prioritized interventions thus enabling the development of detailed investment projects within a comprehensive and strategic framework;
- Mobilizing resources from public, private and international sources to support the reconstruction agenda;
- Establishing a roadmap of implementation of investment projects, and coordinating their harmonious execution so that results can be obtained rapidly in terms of recovering and further improving the functionality of the health system, and ultimately in terms of improved health outcomes among the affected population;
- An Action Plan for the early recovery of the Health Sector.

ACTION PLAN

The Action plan for the early recovery of the health sector will focus on priorities for the restoration of public health functions and the provision of primary health care services with a supporting referral system for returnees. It will also include urgently needed interventions for the rehabilitation of the health infrastructure in the South.

The main projects include:

1) Immediate revitalization of routine immunization services, in close partnerships with WHO and UNICEF. This will include quick recovery of the cold chain system.
2) Expanding and maintaining the Disease Early Warning and Alert and Response System to monitor trends in communicable diseases and to respond to disease outbreaks. It involves extending reporting sites to cover all areas in the south, and supporting the compilation and analysis and use of information, as well as establishing linkages with the national disease surveillance system.
3) Monitoring environmental health threats and taking appropriate action to ensure the provision of safe water, sanitation, and control of environmental hazards.
4) Revitalizing primary health care services in the affected areas. This includes urgently needed interventions to rehabilitate damaged health facilities, provision of essential medicines and basic supplies, consumables

capacity building of local health personnel, particularly in the areas of psychosocial care, management of chronic diseases, and nutrition. Support to ensure outreach services will also be needed.

5) Building capacity for emergency response and management at the central and governorate levels. An adequate stock of essential medicines, supplies and trauma kits, improved medical stores, strengthened communication and transportation system including requirements for outreach and effective referral systems.
6) Securing maternal and newborn health, and strengthening reproductive health services to ensure safe pregnancy and deliveries, maximizing outreach services, and improving referral systems.

Setting the stage for long term reconstruction: The national early recovery process August 2006; Restoring Basic Social Services-Health

RESTORING MINIMUM ACCESS TO CRITICAL HEALTH SERVICES

GOVERNMENT ENTITY: Ministry of Health
TITLE OF THE INITIATIVE: Restoring Minimum Access to Critical Health Services
LOCATION: Main targets are the Governorates of South Lebanon and Nabatieh (8 districts or Qadas), the Beirut Southern
Suburbs and the two qadas of Baalbeck and Hermel in the Governorate of the Beka'. All together, these areas are served by 11 public hospitals, 44 private hospitals (Total 55 inpatient facilities) and 118 dispensaries and health centers for outpatient care.
DURATION: Six months
ESTIMATED STARTING DATE: Immediately
SECTOR: Health
BENEFICIARY: 1,200, 000, including 350,000 in the 0-14 year age group

OUTLINE
THE IMMEDIATE NEED: The ability of many Lebanese citizens, and children and other vulnerable groups in particular, to access critical health services has been severely reduced, with key infrastructure, including hospitals and other care centers, severely damaged, and exhaustion of supplies and essential vaccines. Furthermore, with the vast destruction in shelter and water pipes, the risk of communicable disease and water-borne diseases has become a major concern. The capacity of local governorate authorities to respond to the needs and monitor the long term impact of the conflict is also strained.
OBJECTIVES AND IMPACT: Quick-revitalization of life saving immunization services for children, by reactivating the primary health care services, particularly in routine immunization services, providing essential vaccines and drugs, reestablishing the cold chain system, scaling up sustainable outreach services to underserved areas.

- Revitalization of primary health care services, through rehabilitation of infrastructure, provision of equipment and essential medicines and drugs, and ensuring adequate water and power supply to health facilities
- Revitalization of hospital care and referral systems, through rehabilitation of infrastructure, provision of equipment and essential medicines, and filing the gaps in human resources
- Building the capacity (equipment, human resources, and infrastructure) of emergency management at the central and governorate level, to develop information systems, monitor health trends, stockpile essential medicines and ensure rapid responses.

TOTAL BUDGET IN US$: 13,300,000
Budget Preliminary Breakdown Description:

a. Quick Revitalization of Life Saving Immunization Services in Affected Areas
b. Building the Capacity of Emergency Management at the Central and Governorate Level
c. Revitalization of Primary Health Care services
d. Revitalization of hospital care and referral systems

ESTIMATE COST IN US$: 3,150,000; 2,550,000; 3,830,000; 3,770,000

Lesson 26

A STUDY ON QUALITY OF PRIMARY EDUCATION BACKGROUND AND RATIONALE

At the sub-regional meeting of South Asian Ministers in Kathmandu in April 2001, Quality Education was unanimously identified as a priority area from the regional Perspective. The ministers and all participants were in agreement that there was an urgency to seek remedies for bottlenecks faced in these areas to meet the intermediate targets and EFA goals by 2015. In the context of quality education, the discussions highlighted that in spite of concerted efforts and resources devoted to quality, the results have been neither satisfactory nor sustainable. Why is this so? If drop out rate is any indicator of quality, the picture is not a promising one. The region cannot afford high internal inefficiencies within the education system and the leakage must be addressed comprehensively. Failing standards reveal poor service delivery, leading in turn to low levels of interest; and improvement in quality is a key element that could ensure equity for learners through substantive entitlements in terms of capabilities for improving human well-being.

Several international and regional meetings have reiterated the need for Quality EFA.

In this context, the Dakar Framework of Action refers to quality both within the six goals and the accompanying strategies:

Improving every aspect of the quality of education, and ensuring their excellence so that recognized and measurable learning outcomes are achieved by all, especially in literacy, innumeracy and essential life skills

Strengthening the quality of education has become a concern of paramount importance in discussions on education. The concern is shared equally by all the stakeholders at all levels of education including the primary education. The Universal Declaration of Human Rights (1948) declared primary education as the basic human right of all people. Accordingly, all nations prioritized universal access to education. The developed, and many developing, nations have attained universal or near universal access to primary education. Now the focus is on the quality of students' learning. The concern is valid not only for nations who have attained the quantitative targets, it is also valid for nations still striving for expansion of educational access. It has been established that access and quality are not sequential elements. Quality is rather considered, in the light of growing evidence, a means for achieving the universal access and equity of education regardless of gender, location, race, religion, and social class (Hoy, et al, 2000). The World Bank (1997) in one of its reports on elementary education in Pakistan has also laid equal emphasis on the expansion of access and quality as the quality has been visualized instrumental in improving access. The report states:

"The best way to improve access is to improve quality which would make coming to school or staying in school a more attractive option from the perspective of parents as well as children. Moreover, effort to improve quality will tend to increase the efficiency of the public expenditure and will encourage parents to contribute to children education."

Quality of education also means setting standards which make a pavement for assessment of standards, comparability of programs, and accountability for meeting the targets.

International Declarations on Quality of Basic Education

1. The Jomtien Declaration of EFA, 1990: A landmark document for the promotion of basic education emphasized that 'the focus of education must, therefore, be on actual learning outcomes rather than exclusively on enrolment'.

2. The World Education Forum, Dakar Framework of Action 2000: Emphasis on quality of education is included as one of the six goals:

"Improving all aspects of the quality of education, and ensuring their excellence of all so that recognized and measurable learning outcomes are achieved by all especially in literacy, innumeracy and essential life skills" (Article 7(vi))

The Expanded Commentary on the Dakar Framework of Action includes following two articles on quality:

i) Evidence over the past decade has shown that efforts to expand enrolment must be accompanied by attempts to enhance educational quality (Article 43).

ii) Government and all other EFA partners must work together to ensure basic education of quality for all, regardless of gender, health, location, language or ethnic origin (Article 44).

3. The Recife Declaration of UNESCO E-9 project (Education for All in the nine most populous developing countries), of January 2000, reaffirms commitment to the enhancement of the quality of basic education through adopting several measures.

4. The Beijing Declaration of the E-9 Project on ICT1 and EFA (August 2001) reiterated its commitment to raise the quality of education through using Information Communication Technology (ICT), and better training

Quality Concerns and Commitments by the Government of Pakistan

Pakistan is a signatory of the Universal Declaration of Human Rights (1948) and many other declarations down to the World Declaration on Education for All (1990), the World Education Forum: Dakar Framework for Action 2000, the Recife Declaration of E-9 Countries 2000 and the Beijing Declaration of E-9 Countries on ICT and EFA 2001. But Pakistan, despite policy statements and target setting in various education policies and five-year plans is still far below universal primary education access and retention. The priority is thus, still on the expansion of basic educational opportunity to all. However, with the emerging international agenda of quality education, Pakistan has also readdressed the educational target setting by adopting a two-pronged approach based on quantitative expansion along with quality enhancement, particularly since the 7th Five Year Plan. The National Education Policy 1998 has included many elements and strategies for improving quality at elementary level. The central message of SAP-II and EFA beyond DAKAR is Quality Education and that the access is not sustainable without quality (Govt. of Pakistan, 2000). The important policy statements and strategies are listed below:

The National Education Policy 1992 recognized that the quality aspect of primary education has been compromised and required urgent examination of the measures needed for its raising. The policy has mentioned several strategies for the purpose including teachers' training; updating "primary kit"; provision of books; etc.

The National Education Policy 1998-2010 had also included among its objectives the improvement of elementary education. The policy gives a comprehensive list of quality inputs such as merit-based recruitment of teachers; pre-service and in-service training of teachers; improving the quality and availability of books; etc.

Education Sector Reforms: Action Plan 2001-2005 based on National Educational Policy 1998-2010 among its nine sectors includes a cross-cutting thrust area of quality assurance in education including upgraded teacher training, textbooks and curricula, and assessment system.

The National Plan of Action (NPA) for Education for All also addresses the issue of quality education. The major quality inputs suggested include reforms in curricula (focusing on basic learning needs of child, youth, adolescent and adult), textbook development and teachers' training. An improved system of examination/assessment i.e. National Education Assessment System (NEAS) will also be introduced. Besides, early childhood education programmers will be initiated as part of efforts to improve the achievement of pupils at primary education level.

Quality of Education in Pakistan

Quality Output: All quality inputs converge to yield quality learning of students. Student achievement as an indicator of quality output received global recognition when the International Consultative Forum on EFA listed it as one of the indicators to be used for the year 2000 EFA Assessment. The commitment was further spelled out in the form of sixth goal of the Dakar Framework of Action for EFA as under:

"Improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all."

In Pakistan, the system of National or Provincial Assessment has yet not been established. Standardized data on student learning over years or over repeated measurements are non-existent. However, the realization of a coherent National Assessment has been emerging since mid eighties of the last century. Resultantly a number, nearly two dozens, isolated studies on student learning have been conducted by different agencies and organizations since 1984 and more so during the last decade. Some of the studies have been conducted at national level, whilst other focused on provinces and still some other had a very narrow focus and limited sample. The parameters, methodologies and rigor of the studies also vary. The tests used were generally curriculum and textbook bound. Some small-scale studies used competencies as the standards for testing.

A compilation and analysis of various studies has been done and it has been concluded that on the average students do not achieve competency on more than half the material in the 5th grade curriculum (Benoliel, 1999 in UNESCO, 2001).

BRIDGES (1989) observed that students of grade 4th and 5th attained scores of 29 and 33 in science and 25 and 26 in mathematics. A study by Mirza and Hameed (1995) in Punjab shows that students of grade I, II, III, IV and V attained mean scores of 62%, 70%, 53%, 51% and 46%, respectively. In grade IV and V the lowest scores were observed in mathematics. Baseline survey of Sindh (2000) reported a mean score of 8 in mathematics. Studies further show that students performed better on items measuring rote learning and poorly on items requiring comprehension, problem solving and life skills. Pervez (1995) also found over 60% children

at the end of grade 5 competent in rote learning whilst only 18 - 27% could write a letter, read with comprehension and demonstrate life skill knowledge.

Quality Inputs: Quality learning cannot be expected without quality inputs. But the context of public primary education in Pakistan is very difficult. About 71% schools are located in rural areas. A general picture of inputs in schools can be portrayed as under:

- Provisions in primary schools particularly the rural primary schools are very poor.
- Nearly 1/6th of the primary schools is shelter less.
- The schools with building have insufficient accommodation - 2 rooms and a veranda.
- Students mostly sit on mats/tat.
- Per school average number of teachers is 2.35.
- In mosque schools the average number of teachers is 1.3 per school.
- Textbooks for teachers: Never provided.
- Teaching Kit: Supplied in mid seventies. Never updated or repaired.

Teachers hesitate to use it due to fear of breakage.

- Copy of curriculum: Never provided.
- Resource Materials: Never provided.
- Community support is at the very low, but is being sought through various modes.

Teachers at Primary Level: The importance of teacher as key figure in the education process has always been recognized. The most recent National Education Policy 1998- 2010 also recognizes that the teacher is considered the most crucial factor in implementing all educational reforms at the grass-root level. The World Declaration on Education for All emphasized the role of teacher as under:

"The pre-eminent role of teachers as well as of other educational personnel in providing quality education needs to be recognized and developed to optimize their contribution ……improve their working conditions and status notably in respect to the recruitment, initial and in-service training, remuneration and career development possibilities." (Article 1.6 para 33, p. 58).

The Dakar Framework of Action for EFA, 2000 also states as under:

"Enhance the status, morale and professionalism of teachers" (Article 8-ix)

The quality of public primary school is a matter of concern both in terms of number of teachers provided and their qualifications. The figures show that on the average only 2.35 teachers have been provided to a school. The mosque schools have an average of 1.3 teachers per school. The qualifications of teacher are generally matriculate/HSC + PTC/CT. In some of the areas even the condition of matriculate has to be relaxed. The teachers have hardly any opportunity for systematic in-service training. On-the job training, monitoring and guidance are nearly non-existent.

A teacher with such a profile has to teach almost three to six grades simultaneously in a difficult context, an environment of least facilities and support.

Lesson 27

ADULT EDUCATION

Adult education is the practice of teaching and educating adults. This is often done in the workplace or through 'extension' or 'continuing education courses at secondary schools, or at a college or university. Other learning places include folk high schools, community colleges, and lifelong learning centers. The practice is also often referred to as 'Training and Development'. It has also been referred to as *andragogy* (to distinguish it from *pedagogy*). A difference is made between vocational education, mostly done in workplaces and mostly related to upskilling, and non-formal adult education, that can include learning skills or learning for personal development.

Educating adults differs from educating children in several ways. One of the most important differences is that adults have accumulated knowledge and experience that can either add value to a learning experience or hinder it.

Another important difference is that adults frequently must apply their knowledge in some practical fashion to learn effectively; there must be a goal and a reasonable expectation that the new knowledge will help them further that goal. One example, common in the 1990s, was the proliferation of computer training courses in which adults (not children or adolescents), most of whom were office workers, could enroll. These courses would teach basic use of the operating system or specific application software. Because the abstractions governing the user's interactions with a PC were so new, many people who had been working white-collar jobs for 10 years or more eventually took such training courses, either at their own whim (to gain computer skills and thus earn higher pay) or at the behest of their managers.

In the United States, a more general example is that of the high -school dropout who returns to school to complete general education requirements. Most upwardly-mobile positions require at the very least a high school diploma or equivalent. A working adult is unlikely to have the freedom to simply quit their job and go "back to school" full time. Public school systems and community colleges usually offer evening or weekend classes for this reason. In Europe this is often referred to as "second-chance", and many schools offer tailor-made courses and learning programmes for these returning learners.

Those adults who read at the very lowest level get help from volunteer literacy programs. These programs provide one to one tutoring and small group sessions for adults at the 6th grade level or below. Public libraries, nonprofit organizations and school systems administer these programs across the country. ProLiteracy Worldwide is the national organization which provides training, tutor certification and accreditation for local volunteer programs. States often have state organizations such as Literacy Florida!Inc. which provide field services for volunteer literacy programs.

In the U.S.A., the equivalent of the high school diploma earned by an adult through these programs is to pass the General Education Development (GED) test.

Another fast- growing sector of adult education is English for Speakers of Other Languages (ESOL), also referred to as English as a Second Language (ESL)or English Language Learners (ELL). These courses are key in assisting immigrants with not only the acquisition of the English language, but the acclimation process to the culture of the United States.

An **adult high school** or **adult school** is a high school facility designed for adult education. It is intended for adults who have not completed high school to continue their education. Some adult high schools offer child care, special integration programs for immigrants and refugees, career counseling and other programs and services geared toward the special needs of adult students. Some adult high schools may also offer general interest programs such as computer skills or other continuing education courses.

A few cities in the United States and Canada have dedicated adult high school facilities. In most other cities, students age out of the system at 19 or 20 leaving them no other option than getting their GED. This is a problem for students who still need many classes to gain the skills they need to pass a GED test. This problem is compounded for the United State's growing foreign born population, who are not familiar with the American school systems and are still learning English, especially if they come into the United States in their teens and are expected to catch up with their American peers by the time they reach the age of 19 or 20.

Lifelong learning is the concept that "It's never too soon or too late for learning", a philosophy that has taken root in a whole host of different organisations. Lifelong learning is attitudinal; that one can and should be open

tricks" out the door. Lifelong learning sees citizens provided with learning opportunities at all ages and in numerous contexts: at work, at home and through leisure activities, not just through formal channels such as school and higher education. Lifelong learning is the final outcome of Information Literacy.

Lifelong education is a form of pedagogy often accomplished through distance learning or e-learning, continuing education, homeschooling or correspondence courses. It also includes postgraduate programs for those who want to improve their qualification, bring their skills up to date or retrain for a new line of work. Internal corporate training has similar goals, with the concept of lifelong learning used by organisations to promote a more dynamic employee base, better able to react in an agile manner to a rapidly changing climate. In later life, especially in retirement, continued learning takes diverse forms, crossing traditional academic bounds and including recreational activities.

One of the reasons why lifelong education has become so important is the acceleration of scientific and technological progress. Despite the increased duration of primary, secondary and university education (14-18 years depending on the country), the knowledge and skills acquired there are usually not sufficient for a professional career spanning three or four decades. The European Union adopted a Communication in October 2006 entitled "It's never too late to learn". This document suggests lifelong learning to be the core of the ambitious Lisbon 2010-process, in which the whole of the European Union should become a learning area. In India and elsewhere, the "University of the Third Age" (U3A) provides an example of the almost spontaneous emergence of autonomous learning groups accessing the expertise of their own members in the pursuit of knowledge and shared experience. No prior qualifications and no subsequent certificates feature in this approach to learning for its own sake and, as participants testify, engagement in this type of learning in later life can indeed 'prolong active life'. For those who can't physically attend these autonomous learning groups, a virtual U3A, U3A Online, is open to isolated older people from any country. In Sweden the concept of "study circles", an idea launched almost a century ago, still represents a large portion of the adult education provision. The concept has since spread, and is a common practice in for instance Finland as well. A study circle is one of the most democratic forms of learning environment created. There are no teachers, the group decides themselves the content and scope as well as the method to use.

Sometimes lifelong learning aims to provide educational opportunities outside standard educational systems — which can be cost-prohibitive, if available at all. On the other hand, formal administrative units devoted to this discipline exist in a number of universities. For example, the 'Academy of Lifelong Learning' is an administrative unit within the University-wide 'Professional and Continuing Studies' unit at the University of Delaware Another example is the Jagiellonian University Extension (Wszechnica Uniwersytetu Jagiellonskiego), which is one of the most comprehensive Polish centers for lifelong learning (open learning, organizational learning, community learning).

In recent years 'Lifelong Learning' has been adopted in the UK as an umbrella term for post-compulsory education that falls outside of the UK Higher Education system - Further Education, Community Education, Work-based Learning and similar voluntary, public sector and commercial settings. See Lifelong Learning UK.

Lesson 28

THE PRACTICAL PERSPECTIVE OF ADULT EDUCATION

Adult Education is fraught with problems and difficulties but before discussing them, it will be worthwhile to note the current status of Adult Education in the world.

Current Status of Adult Education

- There are 950 million illiterate adults in the world
- Out of these 600 million are women
- Over a third of world's illiterate are in South Asia and another large number in sub-Saharan Africa
- According to UNESCO 75% of the world's illiterate live in only 9 countries including India, China, Pakistan, Bangladesh, Nigeria, Indonesia, Iran and Brazil

We now turn to the problems inherent in the issue of Adult Education.

Problems of Adult Literacy

- The major problem has been in motivating the learners to learn.
- The poor and the hungry are more interested in food and shelter rather than on becoming literate.
- It can at best be a leisure time activity if it provides entertainment.
- Community pressure and incentives can help in developing a serious attitude in the illiterate towards literacy.
- Governments of developing countries cannot provide any incentive apart from offering free education facilities and that too with the use of some volunteers, mostly from the local areas.
- Providing education that is perceived as having immediate use is another incentive.

Adult Education Issues in Industrialized Countries

- Institute for International Cooperation of the German Adult Education Association, suggests that adult education in Europe will have to prepare people to face dilemmas associated with European integration.
- Demand for adult education in these countries is increasing, in Canada 1 adult in 5 followed adult education program in 1983 as opposed to 1 in 14 in 1969.
- In Sweden, 1 in every 2 adults is taking part in adult education programs.
- Demand for work-related adult education seems to be widespread.
- Countries like UK, Australia, Austria, Canada, France, Holland and Germany and USA have acknowledged that a significant percentage of adult population is unable to read and write sufficiently well to communicate or participate in retraining activities.

Following are some of the methods used to approach Adult Education.

Methods and Approaches to Educating Adults

Four strategies are generally used

1. The Fundamental Education Approach or general literacy approach
2. The Selective Intensive Functional approach or functional literacy
3. The Conscientisation Approach
4. The Mass Campaign Approach

We will consider each approach in some detail.

The Fundamental Education Approach

- Promoted by UNESCO and was largely followed in the 1950s and 1960s
- It emphasized teaching, reading and writing in the mother tongue of the learner
- The target groups were unspecified
- The program aimed at people with low motivation and follow-up literacy was neglected
- This strategy failed to reduce illiteracy in any evident manner

The Selective Intensive Approach

- UNESCO and UNDP used this approach in 11 countries (Algeria, Ecuador, Ethiopia, Guinea, India, Iran, Madagascar, Mali, Sudan, Syria and Tanzania).
- Objectives were to test and demonstrate the economic and social returns of literacy and the relationship between literacy and training.
- Under this approach, target groups of illiterate people working within a specific economic activity in a specific region were selected.
- Improved vocational skills and work-oriented literacy were also provided.
- The approach however had limited impact; major drawback was that literacy was viewed as a technical exercise without regard to social, cultural and political factors.
  - It is useless to teach a farmer to increase productivity if the greater part of the fruit of this labor goes to landlord.

The Conscientisation Approach

- This approach aims at making it possible for the oppressed illiterate to become aware that they can change their own situation.
- This is done through a process of critical reflection that leads to action and change.
- Education is seen as an element in the necessary process of human liberation.
- Dialogue and participation are the key elements in liberating education.
- The culture, the living conditions, the awareness, the language and vocabulary used all are understood and incorporated in this approach.
- Many NGOs all over the world are using this approach to adult education.

The Mass Campaign Approach

- Articulation of the national political will
- Development of a comprehensive policy making and legal organ
- Study and diagnosis of preconditions
- General mobilization of the public
- Establishment of structures of mass participation
- Development of inter ministerial and inter agency structures
- Implementation of developmental and instructional plan
- Evaluation of context, process and results
- Design and establishment of post literacy programs

Strategies for Educating Adults for the Future

1. A well articulated strategy based on the country's philosophy and approach to adult education is the first step.
2. Encourage a variety of methodologies and initiatives at local level.
3. Use NGOs to build on the strengths achieved due to literacy programs.
4. Greater integration of all development activities into adult education programs.

Lesson 29

TECHNICAL & VOCATIONAL EDUCATION

Vocational education (or *Vocational Education and Training* (VET), also called *Career and Technical Education* (CTE)) prepares learners for careers that are based in manual or practical activities, traditionally non-academic and totally related to a specific trade, occupation or *vocation*, hence the term, in which the learner participates. It is sometimes referred to as *technical education*, as the learner directly develops expertise in a particular group of techniques or technology.

Generally, vocation and career are used interchangeably. Vocational education might be contrasted with education in a usually broader scientific field, which might concentrate on theory and abstract conceptual knowledge, characteristic of tertiary education. Vocational education can be at the secondary or post-secondary level and can interact with the apprenticeship system. Increasingly, vocational education can be recognised in terms of recognition of prior learning and partial academic credit towards tertiary education (e.g., at a university) as credit; however, it is rarely considered in its own form to fall under the traditional definition of a higher education.

Up until the end of the twentieth century, vocational education focused on specific trades such as for example, an automobile mechanic or welder, and was therefore associated with the activities of lower social classes. As a consequence, it attracted a level of stigma. Vocational education is related to the age-old apprenticeship system of learning.

However, as the labor market becomes more specialized and economies demand higher levels of skill, governments and businesses are increasingly investing in the future of vocational education through publicly funded training organizations and subsidized apprenticeship or traineeship initiatives for businesses. At the post-secondary level vocational education is typically provided by an institute of technology, or by a local community college.

Vocational education has diversified over the 20th century and now exists in industries such as retail, tourism, information technology, funeral services and cosmetics, as well as in the traditional crafts and cottage industries

VET Internationally

Australia

In Australia vocational education and training is mostly post-secondary and provided through the Vocational Education and Training (VET) system and by Registered Training Organisations. This system encompasses both Government and private providers in a nationally recognised quality system based on agreed and consistent assessment standards.

The National Centre for Vocational Education Research or NCVER is a not-for-profit company owned by the federal, state and territory ministers responsible for training. It is responsible for collecting, managing, analysing, evaluating and communicating research and statistics about vocational education and training (VET).

Commonwealth of Independent States

The largest and the most unified system of vocational education was created in the Soviet Union with the Professional`no-tehnicheskoye uchilische and, Tehnikum. But it became less effective with the transition of the economies of post-Soviet countries to a market economy.

Finland

There are two kinds of vocational education, secondary and post-secondary. Secondary education at a vocational school (*ammattikoulu*) is usually taken immediately after primary school, at ages of 16-21. Some programmes, however, require a secondary academic degree (*ylioppilastutkinto*, or matriculation examination). The education is primarily vocational, and little academic general education is given.

With academic or vocational secondary education one can enter higher vocational schools (*ammattikorkeakoulu*, or *AMK*). AMK degrees take 3,5-4,5 years. Legally, they are not university degrees in Finland, although in foreign countries similar degrees may be called "university level". This is reflected by some Finnish schools giving English titles such as *Bachelor of Science*, with no Finnish translation.

German language areas

Vocational education is an important part of the education systems in Austria, Germany, Liechtenstein and

For example, in Germany a law (the *Berufsausbildungsgesetz*) was passed in 1969 which regulated and unified the vocational training system and codified the shared responsibility of the state, the unions, associations and chambers of trade and industry.
The system is very popular in modern Germany: in 2001, two thirds of young people aged under 22 began an apprenticeship, and 78% of them completed it, meaning that approximately 51% of all young people under 22 have completed an apprenticeship. One in three companies offered apprenticeships in 2003; in 2004 the government signed a pledge with industrial unions that all companies except very small ones must take on apprentices.
The vocational education systems in the other German speaking countries are very similar to the German system and a vocational qualification from one country is generally also recognized in the other states within this area.
Additionally, there is the *Fachhochschule* (FH) since the 1970s in West Germany and since the 1990s in Austria, former East Germany, Liechtenstein and in Switzerland. Historically, Fachhochschulen were meant as a way of academic qualification for people who went through an apprenticeship, especially in technical professions. This is called *Zweiter Bildungsweg* (rough literal translation: second educational path), i.e., an alternative to the classical academic career path from Gymnasium (school) to a university. However, nowadays Fachhochschule have become a fixture in German higher education and a considerably percentage of the FH students do not have an apprenticeship, but rather enter the FH straight after secondary school. Until recently, Fachhochschulen only offered Diploma (FH) degrees (e.g., a diploma in engineering of social work) in programs which stretched over 7 or 8 semesters, and typically include one semester or so of industrial internship. More recently, many Fachhochschulen switched to a system where they offer Bachelor's and Master's degrees.

New Zealand
New Zealand is served by 41 Industry Training Organizations(ITO). The unique element is that ITOs purchase training as well as set standards and aggregate industry opinion about skills in the labour market. Industry Training, as organised by ITOs, has expanded from apprenticeships to a more true life long learning situation with, for example, over 10% of trainees aged 50 or over. Moreover much of the training is generic. This challenges the prevailing idea of vocational education and the standard layperson view that it focuses on apprenticeships.
The best source for information in New Zealand is through the Industry Training Federation: www.itf.org.nz.
Polytechnics, Private Training Establishments, Wananga and others also deliver vocational training, amongst other areas.

United States
In the United States, the approach is varied from state to state. Most of the technical and vocational courses are offered by Community Colleges, though several states have their own institutes of technology which are on an equal accreditational footing with other state universities.
Historically, junior high schools and high schools have offered vocational courses such as home economics, wood and metal shop, typing, business courses, drafting and auto repair, though schools have put more emphasis on academics for all students because of standards based education reform. School to Work is a series of federal and state initiatives to link academics to work, sometimes including spending time during the day on a job site without pay.
Federal involvement is principally carried out through the Carl D. Perkins Career and Technical Education Act. Accountability requirements tied to the receipt of federal funds under this Act help provide some overall leadership. The Office of Vocational and Adult Education within the US Department of Education also supervises activities funded by the Act.
The Association for Career and Technical Education (ACTE) is the largest private association dedicated to the advancement of education that prepares youth and adults for careers. Its members include CTE teachers, administrators, and researchers.

India
Vocational training in India is provided on a full time as well as part time basis. Full time programs are generally offered through industrial training institutes. Part time programs are offered through state technical education boards or universities who also offer full-time courses. Vocational training has been successful in India only in

India which offer courses in vocational training and finishing, but most of them have not been recognized by the Government of India. India is a pioneer in vocational training in Film & Television, and Information Technology .AAFT

Traditional Education or Technical Education?
College is not for everyone, but that does not mean you shouldn't pursue some sort of higher education or job training. When you think about your future, what do you envision? Are you doing something you love, or are you just working for a paycheck? If you are one of the many who is trying to make a decision about where to spend your money and invest your future, read on. This article provides a comparison of 4 year colleges and technical schools. Which one is right for you?

How to choose between 4-year colleges and technical schools: Ask yourself these questions and then consider the benefits and disadvantages of each type of school.
What are your goals? Do you have a specific career goal? What are your educational goals? Do you want to learn as much as you can about a variety of subjects? Do you want to learn as much as you can about one specific topic (become an expert)?
What are your strengths? Weaknesses? Would you benefit from a shorter more targeted program?
Lifestyle. How will school fit into your life? Would you benefit from non-traditional scheduling such as online, evening, or distance learning? 4-year colleges and technical colleges both offer such options, but it varies by school so check with any schools you are interested in attending.
What do you need? Realistically, what sort of degree or training do you need to pursue your dreams? Research your desired field--know what the requirements are and how they compare to the programs you are considering. The US Department of Education website offers resources for career and training research.

4-year Colleges
Some people like to learn just for the sake of learning, while some are more focused and driven and use school as a steppingstone for job advancement. If you are interested in more scholarly pursuits a traditional 4-year college might be your best option.
Benefits: liberal arts training applies to many fields, diverse topics to explore, prestige, "college life" *Disadvantages:* expensive, time consuming, may get degree in area you no longer wish to pursue, high admission standards and prerequisites, job market may be slower upon graduation-may require additional training

Technical Schools
If college was for everyone, technical schools would not exist. Some people may feel a stigma is attached to technical schools. In a society where attending college has become standard, we lose sight of the value of skills training. People feel abnormal and may be angry if they don't want to go to college but feel pressured to do so anyway.
Benefits: shorter duration, focused programs, easier admission standards, flexible scheduling, certifications not necessarily offered at 4-year colleges, hands on training
Disadvantages: may be viewed as less prestigious, can be expensive, may be less room for exploration of other subjects, accreditation, for-profit institutions
Many of the fastest growing jobs do not require a bachelor's degree but do require post-secondary education (education beyond high school). These jobs include:

- Medical Assistants
- Social and human service assistants
- Home health aides
- Medical records and health information technicians
- Physical therapist aides
- Physical therapist assistants
- Fitness trainers and aerobics instructors
- Veterinary technologists and technicians
- Hazardous materials removal workers
- Dental hygienists

- Dental assistants
- Personal and home care aides
- Self-enrichment education teachers
- Occupational therapist assistants
- Environmental science and protection technicians, including health
- Preschool teachers, except special education
- Respiratory therapists

Sources: Wikipedia: http://en.wikipedia.org/wiki/Vocational_education &
http://www.collegesearchengine.net/article/How-to-Decide-Between-a-4-year-College-and-Trade-School/1/

Lesson 30

ASSESSING THE LINK BETWEEN INTELLECTUAL CAPITAL FORMATION AND PERFORMANCE OF A UNIVERSITY

Introduction

The resource-based view (RBV) of the firm grew out of frustration with the structure-conduct-performance paradigm of the industrial organization (IO) view of the firm and the early RBV theorists found the IO view – that a firm's success was wholly determined by its external environment – to be unrealistically limited and turned to the seminal work of Penrose (1959) for motivation (Russo and Fouts, 1997). The biggest contribution of Penrose (1959) is to provide base for understanding the causal links among resources, capabilities and competitive advantage of a company, Penrose provides three key arguments concerning these linkages (Kor and Mahoney, 2004). First of all Penrose (1959) asserts that firms cannot create economic value for themselves merely by possessing resources, rather it's the effective and innovative management of these resources that creates economic value for the firm. Secondly, Penrose highlights managers or *human capital* as the main causal link in the conversion of firm's resources into firm capabilities and new product development. Thirdly, through the use of the drivers of the rate and direction of firm growth, Penrose provides an explanation of the link between resource-based view of the firm and its performance. Fourth key contribution of Penrose is the stress on the importance of continuous maintenance of firm's existing capabilities in protecting its competitive advantage from getting eroded. Penrose argues that if a firm keeps on investing in renewing its capabilities through new resource combinations, then the firm's competitive advantage can be sustained.

This paper attempts to apply the RBV of the firm to university settings and looks at the Intellectual Capital (IC) formation of a university as the basis for its performance. The paper deals with the issues of IC formation, its measurement, definition of a university's performance, its measurement and the association between the two.
This paper is divided into five sections. The first section provides an overview of the various RBV theories along with a detailed discussion on the notions of strategy, resources, capabilities, competencies and creation of competitive advantage of a firm with special emphasis on the role of human capital in sustaining this competitive advantage. The second section briefly describes the evolution of RBV concepts over the years while the third section discusses RBV application in the Education industry. Section four of the paper defines university performance, its measurement and, performance of the three University of Management & Technology (UMT) schools in the light of RBV. The fifth section highlights the limitations of the current study along with some of the future research implications for the human capital-RBV link.

SECTION ONE

Resources & Capabilities

The RBV of a firm can be understood as a tradition emphasizing the company's internal competencies and capabilities as the fundamental building blocks of strategy. Central to this theme is the idea that firms' posses heterogeneous resources and capabilities, which account for difference in performance (Juga, 1999). But before understanding the role of resources and capabilities in the creation of competitive advantage for the firms, it will be worthwhile to differentiate between these two closely linked and subtly different constructs.
A number of definitions and classifications schemes of resources have been suggested (Hooley, Broderick and Moller, 1998; Capron and Hulland, 1999) and following are some examples of these definitions:
Wernerfelt (1984): Anything that can be thought of as a strength or weakness of a firm.
Amit and Schoemaker (1993): Stocks of available factors that are owned or controlled by the firm.
Grant (1991): As inputs to the production process.
Barney (1991): As a bundle of assets, capabilities, organizational processes, firm attributes, information and knowledge.
Day (1994): Assets are the resource endowments the business has accumulated e.g. investments in plant, brand equity while capabilities are the glue that binds these assets together and enables them to be successfully deployed to the advantage of the firm. Capabilities are complex bundles of skills and collective learning, exercised through organizational processes that ensure superior coordination of functional activities.
Teece et al. (1992): Defines capabilities as the abilities of an enterprise to organize, manage, coordinate or

Selznick (1957): Defines the notion of core or distinctive competencies as what a firm does particularly well in relation to its competitors.
Wang and Lo (2004): Core competencies are the skills that enable a firm to deliver a fundamental customer benefit by enabling the firm to establish, enhance, upgrade and utilize proprietary access to those resources that lead to sustainable competitive advantage.
Prahalad and Hamel (1990): Core competencies are those competencies that make a disproportionate contribution to ultimate customer value and provide a basis for entering new markets.
Teece et al. (1992): Also talk of "dynamic capabilities" referring to the capacity of a company to renew, augment and adapt its core competence over time.
Grant (1991) suggests a key difference between resources and capabilities; on their own resources like capital equipment, skills of individual employees, patents, brand names, finance and so on are not productive and it is the firm's organizational capabilities – its abilities to assemble, integrate and manage these bundle of resources which become crucial in understanding how competitive advantage is conferred upon firms (Russo and Fouts, 1997). According to Grant (1991) productivity requires coordination and cooperation among these resource or asset teams and a capability is the capacity for a team of resources to perform some task or productive activity and, "while resources are the source of a firms' capabilities, capabilities are the main source of its competitive advantage". Recent researchers have strengthened this view by emphasizing firm capabilities' "as more intangible and inimitable resources, which stem from the integration of resources that are more likely to produce a competitive advantage, because such capabilities are often rare and socially complex" (Cui and Lui, 2005). According to other researchers, "the firm's capabilities constitute what it can do as a result of bundle of resources working together…to effectively coordinate its complex human and non human resources in order to achieve corporate performance" (Chan, 2005), these capabilities cannot be given monetary value and are so deeply embedded in the organizational routines and practices that they cannot be traded or imitated easily (Ozsomer and Genctiirk, 2002). Other researchers make the distinction between assets and capabilities where they define capability or competence as 'the know-how' needed to build assets and sometimes refer to it as 'dynamic capability' (Markides and Williamson, 1996). Since competitors cannot simply buy this 'know-how' (created over time in a path dependent process that makes it inextricably interwoven into the firm) without acquiring the entire firm, it becomes theoretically impossible for the competitors to imitate completely (Pettus, 2001).

Classification of Competencies
According to Day (1994), functional competencies of a company are classified as outside-in, inside-out and spanning capabilities (Hooley, Broderick and Moller, 1998).

Outside-in competencies are those skills and abilities which enable a company to understand its environment and customers and create close links between the 'outside' (environment) and 'inside' (resources endowments) of the company. These competencies create 'market sensing' skills or the abilities of the company to assess and foresee changes occurring in its markets.

Inside-out competencies are the internal capabilities of the firm and include;

1. Human resources and their management
2. Financial management
3. Cost controlling skills
4. Technological skills
5. Logistics management
6. Manufacturing process management

On similar lines Grant (1991) classifies resources into the following six categories:

1. Financial resources
2. Physical resources
3. Human resources
4. Technological resources
5. Reputation
6. Organizational resources

Spanning or integrating competencies bring together the inside-out and outside-in competencies to ensure delivery of products and services to the customers.

Strategy and RBV

Strategy is defined as, "the match an organization makes between its internal resources and skills…and the opportunities and risks created by its external environment" (Grant, 2001). In recent times RBV has become one of the most influential frameworks in the strategic management literature (Lavie, 2006; Dahan, 2005) and the fundamental question in this field is how firms achieve and sustain competitive advantage (Juga, 1999). The main theme of the resource-based theorists suggests that a sustainable firm strategy (and performance) is strongly embedded in its resources and capabilities (Hooley, Broderick and Moller, 1998) and that these diverse, hard to copy resources and capabilities provide the basis of strategic advantage and superior firm performance (Lado, Boyd, Wright and Kroll, 2006). The resource-based literature strongly places a firm's unique bundle of resources as the major antecedent of its strategy and performance (Chan, 2005).

But during 1980s, due to Michael porter's influence, the major developments in strategic area focused on the link between strategy and external environment of a company and the link between strategy and internal firm resources and skills suffered comparative neglect (Grant, 1991). It was towards the later half of 1980s that increased interest in firm specific variables became apparent (Fahy, 2000; Fahy and Hooley, 2002) which then resulted in positing a firm's resources as the foundation for firm strategy and Grant (1991) suggest the following 5 step model to capture the importance of resources and capabilities in the formulation of a company's strategy:

1. identification and classification of firm's resources
2. identification of a firm's capabilities and identification of resources inputs to each capability
3. appraising the rent generating potential of resources and capabilities in terms of their potential for creating sustainable competitive advantage
4. selecting a strategy which best fits the firm's resources and capabilities relative to external opportunities and
5. identification of resource gaps and investing to replenish and upgrade firm's resource base

RBV & its link with Competitive Advantage

RBV is not a brand new concept and one might suggest that it is mere common sense (O'Riordan, 2006). But an awareness of how RBV can be applied to create competitive advantage in the companies has gained popularity in recent times and key writers on the subject speak of VRIO (Value, Rarity, Imitability and Organization) framework which started gaining strength from researchers like Barney, grant and Lado. According to Barney (1991) a resource will create sustained competitive advantage if it is inimitable, valuable, rare and no substitutable (Lado et al., 2006; Cui and Lui, 2005; Carter and Ruefli, 2006). Grant (1991) points towards four characteristics of resources and capabilities that determine the sustainability of the competitive advantage of a firm. These characteristics include:

1. **Durability**: Firm capabilities have the potential to be more durable than the underlying resources. A durable resource or capability would be capable of being maintained over a long period of time (Carter and Ruefli, 2006) and would therefore be critical in creating and sustaining the competitive advantage of a firm.
2. **Transparency**: If a firm wishes to imitate the strategy of a rival firm, it must first establish the capabilities which underlie the rival's competitive advantage, and then it must determine what resources are required to replicate these capabilities, this transparency of the competitive advantage of a firm would be less obvious in cases of multiple competencies and capabilities interacting to create competitive advantage.
3. **Transferability**: Since most resources and capabilities are not freely transferable among firms, therefore the rivals find it difficult to acquire exactly the same resources and capabilities needed to replicate the competitive advantage of an incumbent firm. This imperfection in transferability of resources and capabilities help protect the competitive advantage acquired by a firm over a period of time.
4. **Replicability**: When the capabilities are less easy to replicate then the resulting competitive advantage would be more difficult to imitate.

These above mentioned characteristics of resources and capabilities are captured by Barney (1991) as – value,

A key concept in explaining the sustainability of competitive advantage through the RBV is the '*isolating mechanism*' or resource-position barriers (Lavie, 2006; Poppo and Weigelt, 2000) which are in essence the strategies developed by the firms to reduce other firms' abilities to compete directly with them and the firms discourage, delay, or thwart other firms' attempts to compete by erecting isolating mechanisms such as favorable corporate reputations that are unlikely to be imitated or substituted (Carter and Ruefli, 2006). Indeed, imitability is perhaps the most important predictor of organizational performance as a firm can obtain unusual returns only when other firms are unable to imitate its resources and capabilities, otherwise these resources and capabilities would be less rare or valuable, and substitutability would become irrelevant (Miller and Shamsie, 1996).

Some researchers strongly connect firm capabilities with its strategy and Stalk et al. (1992) define a capability, "as a set of business processes strategically understood; hence, the company's competitive success depends on transforming a company's key processes into strategic capabilities that consistently provide superior value to the customer" (Juga, 1999). It is interesting to note that capabilities and competencies enables the activities in a business process to be carried out which in turn creates the 'isolating mechanisms' ensuring that the resulting competitive advantage is sustainable over time and does not get eroded – as it is based on capabilities which are valuable, hard to copy, relatively rare and difficult to transfer and adopt. Research suggests that resources that are valuable, but can be imitated, can only serve as the basis for a short-term competitive advantage but for this advantage to be sustainable over time, the resources must also be inimitable and no substitutable (Sarason and Tegarden, 2003).

The following analogy will further clarify some concepts of RBV:

"A firm's tangible resources are analogous to the vast number of genes (in a human cell). The business and process backbones within the firm are like the helix…they support strategic assets through decisions, organizational policies, procedures, and practices to create products and services. Capabilities, competencies and routines are knowledge assets and are analogous to the gene's hydrogen bonds. They hold the tangible resource genes together and are crucial in creating strategic assets. Akin to cells protecting their genomes through cellular structures and processes, firms protect their assets through isolating mechanisms such as history and causal ambiguity. The strategic assets are equivalent to the chromosomes. Strategic assets are as unique to each firm as a genetic blueprint for reproduction is to each person" (Jugdev, 2004).

Role of Human Capital in the creation of Competitive Advantage

According to Penrose (1959), managers' experience with their firm resources produces firm-specific knowledge about the productive opportunities that are unique for that firm (Kor and Mahoney, 2004). This experience based knowledge is crucial as it is proprietary and cannot be transferred to new managers quickly, and also cannot be purchased readily from the market. She also notes that firm-specific shared experience in the top management team produces tacit knowledge and that this collective knowledge at top ranks strongly influences managers' abilities to function as a team and serves as a competitive advantage (since this collective knowledge serves as an isolating mechanism as compared to those firms who do not possess this brand of knowledge) for the company.

The relevance of top management team (TMT) in the field of pioneering - the capacity of the firm to develop new products ahead of rivals – has been proved empirically and it is shown that TMT represents one particular human capital resource that potentially differentiates between pioneering and non-pioneering firms (Flood, Fong, Smith, O'Regan, Moore and Morley, 1997).

Strategic human resource management (SHRM) is a means of gaining competitive advantage through one of a company's most important asset: its people (Richard, 2000), the other sources of competitive advantage like technological and physical resources are comparatively easier to emulate and transfer. Therefore, the crucial differentiating factor between companies can be how human resources are developed and nurtured in a particular organization. The notion of human capital is based on the theme that people have skills, experience, and knowledge – all hard to copy and imitate – that provide superior performance and competitive advantage to that company. If the human capital creates value, remains hard to imitate and is rare, then it certainly contributes as the main source of competitive advantage and superior firm performance (Saa-Perez and Garcia-Falcon, 2002; Lee, Phan and Chan, 2005). Researchers have pointed out that women and racio-ethnic minorities bring diverse (and hard to copy) insights and cultural sensitivities, which in turn creates competitive advantage for companies pursuing different and new markets (Cox, 1994).

Human capital has long been argued as a critical resource in most companies and recent research suggests that human capital attributes like education, experience and skills and, particularly the attributes of TMT affect firm performance and the empirical relationship between human capital and performance is documented by many writers (Hitt et al., 2001).

SECTION TWO

Evolution of RBV

This section briefly describes evolution of the RBV concept over the years along with some lacunas identified in the research.

The traditional view of RBV is based on the assumption that resources that create competitive advantage for firms, must be owned and controlled by the firms. However, in recent years, evidence suggests that resources of alliance partners transferred through direct inter firm interactions have a considerable impact on firm performance. The fundamental assumption of the RBV, according to which firms must own or at least fully control the competitive advantage conferring resources, turns out to be incorrect (Lavie, 2006).

Traditionally, RBV was developed to understand the conditions under which firms gain and sustain a competitive advantage, more recent researcher have however, shown RBV to be also applicable at the firm's process-level to be effective in creating advantage for the firms and many studies in the IT industry have confirmed this view (Ray, Muhanna and Barney, 2005).

The RBV has also been applied to understand why family firms are in a better position than non-family firms to understand the entrepreneurial opportunity recognition. Research shows that organizational culture, in case of family firms, becomes an important strategic resource and helps firms gain a better and deeper understanding of the entrepreneurial issues (Zahra, Hayton and Salvato, 2004).

The literature points out one lacuna in the RBV, it is said that RBV is essentially a static theory as it concentrates on identifying resources at one point in time. However, a recent extension of RBV, the dynamic capabilities view (DCV) focuses on the capacity an organization facing a rapidly changing environment has to create new resources. Current strategic management literature incorporates the DCV perspective in showing that RBV could be extended to apply to corporate-level strategy in addition to its traditional application at the SBU level (Bowman and Ambrosini, 2003).

Lado et al. points out that critics view RBV logic as paradoxical, and "the ability to measure a resource means that this resource will be less likely to be a source of sustained competitive advantage" (Lado et al., 2006). Another paradox highlighted by them is that if the basic ambit of RBV that there cannot be 'rules for riches' is to believed, then how it (RBV) can be used to generate managerial prescriptions to achieve competitive advantage? Similarly, causal ambiguity – the relative difficulty of understanding causal links between organizational resources and performance also implicates that managers are limited in their ability to understand the sources of sustained competitive advantage. But Lado et al. (2006) exonerate the RBV and declare that, "taking the view that paradox is embedded in scientific epistemology, we have argued that researchers can work within and through the RBV paradoxes to advance understanding, rather than insist on theoretical purity via Popperian falsification…….. RBV paradoxes might reflect scientific anomalies that should be tolerated, as long as this theoretical perspective continues to produce interesting insights".

SECTION THREE

RBV, Firm Performance and its application in the Education Imparting Institutions

Empirical studies of firm performance using the RBV have found differences not only between firms in the same industry but also within the narrower confines of groups within the industries, suggesting that the effects of individual, firm-specific resources on performance are significant (Wade and Hulland, 2004).

According to resource-based view of the firm, a firm's competitive strategies and performance depend significantly on its organizational resources and capabilities (Barney, 1991; Grant, 1991). Recent researchers are now extending the traditional RBV towards a natural-resource-based view of firms (NRVF) to develop firm-specific competitive advantage by tactfully managing firm's relationship with natural environment and it is theorized that due to increasingly stringent constraints imposed by the natural environment, the firm's ability to deal with these constraints is valuable, rare, and imperfectly imitable organizational capabilities, and consequently lead to superior economic and social outcomes (Chan, 2005).

The literature on diversification of businesses also relies on RBV to create competitive advantage and superior performance for the diversified firms. The following paragraph highlights this issue:
"The fact that superior performance of diversification depends on opportunities to share strategic assets has…important implication….The longevity of the competitive advantage (superior performance) will be greater the less substitutable the asset and the more its replication suffers from impediments to accumulation…or from Rumelt's 'isolating mechanisms'" (Markides and Williamson, 1996; Knott, Bryce and Posen, 2003).
Researchers have also highlighted link between RBV and performance in companies relying on Total Quality Management (TQM) techniques to gain superiority than their competitors. The basic argument is that TQM can contribute to the improvement of performance by encouraging the development of assets that are specific, produce socially complex relationships, are embedded in the company history and culture and generate tacit knowledge (Tena, Llusar and Puig, 2001).

RBV Applied to Education Imparting Institutions
Recent researchers have focused on applying RBV paradigm to knowledge-intensive industries like schools, colleges and universities and they have noticed that, "for many organizations working within knowledge-intensive industries, perhaps the most critical asset they posses never appears on the balance sheet, namely intellectual capital (IC). This intangible asset represents organizational processes, human know-how, and relationships that support or create wealth for the company…the RBV constitutes…. inside-out model where strategic planning begins through the identification of internal resources that fit a matching external environment" (Herremans and Issac, 2004).
While applying RBV to Britain's higher education institutions (HEIs), researchers at Middlesex University Business School (UK) note, "When a university's resources are analyzed from an application-based RBV perspective, it becomes clear that the people component of its resource base becomes fundamental…if a university fails to invest in developing its staff, particularly in capacity building in research teams, it will not succeed in developing knowledge to which it can then claim unique ownership through copyrights or patents" (Lynch and Baines, 2004).
The importance of human resources as the main strategic asset of a university is further highlighted by focusing on the following paradigms about 'university culture' from various regions and countries of the world:
According to the **Chinese** perspective the ultimate objective of university education is the creation of the "new person who surpasses former generations and pushes human civilization forward" by pursuing brilliant traditions of university, *people as its foundation*, creation (educational) as main task, discipline, moral excellence, tenacity of purpose, high aiming ideals, seeking genuineness or truth, distinction of right from wrong, rectification of one's heart, cultivation of lofty personality, observation of standards or traditional spirit, virtue of the *teaching staff*, creation in the study and *research of teachers* and students alike and by creating a school spirit (Xu Jian Pei, 2002). Historically the **Japanese** universities have been undergraduate school oriented organizations (Ogawa, 2002) but inspite of that the core elements of importance are considered as *teachers*, their *research orientation* and their *expertise*. The core **Nordic** university values are considered to be *inspired teaching*, *unique talent* and *researcher's integrity* (Sondergaard, 2001).
The preceding paragraphs clearly depict the following attributes required for the universities to sustain and maintain their competitive advantage:

- Intellectual capital (human resources)
- Teaching staff (human resources)
- Research orientation of teachers (capability)
- Teachers' expertise/knowledge (capability)
- Unique talent of teachers (capability)

What follows from the above discussion is that it's the human assets and their capabilities and competencies which are recognized as the main source of competitive advantage for universities across the globe. Since competitive advantage conferred by assets and capabilities leads to performance, therefore, this paper suggests the following broad proposition:
"The performance of a university will be positively associated with its intellectual capital or human resources (teaching staff) and their capabilities".

SECTION FOUR

Application of RBV at the Three Schools of University of Management and Technology (UMT): Intellectual Capital and University Performance Data Analysis

UMT, a Lahore based university founded as Institute of Leadership and Management (ILM) in 1990, has three schools under its jurisdiction and following is a brief description of these schools.

1. **School of Business & Economics (SBE)**, offers MBA Professional and Executive, BBA, B.Com, Masters' in Banking & Finance (MSBF), Bachelors' in IT (BBIT) and PhD in Management
2. **School of Science & Technology (SST)**, offers Masters' in Computer Sciences (MCS), Bachelors' in Computer Sciences (BCS), and MS.
3. **School of Social Sciences & Humanities (SSSH)**, offers Masters' in Education and English Language Teaching along with a PhD program

A total of about 2000 students are enrolled in these three schools (as per Fall 2006) with the following breakup as presented in Table 1:

Table 1

School Name	*Students Enrolled as a Percent of Total Students*
SBE	55%
SST	37%
SSSH	8%

These three schools have their own full-time faculty and other organizational resources. Since this paper is only considering the impact of human resources (intellectual capital) on the performance of the respective school, the measuring instrument as shown in Table 2, attempts only to measure the capabilities and competencies of senior full-time faculty of the school.

Table 2

Intellectual Capital Measuring Instrument

1. School:
2. With UMT since:
3. Designation:
4. Gender:
5. Number of years experience as university teacher:
6. Number of years experience in industry:
7. Number of consulting projects completed as consultant:
8. Highest level of education attained:
9. University where enrolled as a student:
10. Number of research papers written:
11. Number of research papers accepted for publication:
12. Journals where these papers are accepted or published:
13. Number of papers presented in conferences/seminars:
14. Where were these conferences/seminars held:
15. Did you sponsor yourself or did your organization sponsor you for conferences:
16. Number of teaching cases written:
17. Where were these cases published:
18. Number of projects conducted as corporate trainer:
19. Where were these projects conducted:
20. Number of MS/MPhil/Doctoral thesis/dissertations supervised:

The measuring instrument is now discussed in some detail.

The Intellectual Capital Measuring Instrument (ICMI) is developed as a result of literature review and discussions with senior faculty members of all the three schools of UMT. A total of 20 items are used to measure the Intellectual Capital (IC), the single independent variable of this study for each school of UMT.

The sample for this study included all senior faculty members of the schools. Senior faculty members, for the purpose of this study, are defined as those with a designation of Assistant Professor or above and who are with UMT for at least one year.

During literature review and discussions with the senior faculty members of the UMT schools, the following themes emerged around which the IC of the schools is measured:

1. Teaching Experience: defined in terms of total number of years' experience as university teacher (item#5).
2. Industrial Experience: the discussion with the senior faculty revealed that an important indicator of the effectiveness of a university teacher is considered to be his exposure to industry. This is because teachers having direct exposure to industry (not as consultants but as full time employees) equips them better to relate students' academic questions/queries with real life situations and hence they can prepare students more effectively to take up the challenges of future than those teachers who are not exposed to industry (item#6).
3. Consulting/Training Experience: consulting, training and teaching are interrelated processes and a multiple experience of consulting and training is considered an important attribute of the teaching skills of the faculty (item#7,18&19).
4. Research Orientation: the most crucial aspect of university teaching is the creation of unique knowledge and that largely stems from the research experience of the senior faculty (item#10,11,12,13,14,15,16,17&20).
5. Educational Background: of the faculty member was also pointed out to be an important indicator of a teacher's uniqueness and effectives for the university (item#8&9).

So far human resources (intellectual capital) have been identified as a main source of generating competitive advantage or performance of a university and teaching, industrial, consulting/training experience, research orientation and educational background of the IC captures the unique capabilities and competencies which the faculty has developed over the years.

Factor analysis (principal components) was used to assess the dimensionality of the scale items and as Table 3 shows, 61.8% of the total variance is accounted for by three components:

Table 3

Total Variance

Component#	% of Variance Explained	Cumulative %
1	32.09	32.09
2	18.83	50.92
3	10.35	61.28

The following scree plot (Figure 1) also points towards a three factor solution:

Figure 1

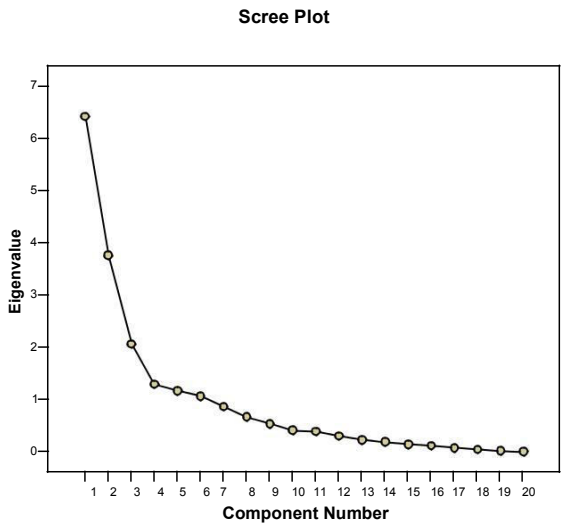


Table 4

Component Matrix

	Component					
	1	2	3	4	5	6
School Category	.229	-.674	.224	.018	-.339	.230
Faculty Designation	.647	.272	.204	.419	-.314	-.166
No. of years with UMT	-.143	.061	.785	.078	-.147	.224
Gender	.057	.024	-.692	.498	.107	.000
No. of Years as University Teacher	.464	.476	.444	.005	-.166	-.270
No. of years Experience in Industry	-.582	.495	.053	.338	.198	-.236
No. of Consulting Projects Conducted	-.560	.531	-.053	.023	.039	-.368
Highest Level of Education	.820	-.166	-.168	.260	-.243	-.109
University enrolled in as student	.284	-.244	-.548	-.349	.109	-.094
No. of Research Papers Written	.831	.296	.220	-.101	.178	-.159
No. of Papers Accepted for Publication	.852	.212	.145	-.155	.205	-.269
Journals where Published	.795	.063	.084	-.051	.261	-.060
No. of Papers presented in Seminars/Conferences	.857	.203	-.016	.014	.215	.008
Where the Seminar/Conference was held?	.767	.361	-.187	-.002	.191	.386
Who Sponsored for Seminars/Conferences?	.674	.399	-.071	.096	-.016	.493
No. of Cases Written	-.236	.707	-.146	.229	-.107	.244
Were the Cases Published?	.068	.474	-.165	-.666	-.313	-.023
No. of Projects conducted as Corporate Trainer	-.353	.799	-.057	-.059	-.087	.021
Where were the Trainings conducted?	-.187	.729	-.202	-.142	-.301	.180
Thesis/Dissertation Supervised	-.509	.172	.380	-.067	.600	.275

Extraction Method: Principal Component Analysis.
6 components extracted.

The above Table and the loading scores isolate three factors or dimensions of the measuring instrument:

1. Research Orientation
2. Corporate Training
3. Teaching Experience

This factor solution is consistent with the underlying themes (teaching experience, industry/consulting/training exposure, research orientation and educational background) of the measuring instrument.

Reliability

The questionnaire shown in Table 2 is an outcome of the five themes identified in the face-to-face discussions with senior faculty members and the resulting questionnaire was pre tested with 3 deans of the three schools before finalizing. Another important factor adding to the reliability of the questionnaire is the fact that the responses to questions are not based on perceptions of the respondents instead they are actual and can be verified from records.

Validity

Convergent validity: The outcome of the face-to-face discussions with senior faculty and the above mentioned literature review present very similar themes/issues around which the human capital of a university is measured (reference to be made in the literature review from where these five themes are coming from). Therefore it can be said that the requirement for dissimilar methods is met to some extent.

Discriminant validity: This validity is tested following the method used by Kleinsorge and Koeing (1991). Among the scale items, the highest correlations are .949 between number of research papers written and number of research papers accepted, .611 between school category and number of years experience in industry and, .605 between faculty designation and number of years experience as university teacher. These correlations are no doubt high but the scales are quite different in content so it does not appear that the same issue is measured again and again.

Data Analysis for the IC of the three schools of UMT

All the interviews were conducted by the writer himself either face-to-face or on telephone. A total of 35 senior faculty members were interviewed from the three schools of UMT, following is a school-wise breakup of the respondents surveyed:

SBE 51.4%
SST 34.3%
SSSH 14.3%

The IC scores for each school of UMT, based on the information gained from the measuring instrument, is now calculated. Table 5 represents the summary of the results of cross tabulation analysis.

Table 5

Cross Tabulation Analysis *(All figures as % of total, in decimal forms)*

Measuring Item	SBE	SST	SSSH
10 years+ experience as university teacher	.371	.115	.029
7 years+ industry experience	.315	.115	0
10+ consulting projects conducted	.229	.029	0
Education (post-grad, PhD or MPhil/MS)	.2	.286	.115
Research papers written	.287	.2	.058
Papers accepted for publication	.172	.172	.057
Journals where accepted (Pakistan+outside Pakistan+both)	.172	.172	.058
Papers presented in conferences	.257	.172	.086
Conference sponsored (self and both self & organization)	.114	.029	.057
Cases written	.258	.029	0

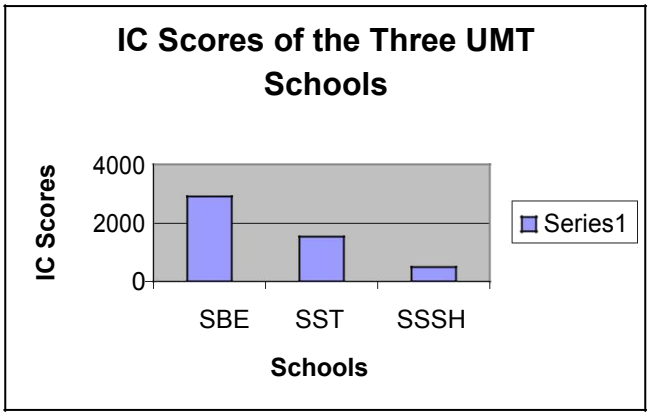
Corporate training conducted	.314	0	0
Thesis/Dissertations supervised	.143	.229	.057
Total IC Score	**2.918**	**1.548**	**.517**

Summation of the measuring items scores (as percent of total expressed in decimals) generates the IC score for the school. According to the above analysis of IC scores, the three schools of UMT show the following rankings:

SBE 2.918 (Rank 1)
SST 1.548 (Rank 2)
SSSH .517 (Rank 3)

SBE has 1.88 and 5.6 times higher IC scores respectively as compared to SST and SSSH. SST has about 3 times higher IC score than SSSH. Figure 2 depicts this comparison in graphical form.

Figure 2



Since we now have the basis for IC measurement of each school of UMT, the next step in this study is to relate the level of IC formation with the performance of the schools.

School Performance

The definition of university performance for this paper is derived from an interpretation of quality adopted from the Baldrige 2004 Education Criteria for Performance Excellence (Table 3) modified for universities (Carr, Hamilton and Meade, 2005).

Table 6

Strategic planning
Student, stakeholder and market focus
Knowledge management
Education, training and development of academic staff
Quality systems
Teaching, learning and assessment
Research and postgraduate study
Community service
Support process

Adapted from Baldrige National Quality Programme 2004

Based on the Baldrige Education Criteria for Excellence and a study conducted to evaluate the performance of the University of Otago (Meade et al., 2005), the following performance indicators are used in assessing the performance of each school of UMT:

1. Improved Teaching Effectiveness is captured through number of student enrollments per year (student

and teaching effectiveness) and the funds generated through enrollments. Other indicators include number of degree programs initiated and number of courses developed.

2. Teaching and Learning Grants are a representation of a university's ongoing commitment to performance/quality improvements.
3. External Consulting Income measures the capacity of the university to contribute to the development of the corporate sector.
4. Internal Research activities are measured through number of research papers/articles and teaching cases produced by the school.
5. Number of students placed (through the placement department of UMT) in the industry would indicate the coordination and impact a school makes on the corporate sector. This indicator is taken as a proxy for 'employability' criteria; one of the four criterions published by The Higher Education Funding Council for England (HEFCE), the other three being access and participation, retention and progression and research (Bratti, McKnight, Naylor and Smith, 2004).

Data Analysis

Based on the above criterion of a university performance, secondary data spanning the last 3 years (2002 to 2005) was collected from all the three schools of UMT, concerning the following indicators:

1. Student enrollment
2. Revenue generated through tuition fees
3. Number of degree programs initiated
4. Number of courses developed
5. Teaching/Learning grants issued to faculty
6. External consulting income
7. Number of research papers produced
8. Number of students placed in the industry

Table 7 summarizes the data collected.

Table 7

UMT Schools Performance Indicators (Year 2002 – 2005)

(All figures as % of total, in decimal forms)

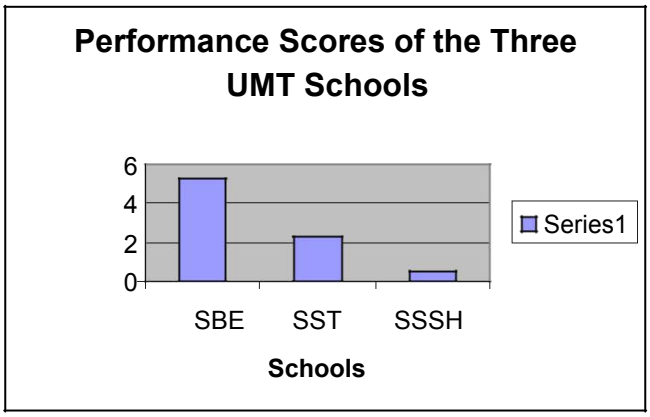
Measuring Item	**SBE**	**SST**	**SSSH**
Student enrollment	.53	.38	.09
Tuition fee revenue	.65	.32	.03
Degree programs initiated	.47	.3	.23
Courses developed	.66	.21	.13
Teaching/learning grants	.72	.28	0
External consulting income	1	0	0
Research papers produced	.53	.47	0
Student placed in industry	.72	.28	0
Total Performance Score	**5.28**	**2.24**	**0.48**

Summation of the measuring items scores (as percent of total expressed in decimals) generates the Performance score for the school. According to the above analysis of Performance scores, the three schools of UMT show the following rankings:

SBE 5.28 (Rank 1)
SST 2.24 (Rank 2)
SSSH 0.48 (Rank 3)

SBE has 2.35 and 11 times higher Performance Score respectively as compared to SST and SSSH. SST has about 4.67 times higher Performance Score than SSSH. Figure 3 depicts this comparison in graphical form.

Figure 3



Discussion

A cursory comparison of figures 2 and 3 and the school rankings in terms of IC formation and school performance clearly indicates that SBE with the best IC score (2.918) is also placed as the most performing school and has the highest Performance Score (5.28). Similarly, SST is ranked 2 in both the IC score (1.548) and Performance score (2.24) while SSSH has the lowest IC score (0.512) and is also the lowest performing school with a Performance Score of only 0.48. One can, therefore, conclude that IC and performance of a school move in the same direction and are positively related with each other so that a high IC formation will yield high performance. It will be worth remembering here that the IC score is a reflection of the unique, inimitable, non transferable and non substitutable capabilities and competencies of the senior faculty members of each school. The school with more of these capabilities and competencies embedded in its faculty, SBE in this study, has performed better over the years as compared to the two other schools.

The data collected from Table 2 measuring items (IC measuring items) was subjected to One Way ANOVA to assess the differences across three school categories in terms of the other variables measured. Results are shown in Table 8.

Table 8

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
No. of years with UMT	Between Groups	3.727	2	1.863	1.405	.260
	Within Groups	42.444	32	1.326		
	Total	46.171	34			
No. of Years as University Teacher	Between Groups	5.077	2	2.538	.729	.490
	Within Groups	111.494	32	3.484		
	Total	116.571	34			
No. of years Experience in Industry	Between Groups	57.877	2	28.938	8.217	.001
	Within Groups	112.694	32	3.522		
	Total	170.571	34			
No. of Consulting Projects Conducted	Between Groups	14.822	2	7.411	4.493	.019
	Within Groups	52.778	32	1.649		
	Total	67.600	34			
Highest Level of Education	Between Groups	3.015	2	1.508	2.350	.112
	Within Groups	20.528	32	.641		
	Total	23.543	34			

as student	Within Groups	26.578	32	.831		
	Total	29.543	34			
No. of Research Papers Written	Between Groups	4.169	2	2.085	.900	.417
	Within Groups	74.117	32	2.316		
	Total	78.286	34			
No. of Papers Accepted for Publication	Between Groups	5.015	2	2.508	1.060	.358
	Within Groups	75.728	32	2.366		
	Total	80.743	34			
Journals where Published	Between Groups	.958	2	.479	.338	.716
	Within Groups	45.328	32	1.416		
	Total	46.286	34			
No. of Papers presented in Seminars/Conferences	Between Groups	1.165	2	.583	.392	.679
	Within Groups	47.578	32	1.487		
	Total	48.743	34			
Where the Seminar/Conference was held?	Between Groups	1.994	2	.997	.580	.566
	Within Groups	54.978	32	1.718		
	Total	56.971	34			
Who Sponsored for Seminars/Conferences?	Between Groups	.283	2	.142	.114	.892
	Within Groups	39.717	32	1.241		
	Total	40.000	34			
No. of Cases Written	Between Groups	6.048	2	3.024	4.264	.023
	Within Groups	22.694	32	.709		
	Total	28.743	34			
Were the Cases Published?	Between Groups	.243	2	.121	1.554	.227
	Within Groups	2.500	32	.078		
	Total	2.743	34			
No. of Projects conducted as Corporate Trainer	Between Groups	49.706	2	24.853	7.744	.002
	Within Groups	102.694	32	3.209		
	Total	152.400	34			
Where were the Trainings conducted?	Between Groups	7.269	2	3.635	3.284	.050
	Within Groups	35.417	32	1.107		
	Total	42.686	34			
Thesis/Dissertation Supervised	Between Groups	2.265	2	1.133	4.275	.023
	Within Groups	8.478	32	.265		
	Total	10.743	34			

These results show that a statistically significant difference exists among the three UMT school categories on

- Number of years experience in industry $F(2,32)= 8.217$, $p = .001$
- Consulting projects conducted $F(2,32)= 4.493$, $p = .019$
- Cases written $F(2,32)= 4.264$, $p = .023$
- Projects conducted as corporate trainer $F(2,32)= 7.744$, $p = .002$ and
- Student dissertations/thesis supervised $F(2,32)= 4.275$, $p = .027$

The post hoc Tukey comparisons were conducted to determine the source of differences and the results are shown in the following Tables 9 to 13.

Table 9: No. of years Experience in Industry

Tukey HSD

School Category	N	Subset for alpha = .05	
		1	2
SSSH	5	.00	
SST	12	1.75	1.75
SBE	18		3.56
Sig.		.138	.123

Table 10: No. of Consulting Projects Conducted

Tukey HSD

School Category	N	Subset for alpha = .05	
		1	2
SSSH	5	.00	
SST	12	.83	.83
SBE	18		1.78
Sig.		.371	.283

Table 11: No. of Cases Written

Tukey HSD

School Category	N	Subset for alpha = .05
		1
SSSH	5	.00
SST	12	.08
SBE	18	.89
Sig.		.083

Table 12: No. of Projects conducted as Corporate Trainer

Tukey HSD

School Category	N	Subset for alpha = .05	
		1	2
SSSH	5	.00	
SST	12	.25	
SBE	18		2.56
Sig.		.954	1.000

Table 13: Thesis/Dissertation Supervised

Tukey HSD

School Category	N	Subset for alpha = .05
		1
SST	12	1.17
SSSH	5	1.60
SBE	18	1.72

Means for groups in homogeneous subsets are displayed.
a Uses Harmonic Mean Sample Size = 8.852.
b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

The Tukey HSD Tests show that the

- Mean number of years experience in industry is 1.75 for SST and 3.56 for SBE
- Mean number of consulting projects conducted is 0.83 for SST and 1.78 for SBE
- Mean number of cases written is 0.08 for SST and 0.89 for SBE
- Mean number of projects conducted as corporate trainer is 0.25 for SST and 2.56 for SBE
- Mean number dissertations/thesis supervised is 1.17 for SST, 1.6 for SSSH and 1.72 for SBE

These post hoc Tukey HSD tests indicate that the three schools differ significantly in terms of industrial experience, consulting and training experience, case writing and students' dissertations supervised (p value less than .05).

SECTION FIVE

Limitations of the Study

This study does not test the relationship between IC formation and school performance on the basis of regression analysis. The main impediment in this regard was the difference in the level of analysis; IC formation was measured through summating the individualized responses from the senior faculty but in case of the performance data, the responses were aggregates of the different performance criterion as mentioned earlier, and therefore, direct statistical testing between the two was not possible using the SPSS version 12. The study therefore is non conclusive when it comes to determining the causality of the association between IC and school performance. But the study definitely provokes some food for thought for future research in this area.

Future Research Implications

Following are some of the implications of this study which need to be addressed from a futuristic research point of view:

1. There is a need for developing reliable and valid instruments to measure IC formation and Performance of a university.
2. The study needs to be replicated across other educational institutions, both public and private and national and international, so that the link between human capital formation and educational institutions' become more vivid and transparent.
3. Longitudinal studies exploring the link between human capital and performance would shed more light on the causal relationship between these two variables.

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Lesson 31

SCIENCE & TECHNOLOGY EDUCATION

Science, technology, society and environment (STSE) education, originates from the science technology and society (STS) movement in science education. This is an outlook on science education that emphasizes the teaching of scientific and hello technological developments in their cultural, economic, social and political contexts. In this view of science education, students are encouraged to engage in issues pertaining to the impact of science on everyday life and make responsible decisions about how to address such issues (Solomon, 1993 and Aikenhead, 1994).

Science technology and society (STS)



The STS movement has a long history in science education reform, and embraces a wide range of theories about the intersection between science, technology and society (Solomon and Aikenhead, 1994; Pedretti 1997). Over the last twenty years, the work of Peter Fensham, the noted Australian science educator, is considered to have heavily contributed to reforms in science education. Fensham's efforts included giving greater prominence to STS in the school science curriculum (Aikenhead, 2003). The key aim behind these efforts was to ensure the development of a broad-based science curriculum, embedded in the socio-political and cultural contexts in which it was formulated. From Fensham's point of view, this meant that students would engage with different viewpoints on issues concerning the impact of science and technology on everyday life. They would also understand the relevance of scientific discoveries, rather than just concentrate on learning scientific facts and theories that seemed distant from their realities (Fensham, 1985 & 1988).



However, although the wheels of change in science education had been set in motion during the late 1970s, it was not until the 1980s that STS perspectives began to gain a serious footing in science curricula, in largely Western contexts (Gaskell, 1982). This occurred at a time when issues such as, animal testing, environmental pollution and the growing impact of technological innovation on social infrastructure, were beginning to raise ethical, moral, economic and political dilemmas (Fensham, 1988 and Osborne, 2000). There were also concerns among communities of researchers, educators and governments pertaining to the general public's lack of understanding about the interface between science and society (Bodmer, 1985; Durant *et al.* 1989 and Millar 1996). In addition, alarmed by the poor state of scientific literacy among school students, science educators began to grapple with the quandary of how to prepare students to be informed and active citizens, as well as the scientists, medics and engineers of the future (e.g. Osborne, 2000 and Aikenhead, 2003). Hence, STS advocates called for reforms in science education that would equip students to understand scientific developments in their cultural, economic, political and social contexts. This was considered important in making science accessible and meaningful to all students -- and, most significantly, engaging them in real world issues (Fensham, 1985; Solomon, 1993; Aikenhead, 1994 and Hodson 1998).



Goals of STS

The key goals of STS are:

An interdisciplinary approach to science education, where there is a seamless integration of economic, ethical, social and political aspects of scientific and technological developments in the science curriculum.

Engaging students in examining a variety of real world issues and grounding scientific knowledge in such realities. In today's world, such issues might include the impact on society of: global warming, genetic engineering, animal testing, deforestation practices, nuclear testing and environmental legislations, such as the EU Waste Legislation or the Kyoto Protocol.

Enabling students to formulate a critical understanding of the interface between science, society and

Developing students' capacities and confidence to make informed decisions, and to take responsible action to address issues arising from the impact of science on their daily lives.

Scope and emphasis

Over the last two decades, STS curricula have taken a variety of forms. These emphasize a particular aspect of STS according to the socio-political environment in which they are formulated, as well as the particular views of curriculum developers on STS education and what is considered valid knowledge in a science curriculum (Solomon & Aikenhead 1994 and Aikenhead, 2003). For example, in Canada and Israel, STS goals directed towards understanding environmental issues were given greater emphasis. Hence, the addition of "E" to STS, producing STSE and STES respectively. Whereas, in Belgium, goals focusing on ethics were given greater prominence in STS education, and resulted in the publication of the journal *Science Technologies Ethique Societé*, (Aikenhead, 2003). However, for the most part, STS curricula are bound by an overarching curriculum framework. This reflects the three curriculum content areas for STS education described by Hodson (1998):

Learning science and technology: acquiring and developing conceptual and theoretical knowledge in science and technology, and gaining a familiarity with a range of technologies.

Learning about science and technology: developing an understanding of the nature and methods of science and technology, an awareness of the complex interactions among science, technology, society and environment, and a sensitivity to the personal, social and ethical implications of particular technologies.

Doing science and technology: engaging in and developing expertise in scientific inquiry and problem solving; developing confidence and competence in tackling a wide range of "real world" technological tasks.



STSE Education

There is no uniform definition for STSE education. As mentioned before, STSE is a form of STS education, but places greater emphasis on the environmental consequences of scientific and technological developments. In STSE curricula, scientific developments are explored from a variety of economic, environmental, ethical, moral, social and political (Kumar and Chubin, 2000 & Pedretti, 2005) perspectives.



At best, STSE education can be loosely defined as a movement that attempts to bring about an understanding of the interface between science, society, technology and the environment. A key goal of STSE is to help students realize the significance of scientific developments in their daily lives and foster a voice of active citizenship (Pedretti & Forbes, 2000).

Improving scientific literacy

Over the last two decades, STSE education has taken a prominent position in the science curricula of different parts of the world, such as Australia, Europe, the UK and USA (Kumar & Chubin, 2000). In Canada, the inclusion of STSE perspectives in science education has largely come about as a consequence of the *Common Framework of science learning outcomes, Pan Canadian Protocol for collaboration on School Curriculum (1997)*[1]. This document highlights a need to develop scientific literacy in conjunction with understanding the interrelationships between science, technology, and environment. According to Osborne (2000) & Hodson (2003), scientific literacy can be perceived in four different ways:

Cultural: Developing the capacity to read about and understand issues pertaining to science and technology in the media.

Utilitarian: Having the knowledge, skills and attitudes that are essential for a career as scientist, engineer or technician.

Democratic: Broadening knowledge and understanding of science to include the interface between science, technology and society.

Economic: Formulating knowledge and skills that are essential to the economic growth and effective competition within the global market place.

Rationale and goals

In the context of STSE education, the goals of teaching and learning are largely directed towards engendering cultural and democratic notions of scientific literacy. Here, advocates of STSE education argue that in order to broaden students understanding of science, and better prepare them for active and responsible citizenship in the future, the scope of science education needs to go beyond learning about scientific theories, facts and technical skills. Therefore, the fundamental aim of STSE education is to equip students to understand and situate scientific and technological developments in their cultural, environmental, economic, political and social contexts (Solomon & Aikenhead, 1994; Bingle & Gaskell, 1994; Pedretti 1997 & 2005). For example, rather than learning about the facts and theories of weather patterns, students can explore them in the context of issues such as global warming. They can also debate the environmental, social, enconomic and political consequences of relevant legislation, such as the Kyoto Protocol. This is thought to provide a richer, more meaningful and relevant canvas against which scientific theories and phenomena relating to weather patterns can be explored (Pedretti *et al.* 2005).
In essence, STSE education aims to develop the following skills and perspectives (Aikenhead, 1994; Pedretti, 1996; Alsop & Hicks, 2001):

Social responsibility
Critical thinking and decision making skills
The ability to formulate sound ethical and moral decisions about issues arising from the impact of science on our daily lives
Knowledge, skills and confidence, to express opinions and take responsible action to address real world issues in science

Curriculum content
Since STSE education has multiple facets, there are a variety of ways in which it can be approached in the classroom. This offers teachers a degree of flexibility, not only in the incorporation of STSE perspectives into their science teaching, but in integrating other curricular areas such as history, geography, social studies and language arts (Richardson & Blades, 2001). The table below summarizes the different approaches to STSE education described in the literature (Ziman, 1994 & Pedretti, 2005):

Summary table: Curriculum content

Approach	Description	Example
Historical	A way of humanizing science. This approach examines the history of science through concrete examples, and is viewed as way of demonstrating the fallibility of science and scientists.	Learning about inventions or scientific theories through the lives and worlds of famous scientist. Students can research their areas of interest and present them through various activities: e.g. drama-role play, debates or documentaries. Through this kind of exploration, students examine the values, beliefs and attitudes that influenced the work of scientists, their outlook on the world, and how their work has impacted our present circumstances and understanding of science today.
Philosophical	Helps students formulate an understanding of the different outlooks on the nature of science, and how differing viewpoints on the nature and validity of scientific knowledge influence the work of scientists -- demonstrating how society directs and reacts to scientific innovation.	Using historical narratives or stories of scientific discoveries to concretely examine philosophical questions and views about science. For example, "The Double Helix" by James D. Watson is an account of the discovery of DNA. This historical narrative can be used to explore questions such as: "What is science? What kind of research was done to make this discovery? How did this scientific development influence our lives? Can science

		world?" Such an exploration reveals the social and historical context of philosophical debates about the nature of science -- making this kind of inquiry concrete, meaningful and applicable to students' realities.
Issues-based	This is the most widely applied approach to STSE education. It stimulates an understanding of the science behind issues, and the consequences to society and the environment. A multi-faceted approach to examining issues highlights the complexities of real-life debates. Students also become aware of the various motives for decisions that address environmental issues.	Real life events within the community, at the national or international level, can be examined from political, economic, ethical and social perspectives through presentations, debates, role-play, documentaries and narratives. Real life events might include: the impact of environmental legislations, industrial accidents and the influence of particular scientific or technological innovations on society and the environment.

Opportunities and challenges of STSE education

Although advocates of STSE education keenly emphasize its merits in science education, they also recognize inherent difficulties in its implementation. The opportunities and challenges of STSE education have been articulated by Hughes (2000) and Pedretti & Forbes, (2000), at five different levels, as described below:

Values & beliefs: The goals of STSE education may challenge the values and beliefs of students and teachers -- as well as conventional, culturally entrenched views on scientific and technological developments. Students gain opportunities to engage with, and deeply examine the impact of scientific development on their lives from a critical and informed perspective. This helps to develop students' analytical and problem solving capacities, as well as their ability to make informed choices in their everyday lives.

As they plan and implement STSE education lessons, teachers need to provide a balanced view of the issues being explored. This enables students to formulate their own thoughts, independently explore other opinions and have the confidence to voice their personal viewpoints. Teachers also need to cultivate safe, non-judgmental classroom environments, and must also be careful not to impose their own values and beliefs on students.



Knowledge & understanding: The interdisciplinary nature of STSE education requires teachers to research and gather information from a variety of sources. At the same time, teachers need to develop a sound understanding of issues from various disciplines -- philosophy, history, geography, social studies, politics, economics, environment and science. This is so that students' knowledge base can be appropriately scaffolded to enable them to effectively engage in discussions, debates and decision-making processes.

This ideal raises difficulties. Most science teachers are specialized in a particular field of science. Lack of time and resources may effect how deeply teachers and students can examine issues from multiple perspectives. Nevertheless, a multi-disciplinary approach to science education enables students to gain a more rounded perspective on the dilemmas, as well as the opportunities, that science presents in our daily lives.

Pedagogic approach: Depending on teacher experience and comfort levels, a variety of pedagogic approaches based on constructivism can be used to stimulate STSE education in the classroom. As illustrated in the table below, the pedagogies used in STSE classrooms need to take students through different levels of understanding to develop their abilities and confidence to critically examine issues and take responsible action.

Teachers are often faced with the challenge of transforming classroom practices from task-oriented approaches to those which focus on developing students' understanding and transferring agency for learning to students (Hughes, 2000). The table below is a compilation of pedagogic approaches for STSE education described in the literature (e.g. Hodson, 1998; Pedretti & Forbes 2000; Richardson & Blades, 2001):

Summary table: Classroom practice

Level	Description	Examples of Pedagogies
1	Appreciating the societal impact of scientific and technological change and recognizing that, to some extent, science and technology are culturally determined.	Students work in groups to research information on various aspects of an event or innovation to illustrate its impact on society e.g. biotechnology, nuclear testing. Students can use role-play, concept mapping, posters, gallery exhibitions, presentations or documentaries to display research findings and express their own viewpoints.
2	Recognizing that decisions about scientific and technological development are taken in pursuit of particular interests. Weighing out the pros and cons of scientific and technological developments and their links with wealth and power.	Debates or Town Hall-style meetings, role-play interviews, case-studies, seminars, multi-media or documentary style presentations, can all be used to present the political, social, scientific and economic factors that led to decisions about the impact of a particular scientific or technological development.
3	Developing one's views and establishing personal value positions on the effect of a scientific or technological development.	Students can present their opinions on issues through: presentations, debates, group discussions, poster presentations and writing. Through such activities, students can also be encouraged to express their hopes, concerns and decisions as informed citizens.
4	Preparing for taking action. Having examined the complexity of the development, students explore and plan ways of addressing the issues.	This is a fundamental aspect of STSE education and could involve: letter writing campaigns, writing a letter to the editor of a newspaper, developing a Webpage, presenting debates or holding meetings for the local community, developing personal action plans.

Time & resources: The multi-faceted approach of STSE education requires teachers to move beyond conventional curriculum materials, and explore resources in other disciplines -- social geography, history, social studies and politics. A teacher's time and effort are needed to collect such resources, develop background knowledge, and integrate them for successful and effective STSE lesson planning.



Assessment & evaluation: The broad, inquiry-based approach to STSE education requires tools that assess students understanding of issues and skills-development (e.g. problem solving, analysis, communication, presentation), rather than their decisions or opinions. Hence, STSE education calls for the use of qualitative rather than quantitative assessment methods.
It is difficult to develop assessment or evaluation criteria for such a personalized, objective, view of science. Teachers need to clarify for students that it is their efforts and skill development that are being assessed, rather than opinions. Examples of assessment tools might include quizzes, questionnaires, journal writing, development of portfolios, observations and one-on-one exit interviews.

Source: wikipedia

Lesson 32

ENVIRONMENT

Environmentalism is a concern for the preservation, restoration, or improvement of the natural environment, such as the conservation of natural resources, prevention of pollution, and certain land use actions. It often supports the struggles of indigenous peoples against the spread of globalization to their way of life, which is seen as less harmful to the environment. The study of practical environmentalism is split into two positions: the mainstream 'anthropocentric' or hierarchic, and the more radical 'ecocentric' or egalitarian.
The term *environmentalism* is associated with other modern terms such as *greening*, *environmental management*, *resource efficiency and waste minimization*, and *environmental responsibility, ethics and justice*.

Environmental movement

The Environmental movement (a term that sometimes includes the conservation and green movements) is a diverse scientific, social, and political movement. In general terms, environmentalists advocate the sustainable management of resources, and the protection (and restoration, when necessary) of the natural environment through changes in public policy and individual behavior. In its recognition of humanity as a participant in ecosystems, the movement is centered around ecology, health, and human rights. Additionally, throughout history, the movement has been incorporated into religion. The movement is represented by a range of organizations, from the large to grassroots, but a younger demographic than is common in other social movements (see green seniors). Due to its large membership, varying and strong beliefs, the movement is not entirely united.

Popular environmentalism

Environmentalist action has recently led to the development of a new subculture. It is mainly composed of the educated upper-class. These environmentally conscious types take special pride in their sustainable consumption patterns, shopping at grocery stores that trumpet earth-friendliness (such as Whole Foods Market) and buying organic products.
Some environmentalists complain that this group of elites is shopping under the banner of environmentalism without espousing any of its true ideals. Because organic and sustainable products are often more expensive, purchasing them has become a mark of wealth. In another form of pretension, the young and single have gone so far as to even begin labeling themselves 'ecosexual'. Closely akin to the concept of the suave metrosexual, the ecosexual seeks out mates who share their environmentalist ideals. Thus, environmentalism is not just about nature anymore-- it's about social connections.
It is argued that this new trend has taken the focus away from the real problems 'true' environmentalists hope to solve: consumer items offer a deceptively easy, feel-good way to both save the world and one's reputation simultaneously. Yet, others who espouse the idea that people can effectively 'vote with their dollar' argue that this new subculture is aiding the environmental cause. By purchasing sustainable products, they are promoting sustainable business that will be beneficial to the environment, even if the consumers have extraneous purposes for supporting them.

Dark Greens and Light Greens

Environmentalists are sometimes split up into two groups, Dark and Light Greens. Light Greens are the more popular and more visible part of the environmental movement, which includes the more famous and public environmental groups such as Greenpeace, Friends of the Earth and the Sierra Club. Light Greens do not follow environmentalism as a distinct political ideology, but rather seek greater environmental emphasis within existing ideologies such as Conservatism, Socialism or Liberalism.
Dark Greens are much more radical than light greens; they tend to believe that all the current political ideologies (that are referred to as industrialism) are corrupt and naturally lead to environmental degradation as they do not view mankind as part of the environment but rather as a higher form of life with the right to take what it wants from the environment. Dark Greens claim that this is caused by the emphasis on growth that exists within all existing ideologies referred to a 'growth mania'. The dark green brand of environmentalism is associated with ideas of Deep Ecology, Post-materialism, Holism, the Gaia Theory of James Lovelock and the work of Fritjof Capra. The division between light and dark greens was visible in the fighting between Fundi and Realo factions of the German Green Party.]

Environmental organizations and conferences

Environmental organizations can be global, regional, national or local; they can be government-run or private (NGO). Several environmental organizations, among them the Natural Resources Defense Council and the Environmental Defense Fund, specialize in bringing lawsuits. Other environmentalist groups, such as the National Wildlife Federation, World Wide Fund for Nature, Friends of the Earth, the Nature Conservancy, and the Wilderness Society, disseminate information, participate in public hearings, lobby, stage demonstrations, and purchase land for preservation. Smaller groups, including Wildlife Conservation International, conduct research on endangered species and ecosystems. More radical organizations, such as Greenpeace, Earth First!, and the Earth Liberation Front, have more directly opposed actions they regard as environmentally harmful. While Greenpeace is devoted to nonviolent confrontation, the underground Earth Liberation Front engages in the clandestine destruction of property, the release of caged or penned animals, and other acts of sabotage.

On an international level, concern for the environment was the subject of a UN conference in Stockholm in 1972, attended by 114 nations. Out of this meeting developed UNEP (United Nations Environment Programme) and the follow-up United Nations Conference on Environment and Development in 1992. Other international organizations in support of environmental policies development include the Commission for Environmental Cooperation (NAFTA), the European Environment Agency (EEA), and the Intergovernmental Panel on Climate Change (IPCC).

Environmental policy is any (course of) action deliberately taken (or not taken) to manage human activities with a view to prevent, reduce or mitigate harmful effects on nature and natural resources, and ensuring that man-made changes to the environment do not have harmful effects on humans.

It is useful to consider that Environmental Policy comprises two major terms: environment and policy. Environment refers to a broad concept consisting of three main dimensions: i.e. an ecological (ecosystems) dimension, a social (quality of life) dimension and an economic (resource management) dimension. Policy can be defined as a "course of action or principle adopted or proposed by a government, party, business or individual". Thus, environmental policy focuses on problems arising from human impact on the environment, which retroacts onto human society by having a (negative) impact on human values such as good health or the 'clean and green' environment.

Environmental issues generally addressed by environmental policy include (but are not limited to) air and water pollution, waste management, ecosystem management, biodiversity protection, and the protection of natural resources, wildlife and endangered species.

Environmental policy instruments

Environmental policy instruments are tools used by governments to implement their environmental policies. Governments may use a number of different types of instruments. For example, economic incentives and market-based instruments such as taxes and tax exemptions, tradable permits, and fees can be very effective to encourage compliance with environmental policy.

Voluntary measures, such as bilateral agreements negotiated between the government and private firms and commitments made by firms independent of government pressure, are other instruments used in environmental policy. Another instrument is the implementation of greener public purchasing programmes.

Often, several instruments are combined in an instrument mix formulated to address a certain environmental problem. Since environmental issues often have many different aspects, several policy instruments may be needed to adequately address each one.

Furthermore, instrument mixes may allow firms greater flexibility in finding ways to comply with government policy while reducing the uncertainty in the cost of doing so. However, instrument mixes must be carefully formulated so that the individual measures within them do not undermine each other or create a rigid and cost-ineffective compliance framework. Also, overlapping instruments lead to unnecessary administrative costs, making implementation of environmental policies more costly than necessary In order to help governments realize their environmental policy goals, the OECD Environment Directorate studies and collects data on the efficiency of the environmental instruments governments use to achieve their goals as well as their consequences for other policies.

Source: http://en.wikipedia.org/wiki/Environmentalism

Lesson 33

HDI AND GENDER SENSITIVITY

The **Gender-related Development Index** (GDI) is an indication of the standard of living in a country, developed by the United Nations (UN). It is one of the five indicators used by the United Nations Development Programme in its annual Human Development Report. It aims to show the inequalities between men and women in the following areas: long and healthy life, knowledge, and a decent standard of living.

The United Nations (UN) was previously responsible for a system of national accounts that measured only market activities: the United Nations System of National Accounts (UNSNA). However, the UN now argues that existing measures of poverty place too much emphasis on income. During the 1990s, when the UN had a major focus on poverty, it developed a Human Development Index (HDI) . According to this index, poverty is defined as a lack of choices and opportunities for a tolerable life. The UN argues, in the context of this index, that poverty has several dimensions: short life, illiteracy, exclusion and lack of access to public and private resources. Respect and social standing are also part of the HDI (United Nations Development Project 1997:5). Arguably, income is less relevant if someone has access to clean water, land, seeds, housing materials and a close community with a rich cultural life. According to the HDI, poverty exists when these are lacking.

The HDI contains a Human Poverty Index (HPI). The HPI for developing countries uses three indicators of deprivation: mortality (short life span), illiteracy and a composite index of access to health services (including safe water, and malnutrition among children under five). The data within this index is not disaggregated by gender (Fakuda-Parr 1999, Durbin 1999), but Elizabeth Durbin (1999:106-107) argues that the HPI could be made gender- sensitive and thus able to reflect women's poverty. Many of the social statistics that would facilitate such an analysis are already collected in many of the poorer countries. Statistics on maternal mortality rates are one such indicator: the necessary statistics are available in most countries and give an indication of women's health status and access to health care. Other information is available which reflect women's status in society: for example, policies on marriage, divorce, contraception, the prevention of genital mutilation, women's representation in politics; access to credit, land and housing; and the levels of reported domestic violence, rape, murder and suicide of women (Durbin 1999:107).

In short, the HDI has some potential for becoming more gender sensitive and thus capturing dimensions of poverty which are not usually included in studies of poverty, inequality and well-being world-wide. These additional elements are likely to be most useful for measuring the success (or otherwise) of third world nations in improving levels of well-being amongst their female population.

The Human Development Index, whilst potentially useful for research on women's levels of poverty, inequality and well-being in the poorer nations, is less easily used by the richer nations. This also makes comparisons difficult, and disguises the extent to which women may face similar issues in the richer and poorer worlds. Women in the OECD nations are likely to fare well according to many of the indices used in the HPI, such as access to education and clean water; yet poverty, inequality and related problems of poor health still face many women within the richer nations. For example, it has been found that even in the affluent USA, many people living on welfare benefits and low wages, especially women raising children alone, experience hunger (Eisinger 1998, Edin and Lein 1997:48-50). The question therefore is: how do we find ways of conceptualising women's poverty, inequality and well-being that are easily applicable to both richer and poorer nations and permit comparisons to be made?

Gender Empowerment Measure

The **Gender Empowerment Measure** (GEM) is a measure of inequalities between men's and women's opportunities in a country. It combines inequalities in three areas: political participation and decision making, economic participation and decision making, and power over economic resources. It is one of the five indicators used by the United Nations Development Programme in its annual Human Development Report.

Methodology

Calculating the GEM involves several steps. First percentages for females and males are calculated in each area. The first area is the number of parliamentary seats held. The second area is measured by two sub-components: a) legislators, senior officials, and managers, and b) professional and technical positions. The third area is measured by the estimated earned income (at PPP US$).

Second, for each area, the pair of gender percentages, are combined into an Equally Distributed Equivalent

of the two components. The EDEP for economic participation is the unweighted average of the EDEP for each of it's sub-components. The EDEP for income is computed from gender sub-values that are indexed to a scale from 100 to 40,000 (PPP US$).
Finally, the GEM is the unweighted average of the three Equally Distributed Equivalent Percentages.

Source: http://www.msd.govt.nz/documents/publications/msd/journal/issue14/14-gender-sensitive-concepts.doc
http://en.wikipedia.org/wiki/Gender_Empowerment_Measure

Lesson 34

THE PLIGHT OF INDIAN WOMEN

Women's property rights: Towards Empowering Women

From time immemorial, the women in this land of ours were treated as a sort of thing. Her placing in the society was not at par with other human being. She has no rights. She cannot move nor does anything at her will. In Hindu Shastras, she has been branded just like animals. From the verses of Ramayan as written by Mr. Tulsi Das, " Dhol, ganwar, shudra, pashu, naari- Ye sab tadan ke adhikari," one may easily draw inferences as to what status has been granted to our mothers. Similarly, we can understand that of Dropadi of Mahabharata was reduced to the status of a bitch, as she was the wife of five husbands (Pandwas). She was not only, the wife of five husbands; she put at stake in gambling by none else than the so called Dharmraj Yudhishthar! In 'Manusmrati' the ancient Hindu Code-book, the status granted to women is quite visible and she was put to the lowest rug of humanity as she was treated at par with the animals and slave by the proprietors of Hindu Dharma. Such was the placement earmarked to our mothers, sisters and even great grand mothers that the heads of humanity bend upon down with shame!

That is why Dr. Ambedkar was of the firm opinion that until or unless, by applying dynamite, the Hindu Dharma-shastras are not blown up, nothing is going to happen. In the name sanskaras, the Hindu women are tied up with the bondage of superstitions, which they carry till their death. They are also responsible for inculcating these wrong notions learnt by them through baseless traditions and preaching of the Shastras in the budding minds of their offspring.

Otherwise also the women in India have remained a matter of joy and a source of amusement as such she was used and misused by men just to serve their evil ends. She has been used just like a machine for procreation. It has also been mentioned in Hindu Shastras that the woman is the bond slave of her father when she was young, to her husband when she is middle aged and to her son when she is a mother. Of course, all the epigrams, aphorisms, proverbs, platitudes and truisms bear necked truth about the stature of women in India.

It does not mean that no efforts have been made in the past to bring dignity to women. As in Europe, Christianity inaugurated the Era of equality, liberty and fraternity by preaching that a prince and pauper are equal in the eyes of God. There is also a very long tradition of social reforms by our saints and other social reformers. But the proprietors of the orthodoxy thwarted these efforts. In the absence of any legal sanction or authority, these efforts could not sustain.

In this direction Dr. B.R. Ambedkar has tried to brake down the barriers in the way of advancement of women in India. He laid down the foundation of concrete and sincere efforts by codifying the common Civil Code for the Hindus and the principle is capable of extension to other sections of the Indian society. Prior to these efforts of Dr. Ambedkar, the destiny of the Indian women depended upon the wrong notions and perceptions chalked out by the proprietors of orthodoxy.

The prevailing two schools of Hindu Law viz. 'Mitakshara' and 'Dayabhag, created and sustained inequality. According to 'Mitakshara' the property of a Hindu is not his individual property. It belongs to what is called coparcenary, which consists of father, son, grandsons and great grandsons by reason of birth. The property passed under Mitakshara by survivorship to the members of coparcenary who remain behind, and does not pass to the heirs of the deceased. Whereas Dayabhag recognized the property held by the heir as his personal property with an absolute right to dispose it of either by gift or by will or any other manner that he chooses. The chaotic conditions of the Hindu law were reduced to eat propositions in the form of judicial pronouncements and codification was the legislative recognition of the judge made law. Dr. Ambedkar himself had explained lucidly the reasons for consolidation and codification.

Article 25 of the Indian Constitution permits all the freedom. The reforms introduced by Dr. Ambedkar through "Hindu Code-bill" have been adhered to and have been accepted by and large. He, by codifying Hindu Law in respect of marriage, divorce and succession, rationalized and restored the dignity to women. Prior to the Hindu Succession Act, 1956 and Hindu Marriage Act, 1955, the Hindu Law was unmodified in a large measure, though Hindu Women's Right to Property Act, 1937 was the subject legislative intervention. The Sharda Act is also worth mentioning. It has set the seal of authority upon that piece of social reforms, which the heads of orthodoxy were, imposing and impending. In Hindu Code Bill, the principles of codification covered: (i)Right to property, (ii)Order of succession to property, (iii)Maintenance, marriage, divorce, adoption, minority and guardianship.

Needless to say, the Bill was a part of social engineering via law. It was by any standard of any time a

Under these revolutionary measures, a woman will have property in her own right and be able to dispose of her property.

The Hindu Code Bill introduced by Dr. B. R. Ambedkar in the Constituent Assembly on 11th April 1947. A debate on this bill continued for more than four years and still remains inconclusive. Here once again, the orthodoxy prevailed upon the reforms. In the words of Dr. Ambedkar, it was killed and died unset and unsung. He felt that the then government led by Pt. Jawaharlal Nehru was not eager to clear the Hindu Code Bill. He, therefore, tendered his resignation but continued to participate in the Parliamentary debates on the request of the Prime Minister.

Sharp criticism of this Bill in and outside Parliament led many to believe that it might inflict heavy damages on the Hindu society. Even the President Dr. Rajendra Prasad got scared and issued a threat that he would withhold his assent even if it had been passed by the Parliament. But the efforts of Baba Saheb Ambedkar were lauded also like anything. The Times of India on 26th December 1950 carried a statement of Dr. Ambedkar in which he said that the Bill aimed at removing the legal obstacles in the social advancement of women. Justice P.B. Gajendra-gadkar while congratulating Dr. Ambedkar for the role he had played in drafting and piloting the Bill said, "If Dr. Ambedkar gives us Hindus our Code, his achievement would go down in history as a very eloquent piece of poetic justice indeed."

In recent past, a lot hue and cry is being made over 'Women's Reservation Bill' by the different sections of the Indian society, different political or apolitical organizations but nobody seems to be honest in its perspectives. The political empowerment is a must for the all round development of the women, but as in the case of dalit politicians and legislators, our efforts may prove futile. We must concentrate on imparting social education before giving any concrete shape to their political empowerment to the women. Without academic and social education, the political empowerment of women in certain parts of the country had proved futile. In Panchayat Raj set up in U.P. and elsewhere in the country, the uneducated women are subjected to exploitation at the hands of government machinery. It will not be prudent on our part to restore the rights of the women belonging to the affluent section of the society only. Therefore, our efforts should be directed towards all round development of each and every section of Indian women by giving their due share. It is a must to maintain and protect chastity, dignity and modesty of women. It is the need of the hour to give due share to each and every section of the Indian women. I am sure, without removing social stigma, no progress or development could be achieved.

Now the question arises as what sort of empowerment our women needed prior to restarting their equal property rights? There is lot of nodal agencies including the national Commission for Women said to have been working for the welfare of the women apart from governmental efforts. Where do they reach in this direction? Leaving a meager number of urban and suburban women, the Indian women are still crying for simple justice. Which is not even allowed to have been accessed to them? With their age, no bar, they have been raped, kicked, killed, subdued & humiliated almost daily. Why? Because of our indifferent attitude towards them. This indifferent attitude and approach of our crops up at the time of the birth of female child. They are subjected to rebuke and ignored so far as their education and other facilities are concerned which are required for their proper and healthy growth/development. The male child is given preference over the female child? With this attitude of our own, we use to suppress and remained unfair towards the fair sex.

First of all we must try to treat our female child as par our female child as par with our male ones and thenceforth restore equality amongst them. No restoration of property right would be meaningful without making her mentally strong. We must allow them to think breathe and act independently and bring her out of the shackles of slavery. Do not impose the filthy rites, rituals and superstition citing the examples from our dated SHASTRAS. Don't treat women your slave or servant who has come to this world just to cook your food, wash your dirty clothes, and fulfill your other needs.

Please mind it that they are your mothers, sisters, wife (Life partners). If we able to mend our ways, the restoration of their property rights to them would be meaningful.

Let us be a little bit honest to diagnose the illness by taking into consideration all the aspects and aspirations in changed scenario, circumstances and atmosphere. Only then we could have a perfect planning to achieve our cherished aim that is empowerment of Indian women and could be able to restore their property and other rights in order to bring her at par with other human beings. This could be achieved only if we are able to blow up the heinous Hindu-shastras by using dynamite as affirmed by none else than Dr. B.R. Ambedkar, the emancipator of the millions including Indian women.

http://ambedkar.org/bss/Towardsthe.htm

Lesson 35

ENTREPRENEURSHIP

Entrepreneurship is the practice of starting new organizations, particularly new businesses generally in response to identified opportunities. Entrepreneurship is often a difficult undertaking, as a vast majority of new businesses fail. Entrepreneurial activities are substantially different depending on the type of organization that is being started. Entrepreneurship ranges in scale from solo projects (even involving the entrepreneur only part-time) to major undertakings creating many job opportunities. Many "high-profile" entrepreneurial ventures seek venture capital or angel funding in order to raise capital to build the business. Angel investors generally seek returns of 20-30% and more extensive involvement in the business. Many kinds of organizations now exist to support would-be entrepreneurs, including specialized government agencies, business incubators, science parks, and some NGOs.

The Entrepreneur

Entrepreneurs have many of the same character traits as leaders. Similarly to the early great man theories of leadership; however trait-based theories of entrepreneurship are increasingly being called into question. Entrepreneurs are often contrasted with managers and administrators who are said to be more methodical and less prone to risk-taking.

Although such person-centric models of entrepreneurship have shown to be of questionable validity, a vast but clearly dated literature studying the entrepreneurial personality found that certain traits seem to be associated with entrepreneurs:

- David McClelland (1961) described the entrepreneur as primarily motivated by an overwhelming need for achievement and strong urge to build.
- Collins and Moore (1970) studied 150 entrepreneurs and concluded that they are tough, pragmatic people driven by needs of independence and achievement. They seldom are willing to submit to authority.
- Bird (1992) sees entrepreneurs as mercurial, that is, prone to insights, brainstorms, deceptions, ingeniousness and resourcefulness. They are cunning, opportunistic, creative, and unsentimental.
- Cooper, Woo, & Dunkelberg (1988) argue that entrepreneurs exhibit extreme optimism in their decision-making processes. In a study of 2994 entrepreneurs they report that 81% indicate their personal odds of success as greater than 70% and a remarkable 33% seeing odds of success of 10 out of 10.
- Busenitz and Barney (1997) claim entrepreneurs are prone to overconfidence and over generalisations.
- Cole (1959) found there are four types of entrepreneur: the innovator, the calculating inventor, the over-optimistic promoter, and the organization builder. These types are not related to the personality but to the type of opportunity the entrepreneur faces.

Characteristics of entrepreneurship

- The entrepreneur has an enthusiastic vision, the driving force of an enterprise.
- The entrepreneur's vision is usually supported by an interlocked collection of specific ideas not available to the marketplace.
- The overall blueprint to realize the vision is clear, however details may be incomplete, flexible, and evolving.
- The entrepreneur promotes the vision with enthusiastic passion.
- With persistence and determination, the entrepreneur develops strategies to change the vision into reality.
- The entrepreneur takes the initial responsibility to cause a vision to become a success.
- Risks; Entrepreneurs take prudent risks. They assess costs, market/customer needs and persuade others to join and help.
- An entrepreneur is usually a positive thinker and a decision maker.

Contributions of Entrepreneurs

Develop new markets. Under the modern concept of marketing, markets are people who are willing and able to satisfy their needs. In Economics, this is called effective demand.

Entrepreneurs are resourceful and creative. They can create customers or buyers. This makes entrepreneurs different from ordinary businessmen who only perform traditional functions of management like planning, organization, and coordination.

Discover new sources of materials. Entrepreneurs are never satisfied with traditional or existing sources of materials. Due to their innovative nature, they persist on discovering new sources of materials to improve their enterprises. In business, those who can develop new sources of materials enjoy a comparative advantage in terms of supply, cost and quality.

Mobilize capital resources. Entrepreneurs are the organizers and coordinators of the major factors of production, such as land labor and capital. They properly mix these factors of production to create goods and service. Capital resources, from a layman's view, refer to money. However, in economics, capital resources represent machines, buildings, and other physical productive resources. Entrepreneurs have initiative and self-confidence in accumulating and mobilizing capital resources for new business or business expansion.

Introduce new technologies, new industries and new products. Aside from being innovators and reasonable risk-takers, entrepreneurs take advantage of business opportunities, and transform these into profits. So, they introduce something new or something different. Such entrepreneurial spirit has greatly contributed to the modernization of our economy. Every year, there are new technologies and new products.

All of these are intended to satisfy human needs in more convenient and pleasant way.

Create employment. The biggest employer is the private business sector. Millions of jobs are provided by the factories, service industries, agricultural enterprises, and the numerous small-scale businesses. For instance, the super department stores like SM, Uniwide, Robinson and others employ thousands of workers. Likewise giant corporations like SMC, Ayala and Soriano group of companies are great job creators. Such massive employment has multiplier and accelerator effects in the whole economy. More jobs mean more incomes. This increases demand for goods and services. This stimulates production. Again, more production requires more employment.

Advantages of Entrepreneurship

- Every successful entrepreneur brings about benefits not only for himself/ herself but for the municipality, region or country as a whole. The benefits that can be derived from entrepreneurial activities are as follows:
- Self-employment, offering more job satisfaction and flexibility of the work force
- Employment for others, often in better jobs
- Development of more industries, especially in rural areas or regions disadvantaged by economic changes, for example due to globalisation effects
- Encouragement of the processing of local materials into finished goods for domestic consumption as well as for export
- Income generation and increased economic growth
- Healthy competition thus encourages higher quality products
- More goods and services available
- Development of new markets
- Promotion of the use of modern technology in small-scale manufacturing to enhance higher productivity
- Encouragement of more researches/ studies and development of modern machines and equipment for domestic consumption
- Development of entrepreneurial qualities and attitudes among potential entrepreneurs to bring about significant changes in the rural areas
- Freedom from the dependency on the jobs offered by others
- The ability to have great accomplishments
- Reduction of the informal economy
- Emigration of talent may be stopped by a better domestic entrepreneurship climate

Lesson 36

A REVISIT OF MODULE I & II

In this session we will revise the first two modules in a bullet point form so that we refresh what we have learnt so far.

Module I (Making Things Happen: Enabling Skills required for HRD

- People and circumstances: People make things happen, but for that they need a set of competencies and skills
- Skills inculcation:
- Dimensions/Facets of Human Development including physical, intellectual, emotional, social, moral, political and spiritual dimensions
- Target groups with multiplier effect
- HDI
- Human behavior, attitudes, emotional intelligence, happiness
- Personality MBTI & Big 5 model
- Perception and perceptual errors
- Motivation and its types, Performance = ability X motivation X resources
- Interpersonal communication, Verbal & Non Verbal Communication
- Transactional analysis
- NLP
- Leadership (personal, situational, cutting edge leadership, gender and leadership and role of culture in leadership)
- Group dynamics
- Team behavior
- PIES model (aerobic and anaerobic exercises)

Module II: HRD Sectors and Sector Interventions

HRD Sector Interventions and Target Groups

- HRD and economic development (HDI, Gini Coefficient)
- Types and verities of NGOs
- Health
- Primary education
- Adult education
- Technical and vocational education
- Higher education
- Science and technology
- Environment
- Empowerment of women
- Entrepreneurial skills development, youth and unemployment

Rest of the course will deal with Module III which is about Strategic Process Interventions for HRD.

Module III: Strategic Process Interventions for HRD

- Using NGOs
- Decentralization and enhancing participation
- Mobilizing resources
- Enhancing coordination
- Professionalizing Governance
- role of Government: Priorities and Policies

Lesson 37

HUMAN DEVELOPMENT & ECONOMIC GROWTH (1975 TO 2003)

	HDI			Population in millions			Fertility Rate		
	1975	*1995*	*Change %*	*1975*	*2003*	*Change %*	*1975*	*2003*	*Change %*
Advanced Countries									
Norway	0.868	0.936	7.83	4	4.6	15	2.2	1.8	-18.18
Australia	0.848	0.933	10.02	13.6	19.7	44.85	2.5	1.7	-32
Canada	0.869	0.934	7.47	23.1	31.6	36.79	2	1.5	-25
US	0.867	0.929	7.15	220.2	292.6	32.87	2	2	0
Japan	0.857	0.925	7.93	111.5	127.7	14.52	2.1	1.3	-38.09
UK	0.845	0.921	8.99	55.4	59.3	7.03	2	1.7	-15
France	0.853	0.921	7.97	52.7	60	13.85	2.3	1.9	-17.39
Average	**0.858**	**0.928**	**8.19**	**68.64**	**85.07**	**23.55**	**2.15**	**1.7**	**-20.8**
MENA*									
UAE	0.734	0.814	10.89	0.5	4	700	6.4	2.5	-60.93
Kuwait	0.763	0.813	6.55	1	2.5	150	6.9	2.4	-65.21
Oman	0.494	0.736	48.98	0.9	2.5	177.77	7.2	3.8	-47.22
Saudi Arabia	0.603	0.741	22.88	7.3	23.3	219.17	7.3	4.1	-43.83
Iran	0.566	0.694	22.61	33.3	68.2	104.8	6.4	2.1	-67.18
Algeria	0.506	0.671	32.6	16	31.9	99.35	7.4	2.5	-66.21
Syria	0.54	0.672	24.44	7.5	18.1	141.33	7.5	3.5	-53.33
Average	**0.6**	**0.734**	**24.13**	**9.5**	**21.5**	**227.48**	**7.01**	**2.98**	**-57.7**
Asia									
India	0.412	0.546	32.52	620.7	1070.8	72.51	5.4	3.1	-42.59
Pakistan	0.363	0.492	35.53	68.3	151.8	122.25	6.6	4.3	-34.84
Sri Lanka	0.607	0.727	19.76	14	20.4	45.71	4.1	2	-51.21
Bangladesh	0.345	0.452	31.01	73.2	136.6	88.61	6.2	3.2	-48.38
Indonesia	0.468	0.663	41.67	134.4	217.4	61.75	5.2	2.4	-53.84
Nepal	0.296	0.466	57.43	13.5	26.1	93.33	5.8	3.7	-36.2
Average	**0.415**	**0.557**	**36.32**	**154.01**	**270.51**	**80.69**	**5.55**	**3.11**	**-44.51**
SSA**									
Senegal	0.311	0.421	35.36	5.3	11.1	109.43	7	5	-28.57
Rwanda	0.342	0.335	-2.04	4.4	8.8	100	8.3	5.7	-31.32
Niger	0.236	0.256	8.47	5.3	13.1	147.16	8.1	7.9	-2.46
Zambia	0.468	0.424	-9.4	5.2	11.3	117.3	7.8	5.7	-26.92
Congo	0.414	0.393	-5.07	23.9	54.2	126.77	6.5	6.7	3.07
Ethiopia	0.291	0.323	10.99	34.1	73.8	116.42	6.8	5.9	-13.23
Guinea-Bissau	0.255	0.341	33.72	0.7	1.5	114.28	7.1	7.1	0
Chad	0.269	0.344	27.88	4.2	9.1	116.67	6.7	6.7	0
Average	**0.323**	**0.354**	**12.48**	**10.38**	**22.86**	**118.5**	**7.28**	**6.33**	**-12.42**

* Middle Eastern Economies

** Sub Saharan Africa

	Health Expenditure (2002)			Physicians		Education Exp as a % of GDP		
	Pub % GDP	*Pvt % GDP*	*Tot % GDP*	*per 100,000*	*Hlth PC 2002*	*1990*	*2002*	*Change %*
Advanced Countries								
Norway	8	1.6	9.6	356	3409	7	7.6	8.57
Australia	6.5	3	9.5	249	2699	4.9	4.9	0
Canada	6.7	2.9	9.6	209	2931	6.5	5.2	-20
US	6.6	8	14.6	549	5274	5.1	5.7	11.76
Japan	6.5	1.4	7.9	201	2133		3.6	
UK	6.4	1.3	7.7	166	2160	4.8	5.3	10.41
France	7.4	2.3	9.7	329	2736	5.3	5.6	5.67
Average	**6.87**	**2.92**	**9.79**	**294**	**3049**	**5.6**	**5.41**	**-3.39**
MENA*								
UAE	2.3	0.8	3.1	202	750	1.8	1.6	-11.11
Kuwait	2.9	0.9	3.8	153	552	4.8		
Oman	2.8	0.6	3.4	126	379	3.1	4.6	48.38
Saudi Arabia	3.3	1	4.3	140	534	5.8		
Iran	2.9	3.1	6	105	432	4.1	4.9	19.51
Algeria	3.2	1.1	4.3	85	182			
Syria	2.3	2.8	5.1	140	109	4		
Average	**2.81**	**1.47**	**4.28**	**136**	**419.71**	**3.93**	**3.7**	**-5.85**
Asia								
India	1.3	4.8	6.1	51	108	3.7	4.1	10.81
Pakistan	1.1	2.1	3.2	66	62	2.6	1.8	-30.76
Sri Lanka	1.8	1.9	3.7	43	131	2.7		
Bangladesh	0.8	2.3	3.1	23	54	1.5	2.4	60
Indonesia	1.2	2	3.2	16	110	1	1.2	20
Nepal	1.4	3.8	5.2	5	64	2	3.4	70
Average	**1.27**	**2.81**	**4.08**	**34**	**88.17**	**2.25**	**2.58**	**26.01**
SSA**								
Senegal	2.3	2.8	5.1	8	62	3.9	3.6	-7.69
Rwanda	3.1	2.4	5.5	2	48		2.8	
Niger	2	2	4	3	27	3.2	2.3	-28.12
Zambia	3.1	2.7	5.8	7	51	2.4	2	-16.17
Congo	1.2	2.9	4.1	7	15			
Ethiopia	2.6	3.1	5.7	3	21	3.4	4.6	35.29
Guinea-Bissau	3	3.3	6.3	17	38			
Chad	2.7	3.8	6.5	3	47			
Average	**2.5**	**2.87**	**5.37**	**6.25**	**38.62**	**3.22**	**3.06**	**-4.17**

	GDP PC *US$ 03*	GDP PC AGR *1975-2003*	Gini Index
Advanced Countries			
Norway	37670	2.8	25.8
Australia	29632	1.9	35.2
Canada	30677	1.6	33.1
US	37562	2	40.8
Japan	27967	2.4	24.9
UK	27147	2.1	36
France	27677	1.7	32.7
Average	**31190.29**	**2.07**	**32.64**
MENA*			
UAE		-3.3	
Kuwait	18047	-1.2	
Oman	13584	2.2	
Saudi Arabia	13226	-2.4	
Iran	6995	-0.3	43
Algeria	6107	-0.1	35.3
Syria	3576	0.9	
Average	**10255.83**	**-0.6**	**39.15**
Asia			
India	2892	3.3	32.5
Pakistan	2097	2.5	33
Sri Lanka	3778	3.4	33.2
Bangladesh	1770	1.9	31.8
Indonesia	3361	4.1	34.3
Nepal	1420	2.1	36.7
Average	**2553**	**2.88**	**33.58**
SSA**			
Senegal	1648	0	41.3
Rwanda	1268	-0.5	28.9
Niger	835	-1.8	50.5
Zambia	877	-1.9	52.6
Congo		-4.9	
Ethiopia	711	0.1	30
Guinea-Bissau	711	-0.4	47
Chad	1210	0.1	
Average	**1037**	**-1.16**	**41.71**

Lesson 38

PUBLIC PRIVATE PARTNERSHIP

Public-private partnership (PPP) is a system in which a government service or private business venture is funded and operated through a partnership of government and one or more private sector (Ferlie *et al.*, 2005). PPP is also defined as a contractual agreement formed between public and private sector partners, which allows more private sector participation than is traditional. The agreement usually involves a government agency contracting with a private company to renovate, construct, operate, maintain, and/or manage a facility or system while the public sector usually retains ownership in the facility or system, the private sector will be given additional decision rights in determining how the project or task will be completed.

The above description of PPP emphasizes following points:

1. Sharing of responsibility between public and private sectors
2. Risk sharing between the two partners through sharing responsibilities and resources
3. Reward sharing arising from the same arrangement of responsibilities and resource sharing.

Typically, a private sector consortium forms a special company called a "special purpose vehicle" (SPV) to build and maintain the asset. The consortium is usually made up of a building contractor, a maintenance company and a bank lender. It is the SPV that signs the contract with the government and with subcontractors to build the facility and then maintain it. A typical PPP example would be a hospital building financed and constructed by a private developer and then leased to the hospital authority. The private developer then acts as landlord, providing housekeeping and other non medical services while the hospital itself provides medical services

Origins

Pressure to change the standard model of Public Procurement arose initially from concerns about the level of public debt, which grew rapidly during the macroeconomic dislocation of the 1970s and 1980s. Governments sought to encourage private investment in infrastructure, initially on the basis of accounting fallacies arising from the fact that public accounts did not distinguish between recurrent and capital expenditure.

The idea that private provision of infrastructure represented a way of providing infrastructure at no cost to the public has now been generally abandoned, interest in alternatives to the standard model of public procurement persisted. In particular, it has been argued that models involving an enhanced role for the private sector, with a single private sector organization taking responsibility for most aspects of service provisions for a given project, could yield an improved allocation of risk, while maintaining public accountability for essential aspects of service provision.

Initially, most public-private partnerships were negotiated individually, as one-off deals. In 1992, however, the Conservative government of John Major in the UK introduced the Private Finance Initiative (PFI), the first systematic program aimed at encouraging public -private partnerships. The Labor government of Tony Blair elected in 1997, persisted with the PFI sought to shift the emphasis to the achievement of "value for money" mainly through an appropriate allocation of risk.

Early problems

Because of the focus on avoiding increases in public debt, many private infrastructure projects in the early 1990s involved provision of services at substantially higher cost than could have been achieved under the standard model of public procurement. The central problem was that private investors demanded and received a rate of return that was higher than the government's bond rate, even though most or all of the income risk associated with the project was borne by the public sector.

A number of Australian studies of early initiatives to promote private investment in infrastructure reached the conclusion that, in most cases, the schemes being proposed were inferior to the standard model of public procurement based on competitively tendered construction of publicly owned assets. One response to these negative findings was the development of formal procedures for the assessment of PPPs in which the central focus was on "value for money" rather than reductions in debt. The underlying framework was one in which value for money was achieved by an appropriate allocation of risk. These assessment procedures were incorporated in the Private Finance Initiative and its Australian counterparts from the late 1990s onwards.

Later Developments

Public-Private Partnerships (PPPs) combine the resources of government with those of private agents

the notion of PPPs is difficult to translate to societies whose cultural and political traditions do not easily accommodate the western distinctions between private sector and state (Common, 2000). PPPs in sub-continent, Africa, and Latin America are associated as much with meeting basic needs through small-scale initiatives as reforming large state owned enterprises in the light of internationally directed structural adjustment policies (Batley and Larbi, 2004).

Governments have the option to realize societal goals either directly, through their own employees and collectively controlled facilities, or indirectly by means of private businesses and not-for-profit organizations (Osborne and Gaebler, 1992; Williamson, 1996). It's crucial to realize that PPPs should not be treated as a fad or as a matter of whim and fancy. They are to be treated as institutions rooted in the specific political, structural and social setup of a particular country.

Five different forms of PPPs can be distinguished in the literature and are described briefly below while the distinction between these forms in terms of time scale, financing, and partner relationships is shown in Table 1.

Forms of Public-Private Partnerships

1. Public Leverage: This form of PPP occurs where governments use their resources, mainly legal and financial, to spur economic activity. For example, the use of subsidies to stimulate a particular sector of economy like Agriculture is a form of public leverage where the need for government itself to develop and manage the services is avoided.
2. Contracting-out and Competitive Tendering: In this case government defines what services are to be made available and to what standard, and then contracts out the provision to a business or not-for-profit organization. The process of contracting-out the services is a logical outcome of a competitive tendering process. Since government can specify the nature of services it wishes to be delivered through competitive tendering, the process results in improved service quality. There are, however, enduring problems in defining the qualitative aspects of a service, especially where service users are ill-defined (as in the case of a street cleaning service), are not able to offer an opinion (such as those in receipt of a medical service). The ability of contracting-out to realize its benefits is dependent on two e conditions of market competition and government capacity in terms of procedures, staff skills, and cultures that must be transformed from the typical governmental hierarchical mode of supervising direct service provision to that of service design and contract management. The literature indicates that the reality of contracting-out for public services is more complex than what the theories indicate and opportunism, information asymmetry, and complex principal-agent (government-contractor) chains, compound the problem (oxford). The complexity of contracting-out increases further as one moves away from basic municipal services into professional, health, and other social welfare provision, where short term approach is not productive for the public good.
3. Franchising: In this case government awards license to a business or not-for-profit organization to deliver a public service in which the service provider's revenue is in the form of user fees. In both franchising and contracting-out, government is the arranger and a private organization is the producer, but the two modes differ in terms of payment to the producer, in case of contracting-out, government pays franchised services. The potential providers of service were required to bid a cash value to acquire the franchising of train services in Great Britain after denationalization. The customer revenue stream flowed to the franchise holder, but there were also public subsidies to maintain services on socially desirable routes. Franchising provides a means of transferring operational responsibility to the business sector, with government taking on the role of a distant public-interest regulator.
4. Joint Ventures and DBFO Partnerships: According to management literature joint ventures, "result in the creation of a new organization that is formally independent of the parents, although the parent will have some control" (Daft, 2001). The joint ventures are managed through a partnership agreement or a separate corporate entity and are now used extensively to realize public goals for infrastructure provision and renewal, including schools, public transport, hospitals, roads, air traffic service, economic sectors, and prisons. They are typically referred to as public-private partnerships in the European context and Private Finance Initiative (PFI) in the UK. The generic nomenclature is DBFO (design-build-finance-operate). DBFO involves government starting its intentions in terms of output and then entering into a long-term contractual relationship with a company or consortium of companies who undertake to design, finance, and build the facility, and manage and deliver some of the services associated with it. DBFO joint ventures offer potential benefits to the government in the form of reduced debt, innovative solutions as specified by the government and, the transfer of risk of

5. Strategic Partnering: This type of arrangement between public and private agents involves a situation in which there is boundarylessness in terms of distinction between the constituent parties and where there are overlapping organizing practices intended to yield mutual beneficial outcomes, mostly in the urban settings. As opposed to contracting-out, trust-based relationships cement the collaborative endeavor between the organizations and replace the primacy of legal instruments and public suspicion of the contractor guile. But strategic partnering has the potential to regress to the traditional contracting-out approach because the institutional norms of government are not naturally suitable for this style of working.

The Desired Outcomes of PPPs

As mentioned earlier, PPPs do not emerge as a matter of whim or fancy and at particular moments they seem to offer solutions to public policy issues. Therefore, it is imperative to understand the overall benefits or outcomes attained through proper utilization of the concept. Some of these broad beneficial outcomes are briefly described below:

1. Cost Impact: Contracting-out, as studied in the American, British and Australian contexts, confirms 20, 30, and 40 percent cost reductions when compared with previous in-house provision. These reductions arise from the following specific outcomes of contracting-out:
    a. Reduction in staffing
    b. Improved employment conditions
    c. Reduction in administrative overheads
    d. New management practices and regimes
2. Innovation Impact: The evidence on PPP as a stimulus to innovation is mixed. But there are studies on schools and prisons where PFI schemes identified innovative solutions in relation to construction and the control and monitoring of prisoner movements.
3. Impact on Quality: The impact of PPPs on service quality are much more difficult to monitor and there is a paucity of research studies measuring the quality impact of PPPs. However, some conclusions can be drawn:
    a. Problems of information asymmetry, limited government capacity and regulatory capture can lead to quality shading
    b. The use of contracting-out, franchising, and joint ventures reduces the vertical integration of a service as organizational matters and issues are placed under different management structures
4. The Public Governance Impact of PPPs, Hybridity: In the strictest sense of organization theory, a hybrid structure is the one that combines characteristics of various approaches like functional, divisional, geographical, or horizontal structures to take advantage of the strengths of various structures and to avoid some of the weaknesses (Daft, 2001). In the context of PPPs, business models are imported into the public sphere and the new organizational forms that emerge are hybrids – organizational arrangements that use resources/and or governance structures from more than one existing organizations. It is frequently easier to define hybrids by exclusion (not government, not private sector) than by inclusion. The issue of tension within a hybrid between public accountability and commercial acumen will be highlighted later in this report.
5. Stronger working relations between the partners building long-term trust and mutual cooperation.
6. Faster delivery of services due to the involvement of private sector and its way of working.
7. Reduction of financial constraints as private funds are made available to be used in delivering services to the public.
8. Integration, in terms of design, construction, maintenance and operation between the partners
9. Greater choice available to either design or build (DB), design/build/operate/maintain (DBOM), design/finance/operate/maintain (DFOM). These choices increase the options available to the partners to chose, as per their own strengths and expertise.
10. Increased sense of competition due to the involvement of private sector
11. Risk sharing and better risk management for the partners because the responsibilities, resources and rewards are also shared.

From Public Private Partnership (PPP) to Public Social Private Partnership (PSPP)

The name "public social private partnership" (PSPP) is a development of Public Private Partnership (PPP).

a result of more difficult economic conditions in recent years and the associated structural crisis in the public sector. The growth in PPPs as a way of fulfilling public tasks in partnership between the state administration and private enterprises must be seen in this context.
The term PPP has gained currency for this increased cooperation of government with private partners in the German-speaking countries since about the middle of the 1990s.

Public private partnership contrasted with conventional provision of public services
PPPs can be said to differ from other forms of provision of public services in the following 3 points: In PPPs, the ownership of the project is shared. The heart of a PPP is thus the sharing of risks and profits. Compared to providing the service directly, in a PPP the state can concentrate on its core competences. The state does not need to allocate experts of its own for the implementation of the project and is thus less intimately involved.
Additionally, PPPs exhibit a trend away from conventional, tax-based financing approaches towards financing through contributions of individual users (e.g. tolls for motorways).
In the social services sector, PPPs have been implemented mainly in the health services and overseas development until now. As current discussions about PPPs in the social services sector show, this sector has special requirements and will need special conditions and criteria for possible PPPs. The definition of goals is a particularly central and sensitive issue in finding a suitable form and modalities of implementation of PPPs in this area. Existing types of PPP will likely need to be modified to include extra mechanisms and criteria in order to function adequately in social services. In other words, public social private partnership (PSPP) is not merely an extension of the PPP idea, but a pre-condition for ensuring that a PPP with a social goal:

- will assure and implement the public aims, agendas and tasks in the sense of community benefit, welfare, etc.
- agendas and aims of cooperation's are adhered to and sustained in the mid- and long-term
- and that the necessary conditions and resources (e.g. financing) for sustainable results are planned and applied suitably.

Application of a PPP model to fulfilling social aims for people in disadvantaged situations naturally leads to expansion of the PPP to a PSPP. PSPP rather than PPP criteria become applicable when public aims such as the common good and welfare are being pursued. In this area, all the mid- and long-term indicators of success belonging to the agendas and goals of the cooperation depend on the correct adherence to PSPP specifications.
Partnership is in general a specific form of social interaction that implies that two or more actors work together on activities chosen by them. The actors must be able to choose whether they will take part in the partnership or not. A decision by a potential partner against joining the partnership in question must not threaten their existence. The partners retain their separate identities. Partnership in a PSPP includes the three levels of financing, project leadership and demand/placing of orders. In order to qualify as a PSPP, the "constitutive partnership principles" must be fulfilled. The fulfillment of the "further partnership principles" is relevant for the successful realization of a PSPP.

Lesson 39

PRINCIPLES OF PUBLIC PRIVATE PARTNERSHIP (PPP)

Partnership Principles

Following are the principles or criterion which a partnership has to fulfill to qualify as a PPP or PSPP.

1. Openness and Binding Commitment: Disclosure to partners of all relevant information and strict adherence to the important principles of cooperation. This strict adherence is usually made possible in the presence of a formal agreement between the partners. Others factors like resources put into the partnership and agreed upon goals and shared functions should also be known fully to all the partners.
2. Supervision/Control: Continuous monitoring and observation allows important lessons to be learnt from the partnership and also provide a good mechanism for collecting and analyzing the feedback.
3. Successful Negotiation Process: The partnership is a strategic community of responsibility and action set up for the mid to long term, in which the partners contribute their respective inputs into the shared process of producing products and/or services. The process of decision-making by negotiation is done together, so that in the process of decision-making no-one is disadvantaged but rather, disadvantages are reduced. For the risks, the planned input and the expected profits, an efficient exchange process must be agreed. Every participant fulfills the role that is assigned to him or her within the partnership. The equality of the roles is not essential, as long as the partners in their assigned roles have equal rights.
4. Equal Rights in Different Roles: It is not necessary for the agreed roles of the partners to be equal but it is necessary for them to have equal rights in their respective roles.
5. Clear Division of Tasks, Roles and Functions: The assignment of tasks and responsibilities is done according to the actual capabilities and expertise of the partners.
6. Clear Goals and Objectives: Clear goals and objectives have to be decided mutually by the partners.
7. Mutual Trust: Especially in the area of "core services" (social services whose qualitative performance is not easy to measure), mutual trust between the partners contributes a lot to the successful implementation of the partnership.
8. Sympathy between the Partners: Experience shows that when the "chemistry" between the partners is good, the setting-up and running of the partnership is smooth and more productive.
9. Creation of Synergy between Partners: In negotiation processes, specific resources of the partners are brought together in such a way that usable synergy effects are generated. The focus is on achieving goals negotiated together, with which each partner can identify themselves. Thus synergy effects are made available to the partners, which would not have come about without the partnership.
10. Suitability of the Resources and Size of the Partnership: Resources for the partnership (human resources) must be adequate for the size of the partnership. Sufficient time resources must be planned for the partnership.
11. Risk Sharing: Sharing of risks and profits need to be made clear in the agreement and then strictly adhered to during the whole duration of the partnership.
12. Active involvement of the public sector throughout the project and also in the follow up stages
13. Political leadership: Active support from the political leaders is required in encouraging the two partners to share responsibilities, risks and rewards.
14. Secure public control: In case the private partner defaults or fails to fulfill its obligation, the government should ensure that it has recourse rights to maximize the opportunity to resolve the issue or to take control.
15. Limited complexity: The arrangement should be kept simple, workable and free of complexity and confusion.
16. Legal authority: In the form of legislations and law making to encourage and protect PPP formation.
17. Specific Needs: Each partner must have a specific reason for joining a partnership, i.e. a specific need which can be fulfilled through the partnership.

Infrastructure Public Private Partnerships: Trends in South Asia

The trends in developing infrastructure PPPs have been different to some extent in South Asia in comparison to global trends, however, this needs to be studied closely. In the early 1990's, there were not many countries

estimated that private investments in this sector might double to $30 billion by 2000. However, these forecasts were challenged as the world witnessed a spectacular growth in investments in the PPP sector to $130 billion in 1997 alone.

After this growth phase in PPP investments, came a rapid collapse following the economic crises in East Asia and Latin America, thus slowing down PPP investments globally. These crises lead to the re-evaluation of risks and the realization that expectations had not been met from both the public and private side.

However, PPPs have moved on since then and private investments have risen after the late 1990's, driven by widespread privatization in the global economy. Figures from the early to mid 1990's show that, user fees charged for the PPP projects were relative to cost recovery as evident in the telecom sector that dominated in developing countries in that era. A lot of increase was seen in telecommunications, but that was not really a sector with PPP characteristics and leaned more to the commercial side. The sectors of energy and water saw the least increase because of their political and economical aspects. In Asia, nearly 18 percent of infrastructure projects were funded by private sectors, however, South Asia had doubled its share of private sector investment since then from a mere 5 percent to 11 percent. Most of the PPP projects in this era, faced difficulties because of low cost recovery and much dependence on donor funds. This led to adjustment in polices that focused more on increasing private sector investments and better cost recovery strategies.

The difference in global and South Asian trends is striking as globally investments in PPP projects are high, whereas, such investments in South Asia are quite low. In South Asia, there has been a slow increase in private sector investments in PPPs over time and no rush has occurred to actually invest in projects. Later, the economic crisis added to this by putting off private sector investments. Major investments are only being made in the energy generation and roads sector and the investments in the Greenfield projects are low. However, South Asia has seen comparatively more investments in new projects and Greenfield projects as compared to other regions in late 1990's.

Situation in Pakistan

While some countries had sustained investment flows in PPPs, Pakistan still spends about 1.3 - 1.4 percent of its GDP on PPP projects and that too is mostly concentrated on power generation and telecommunications sector. This poses a question, that if Pakistan was to increase its GDP spending on PPPs from 1.3-1.4 percent to 3 percent and in the longer run to 6-7 percent, then how it can be done?

In the South Asian region, China and India both have been able to increase their GDP spending on PPP to such levels. However, if Pakistan needs to do this, it needs to have certain "saving rate" which poses a very serious policy challenge.

For any country to achieve such levels of GDP investments in PPPs, the following questions arise:

(i) Who is going to pay for the PPP projects?
(ii) How revenues will increase in sectors by bringing in projects which users will be happy to pay for?
(iii) Whether the investments are going to be politically robust and sustainable?

However, when it comes to the power, water and sanitation, and transport sectors the capacity and ability for the users to pay for these services and the political tolerance for charging prices that are close to cost recovery becomes a real concern.

If the user capacity to pay and the political tolerance is not there then the question becomes, how you structure government support in an efficient manner to address these concerns?

Therefore, one has to be realistic about the risks that have to be shared in developing PPPs and the ability of the users and the government to support revenue streams that underlie these projects and attract a sustainable level of private sector financing. This has to be operationalised in the Pakistani context to make PPPs work here.

Lesson 40

DEVOLUTION REFORMS – A NEW SYSTEM OF GOVERNMENT

For the last four years a sweeping program of reforms has been underway in Pakistan. Under the old system of government, the provinces administered the districts and tehsils directly through the bureaucracy at the division, district and tehsil level. Executive and judicial authority was concentrated in the person of the Deputy Commissioner. There was little scope of elected representatives to participate in local administration.

Under the old system, governance was centralized so that decisions about local level planning and development were taken higher up, with little reference or relevance to local needs and aspirations. Because civil servants were not accountable to the public, there was little incentive for them to ensure quality service delivery.

The Devolution Plan and Local Government Ordinance 2001 brought about a grassroots transformation in Pakistan's system of government, especially at the local level. Divisions were abolished, and instead a three tier local government structure comprising of three categories of local government – district, tehsils/towns and union – was brought in.

Elected Nazims and Niab Nazims head each union, tehsil and district local government, and there are political linkages between the three tiers. These elected bodies are supposed to ensure that planning and development is carried out in accordance with local needs. The elected officials also monitor the functioning of local administrators. Civil servants are therefore accountable to elected representatives, who are in turn accountable to the public at the local level.

Devolution in Pakistan follows the principle of subsidiary, whereby all functions that can be effectively performed at the local levels are transferred to that level. It would be worthwhile at this stage to explore the concept and experience of subsidiary as it is practiced in other parts of the world.

Subsidiary Principle & Practices

The principle of subsidiary was introduced in 1991 Maastricht Treaty that ascertained "decision-making to be performed at the lowest possible effective administrative level" in the European multi-level-governance system. Different European nations and governments had different understanding of the policy implications of subsidiarity, however, they had a common interest in making the increasing supranational European Union (EU) competence more acceptable and more legitimate for their respective people. The notion of subsidiarity was linked to a political agenda focusing bottom-up governance and the strengthening of national democratic institutions.

Though the EU constitution is a bit vague over the concrete definition of the notion of subsidiarity, probably due to different national governance traditions, subsidiarity is recognized as an important measure for reducing the EU deficit of democracy and legitimacy.

In the Continental European democratic tradition credence was given to the idea of the state as an abstract identity, as something different from the society, bearing inherent responsibility for the performance of public functions or as a collective actor representing the society as a whole. In this context the British tradition is different, rather than looking upon the state as a top-down authority responsible for the common best, it was conceived as an instrument of mediating between politics and societal interests as for instance the market forces. Probably this mediating function of the state explains why Britain was left without a written constitution, political institutions and the civil society were instead perceived as the constraining elements in function, concretely and continuously correcting the state through bargaining processes.

Subsidiarity, in the context of EU, is implemented as referable outward/downward distributed public governance in terms of establishment of independent public agencies and other government bodies. In France, the 22 elected regional assemblies and their governments have attained governance function and steering capacity in mutual public – public partnership with the central state. In Britain it functions differently and the mediating status of the state is recognized when the state subsidiaries in terms of fragmented independent agencies function as the main regional authorities, performing development policies in public-private partnership.

Despite historically belonging to the Continental tradition, political processes in Norway targeting subsidiarity as outward/downward distributed public governance, seems to be in the beginning of placing the state function somewhere between the Continental and British democratic and administrative tradition. Elected regional assemblies and governments still exist as weak political authorities, but are for the time being threatened of abandonment. Independent agencies and other public institutional bodies, fragmented or in partnership, are

In nutshell the EU principle of subsidiarity as introduced by Maastricht Treaty in 1991 is "devolution of competence upward to the supranational European tier by agreement is recommended when greatest policy outcome and effectiveness is expected on that level. Similarly, downward devolution of competence to regional and local authorities or partnership institutions, ought to be implemented when most effective policy arrangements for regenerating local and regional economy are expected outcome on the lower level".
Pakistan is obviously free of the inherent complexities of EU in terms of different nations, cultures, economies, priorities etc. and does not need to address the supranational notion and therefore subsidiarity in our country has to be on outward/downward basis so that maximum power and decision making occur at the lowest governmental tiers with main aim of providing basic municipal services to the masses. This is exactly what the Devolution Plan intends to do, to empower political, financial and administrative organs at the lowest tier of governance.

The New Notion of Functional Subsidiarity & Governance in Europe
Today issues of horizontal or functional subsidiarity are at the very centre of the debate regarding kinds of subsidiaries and governance.
The principle of subsidiarity does not only limit the activity of state in a vertical direction. It sets limits also in a horizontal way: what can be settled by local or transactional functional committees or civil society initiatives, should and must not be regulated by state activity at all. Examples of functional subsidiarity include initiatives in the field of culture and education, health, social welfare and consumer protection. Other issues include alternative or extra judicial dispute regulation between e-commerce stakeholders.
Therefore traditional forms of exclusive vertical subsidiarity have to be supplemented and widened by new perspectives. Principle of subsidiarity within the EU debate is presented as a tenant of democratic government which stipulates that decisions should be taken as closely to the citizen as possible. As MacCormick notes, "The doctrine of subsidiarity requires decision-making to be distributed to the most appropriate level. In that context, the best democracy – is one that insists on levels of democracy appropriate to levels of decision-making."

DECENTRALIZATION: THE DARK SIDE
Following excerpts from the press tell a different story about decentralization efforts made so far:

- Sargoodha district Nazim Amjad Ali Noon said that lesser funds were allocated to districts after devolution. Most of the corrupt officials were posted in districts deliberately. He said that the MNAs and MPAs obstructed release of funds to district governments. He suggested that district governments be given part of the revenues collected by them for the provincial government (**Mr. Amjad Ali Noon Sargoodha District Nazim**)
- Khairpur district Nazim Nafisa Shah had similar reservations in the same seminar.
- The process (devolution) had been marred because of denial of financial autonomy to local governments and virtually reversed after the recent amendments to the LGO (**Speakers at a seminar on "Devolution process review" arranged by Pakistan NGO's Coordination Council**)
- Devolution had created problems in Pakistan because the western countries having the district government had only two tiers of government – the federation and the district administration – whereas Pakistan had the federation, province and district. Conflicts had arisen over the division of spheres of control between the provincial and district governments (**Mr. Tahir Kardar, District Nazim's Coordinator**)
- Complete devolution had not taken place because the idea was in conflict with the highly centralized power system in the country. The district governments had failed to function satisfactorily on account of a lack of financial autonomy in the form of power to levy taxes for generating their own revenues (**Mr. Shakir, South Asia Partnership representative**)
- The recent amendments to LGO had made the district governments, which was initially banking on the federation for resources, dependent on provincial governments as well. Earlier the CM could suspend any nazim or the resolution of any local government council with the consent of the provincial assembly. The recent changes had empowered him to do so with the concurrence of the provincial local government commission, which was headed by a minister. He said the inclusion of MNAs and MPAs in the district development committees would lead to a new clash. He said the provincial government had won the battle for supremacy over the district governments, as they had got

accepted proposal to reduce the number of councilors at the union council level would result in reduction of over 50,000 seats of councilors in the system. The amendments had put the very idea of devolution at stake (**Mr. Salman Hadi**)

- The poor sections of society would lose representation as a result of reduction in the number of councilors. The LGO should have been amended to strengthen the system and not for reducing the representation of the people (**Mr. Tariq Sana Bajwa, Data Ganj Bakhsh Town Nazim**)
- The provinces were not ready to devolve power to the district governments. Appointment of the people defeated in the local government elections as coordinators had also weakened the system (**Mr. Faraish Ali Chaudhry, Nishter Town Municipal Officer**)
- Rs700 million had been stuck in CCB's funds in the city district because the local government elections were held in 2001, but the CCB rules were framed in 2003. She said the social welfare officers did not have forms for registration of CCBs, but many union council nazim had utilized the funds (**Ms Shazia Khan, Social Welfare**)
- The Faisalabad district council has failed to hold its session for the last six months, except for a two-day session in April in which no business was transacted for want of quorum. According to insiders, a four day session was held from Dec. 4, 2004 in which a number of agenda items were approved and scores of schemes finalized for different parts of six tehsils – City, Saddar, Chak Jhumra, Jaranwala, Tandlianwala and Samundri – of the district. After that session, the councilors started electioneering and establishing links with heavyweights of the area instead of attending the council sessions. A two-day session was called by the convener on April 27th which did nothing for the lack of quorum. Similarly, no session of TMA (city) could be held during the last three months due to lack of interest by the members. It may be noted that the Faisalabad council was the biggest council of the country with 406 members while the city TMA was the biggest with strength of 162 members (**A news report**)
- The Punjab government has transferred 6 EDOs (education), including the EDO Rawalpindi, for their alleged failure to achieve the targets set by the CM (**A news report**)
- The government should restore the LGO 2001 in its original form, otherwise they (Nazimeen) would challenge these one-sided amendments incorporated into the ordinance in court. He said, "There is no justification to transform towns into Tehsils," and added that the centre did it to protect their interest in a different form. He said we have strong reservations against 3 amendments which include the authority given to the CM to suspend the Nazim for three months, the transformation of town into tehsil and appointment of caretakers in place of Nazims for the coming local bodies' elections. He also said that another disadvantage of the newly introduced LGO was that a Nazim could be removed by a simple majority in the house, which was a joke with democracy. He said, "We have demanded that members for the Local Government Commission must be appointed equally from both the government and the opposition but the government picked four members of their own while only one from the opposition. (**Mr. Haroon Bilour, Chairman Tehsil Towns Nazimeen Association, Peshawar**)
- Rahim Yar Khan district has become a wrestling field among the different political groups for forthcoming local government elections. Contrary to tall claims of unprecedented achievements by the district government, the reality is quite different. The district government system has caused further damage to the social and political fabric in the district instead of improving it. The politicians sacrificed the national interests by dividing the people on ethnic lines for their own personal benefits. The RYK district occupies very sensitive and important geographic location. It has more than 100 km border with India. In 1971 war, Indians attacked RYK desert sector but got humiliating defeat. The ethnic division, developed by politicians, could lead to ethnic clashes between Seraikies and Punjabis. The strategic importance of this area can be gauged by a single factor that national highway and main railway track which connected Sindh province rest of Pakistan was only 60 km away from the Indian border. The district is consisted of 60 per cent Seraiki community mainly residing in Kuccha area and 40 per cent Punjabi ethnic group settled in Pacca area. District Nazim Syed Ahmed Mahmood always used ethnic and spiritual card to win elections. The Seraiki group is headed by District Nazim Ahmed Mahmood who in his four year tenure spent almost 50 per cent development budget in his constituency not for people but for his industrial unit Jamal Din Wali Sugar Mill, claimed his opponents. If preventive or remedial steps are not taken against ethnicity and regionalism by the high-

A news report

- Residents of Lora and other adjacent union councils have criticized the provincial government for giving tehsil status to Havelian instead of the Lora union council. They said that the Lora union council was at a 3 hour journey from Abbotabad which caused hardships to the people to come to the city to do their day-to-day business. They said that the minister for local government announced that the tehsil offices for Havelian would be based in Abbotabad (**A news report**)
- The union councils that are the basic units of the new local government system have no powers whatsoever and failed to deliver. A report points out various shortcomings and weaknesses of the new local government system and appreciates that a good beginning has been made and that the system can be further improved in consultation with various groups of people. As compared with the working of previous council the new ones have definitely shown improvements in providing civic amenities like roads, streets, sanitation, water and power supply etc. It has provided a basis for good governance and enlightenment. The report made the following observations:

Powers of union councils

Contrary to the local government ordinance that gives wide powers to the union councils they have been found lacking all powers. They are given no funds to remove grievances of the people. Each council is given Rs60,000 per month that is spent on administration, salaries and honorarium for the nazims. The council has neither power nor funds to meet the demands of its voters. Nazims have some powers and funds which they distribute among the councilors of their choice. Most of the councilors feel ashamed of being councilors and felt they had committed blunder.

Party based elections

The local government bard political parties from participating in local bodies' election which has kept away the experienced political workers from the councils. However the opponents of the political parties thought that the parties, if allowed to contest elections, would interfere in the autonomy of the local bodies.

Lack of publicity

The new local government system was a new experience both for the people and their candidates and the government had failed to give due publicity through media and other means that could educate them. As a result the councilors had little information about their role and working. Insaaf committees chairman said the people were not aware of the existence of these committees nor had they any information about their powers and the people still approach the influential land holders to decide their disputes.

Decision making

Decisions are not made in the union councils taking their member into confidence and all decisions are taken by nazims and their deputies arbitrarily. The councilors feel that the new system is more a system of nazims than that of people's. It has strengthened the hands of big landlords.

No confidence

The amendment to the law against no confidence move against nazims has been severely criticized. It was strange that no confidence can be moved against deputy nazim. The councilors have demanded that they should have powers to move no confidence against nazims and their deputies to bar them from taking decisions without taking them into confidence.

Development works

The nazims have not been taking councilors into confidence while taking decisions for starting development projects. Most of the projects were not needed by the people and they were started at the behest of high ups.

Multi-award system

Most of the councilors said numerous problems of the people had arisen by merging wards into union council. They advocated restoration of old wards to solve the problems of the people.

Workers and Peasants

Most of these seats have been filled people who were neither workers nor peasants. Only five per cent of the seats might have genuine representation and they have no powers.

Relations with government

National and provincial assemblies are not completely in favor of new local government system. There is no coordination among union, tehsil, and district councils. The powers of district, provincial and federal government in respect of the local councils are vague.

Public safety commissions

They are not performing their role of check and balances properly and nobody knows about their powers. Police have not accepted them and register cases against their members.

While the government has accepted the principle of joint electorates, the local body elections were held on the basis of separate electorates depriving minorities of their real representation in the councils. Discrimination against them continues and they cannot play their role in political process. The majority members invariably reject their schemes and suggestions. Only two union councils in Sheikhopura and Khenewal districts out of about three dozen districts have nazims from minority councilors.

The report has also made a number of recommendations to improve the performance of the union, tehsil and district councils and their various committees. It suggested renaming tehsil council as city council and restoration of magistracy at tehsil level. (Outcome of a survey conducted by the South Asian Partnership (Pakistan) in 18 districts of Punjab by holding a series of seminars, symposia, meetings and discussions with the members of the union councils and other tiers of the new local government system, representatives of people, teachers, social workers, journalists, lawyers, women activists and minority members. The report deals with the working of three years of union councils in 18 districts of Lahore, Kasur, Sheikhopura, Gujranwala, Layyah, Bhakkar, Rajanpur, Pakpattan, Vehari, Lodharan, Multan, Sahiwal, Khenewal, Rahim Yar Khan, Bahawalpur, Bahawalnagar, Mianwali and Sargodha)

- A serious contradiction between the code of conduct and LGO relating to the non political nature of LB polls may either cause disqualification of national and provincial legislators or land them in trouble for making false declaration. It was pointed out that the LGO allowed cabinet ministers and members of the national and provincial assemblies to contest the LB elections but they would have to resign their present seats if elected. Section 153 of LGO 2001, states that local body elections will be held on non party basis and candidates will be required to submit an affidavit to the EC to the effect that they have no affiliation with any political party. This provision alone is loaded with risks for members of national and provincial assemblies have been elected on party tickets. Legal experts say that these members would either have to quit the membership of their parties to be able to contest the elections or make false declaration about their political affiliation. The EC of Pakistan was found to be lacking an answer on this issue and their comments are, "Frankly, we have no answer. Nobody appears to have paid attention to it. This is a serious problem and the point is valid," said an official (**Justice Abdul Hameed Dogar, Acting CFC**)
- A large number of people protesting over inclusion of some union councils of Larkana district into the Shikarpur district held a rally in Naudero. They chanted slogans against the division of Ratodero and blocked the Larkana-Sukhur road for an hour. Local MNAs and MPAs said four dehs – Shadi Abro, Panjo Kinaro, Nazar Detho and Salar Janveri – were chopped from Ratodero taluka and merged with Garhi Yaseen taluka of the Shikarpur district. They said it was a calculated move to divide the constituency of Benazir Bhutto. They demanded that the decision be withdrawn and Naudero should be given a status of taluka because it comprised of nine union councils (**A news report**)
- The local chamber of commerce and industry opposed the division of Gujranwala into four towns and termed the decision unjustified. They said that Gujranwala would lose its identity as city owing to its division into four towns and assigning their village like names. The people of cities were not acquainted with these names. They suggested that theses towns should be given names identical to towns of Karachi while other offices should preferably be located in the city (**A news report**)
- If you think the nazims have been given a rough deal by the provincial government under the revised devolution plan, you can think again. Councilors present at the seminar said it was they who had absolutely no power or say in running of the local government. Hardly any debates took place over any issue at the union council level, they said, and all decisions were taken by their nazims without even bothering to consult them. If this is how the current system has worked, then it has been a case of more devolution of attitudes, as opposed to that of power, from top down. The one sitting at top of the pyramid, the president in this case, is the only one who has any and all powers. Here's what happens when the president chooses to devolve those of his powers that he considers a burden: the second person in charge, the PM, to be precise, gets his taste of some of the discarded powers. And so it continues down the line, to federal ministers, the CMs and their cabinets until it dilutes down to the nazims, who lie at the last tier, exercising the dregs of the discarded power. The UC councilors found at the bottom of the pyramid merely act as unwilling minions doing practically nothing but drawing an honorarium, a respectable name for a paltry monthly sum flung their way. The only one over whom the councilors have an edge are the hapless public (**Participants in a seminar held in the city (Lahore) by the NGO South Asian Partnership evaluating the three years of the working of the**

- If interferences from federal government don't stop then it (LG system) would work as an extension of the federal system. According to them the recent amendments had changed the spirit of the system authored by NRB. One speaker said the "Basic Democracies" system introduced by General Ayub Khan collapsed with the end of his 10 year dictatorship and no one was talking about it. A total of 114 amendments have been made in the LGO as compared to 17 amendments in the constitution over the last 32 years. The non confidence procedures against the nazims were highly criticized and speakers were of the view that if a nazim was elected by a simple majority, he should be removed by no-trust motion, through simple a majority. New changes into the system have vested all powers with a chief minister to send any district nazim home. The Local Government Commission would work only as a rubber stamp (**Speakers in a seminar organized by Aurat Foundation Peshawar on "Recent amendments into the LGO"**)
- President General Pervaiz Musharraf has promulgated Police Order (Second Amendment) Ordinance 2005, which will come to force with immediate effect. Under the second amendment ordinance, police complaint authority and public safety commission have been combined and named national public safety and police complaint commission at the national level, provincial safety at the provincial level and district public safety and police complaint commission at district level. Public safety commission will also be set up in federal capital. The district nazim will be authorized to write only report about the performance of DPO with reference to law and order situation and a 5-part pro forma is also enclosed with the ordinance in this respect. It has been introduced as performance evaluation report of the head of district police. The district nazim will have no power to write annual confidential report of the DPO. Local policing plan will be evolved jointly by the DPO and district nazim. The DPO will implement this plan after approval from district public safety and police complaints commission (**A news report**)
- District governments could not properly run some 417 colleges under their control because nazims lacked interest and experience. "Most appointments, transfers and postings had been made on a political basis. Therefore, the government had taken back powers of appointing BS-19 officials in the colleges from them (nazims)," Mr. Masood told Dawn here on Friday. He said the district government could not spend funds allocated for the development of these colleges. The district governments used to spend funds allocated for the colleges on other schemes to win approval of voters, he added (**Mr. Imran Masood, Punjab Education Minister**)

One can clearly see from the above press items that the reactions and experiences of different stakeholders regarding devolution vary widely depending on various factors and situations.

Lesson 41

GOOD GOVERNANCE

The terms governance and **good governance** are increasingly being used in development literature. Governance describes the process of decision- making and the process by which decisions are implemented (or not implemented). Hereby, public institutions conduct public affairs, manage public resources, and guarantee the realization of human rights. Good governance accomplishes this in a manner essentially free of abuse and corruption, and with due regard for the increasingly basing their aid and loans on the condition that reforms ensuring good governance are undertaken.

Good governance can be understood as a set of 8 major characteristics:

- Participation,
- Rule of law,
- Transparency,
- Responsiveness,
- Consensus orientation,
- Equity and inclusiveness,
- Effectiveness and efficiency
- Accountability

These characteristics assure that

- Corruption is minimized,
- The views of minorities are taken into account and
- That the voices of the most vulnerable in society are heard in decision-making

Participation

- Participation by both men and women.
- Participation could be either direct or through legitimate intermediate institutions or representatives.
- Participation also means freedom of association and expression on the one hand and an organized civil society on the other hand.

Rule of law

- Good governance requires fair legal frameworks that are enforced impartially.
- Full protection of human rights, particularly those of minorities.
- It also means independent judiciary and an impartial and incorruptible police force.

Transparency

- Decisions taken and their enforcement are done in a manner that follows rules and regulations.
- Information is freely available and directly accessible to those who will be affected by such decisions and their enforcement.

Responsiveness

- Institutions and processes try to serve all stakeholders within a reasonable time frame.

Consensus orientation

- Need of mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved.
- It also requires a long-term perspective for sustainable human development and how to achieve the goals of such development.

Equity and inclusiveness

- Ensuring that all members of society feel that they have a stake in it and do not feel excluded from the mainstream.
- This requires all groups, and especially the most vulnerable to have opportunities to maintain or

Effectiveness and efficiency

- Processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.
- It also means sustainable use of natural resources and the protection of the environment.

Accountability

- Governmental institutions as well as the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders.
- In general organizations and institutions are accountable to those who will be affected by decisions or actions.

A basic practical example of good governance would be where a member of a committee, with a vested interest in a topic being discussed at committee, would absent themselves from the discussion and not attempt to exert influence.

Source: http://en.wikipedia.org/wiki/Good_governance

Lesson 42

MACROECONOMIC PROFILE OF A COUNTRY: EXAMPLE ECONOMY OF PAKISTAN

INTRODUCTION

This report is a brief attempt to analyze the overall economic performance of Pakistan since 1950s to the current times. The future policy implications are based on the data analysis presented in this study.

METHODOLOGY

I have largely used the data provided by the website of the State Bank of Pakistan. In most of the cases I have used data for all the decades starting from 1950s. Data for each year for the following macroeconomic indicators was collected:

1. GDP formation
2. Gross Capital formation
3. National Savings
4. Area and production of core crops
5. FDI
6. Balance of Trade
7. Industry Division
8. Human Capital formation
9. Debt Servicing

Data set was then divided into 6 parts according to the following schedule:

1. data for 1950s (1950-1959)
2. data for 1960s (1960-1969)
3. data for 1970s (1970-1979)
4. data for 1980s (1980-1989)
5. data for 1990s (1990-1999)
6. latest data (2000-2004)

Averages for the above- mentioned macroeconomic indicators were then calculated for all the decades and presented in the attached graphs and tables.
The macroeconomic indicators of Pakistan economy are also compared with similar indicators of other Southeast Asian countries, some African countries, Asian Tigers and other developed countries.

DATA ANALYSIS

GDP

The breakup of Pakistan GDP has changed over the decades. In 1950s, nearly half of the GDP was accounted for by the agriculture sector and the contribution of industry and services was 13.09 and 38.37 per cent respectively. As we can see from graph 1 the breakup of GDP has been shifting towards industry and services and the last 5 years' break down is 23.3%, 23.79% and 52.83% for agriculture, industry and services respectively. This trend indicates less dependence on agriculture and more emphasis on industry (manufacturing) and services.

Gross Capital Formation

The physical capital formation mix has also changed for Pakistan over the years. The mix has shifted more toward the private than the public sector.

National Savings

There is little change in the public/private mix of savings and even now about 88% of the national savings are accounted for by the private savings.

Area and Production of Core Crops

This is related with three core crops of the country, i.e. Food including wheat, rice, maize, gram, bajra, barley,

comparison of area of cultivation in thousand hectares and the produce in thousands of tones provides us with the yield or produce/hectare figure. The figures show a persistent increase in the produce/hectare or yield over the decades for all the three items.

Foreign Direct Investment

FDI as a per cent of GDP has increased from 0.164% in 1950s to 1.068% currently. This means an increase of about 550% in the inflow of FDI over the last 56 years and seems like a great achievement but I will consider it again in the section "Pakistan Economy: A Comparison" later in this report.

Balance of Trade

1950s is the only decade where the average figures for balance of trade are positive. After that the economy has shown a persistent negative balance of trade with a predominant downward trend.

Industry Division

Data shows the distribution of employed persons by industry division for mid years of the last four decades i.e. 1965, 1975, 1985 and 1995. This data for year 2004 depicts the same for the latest scenario.

Data also represents the percent of persons employed in agriculture (along with forestry and fishing), manufacturing, and commerce and service sectors. We can see that the overall employment in commerce and services has increased, from 9 and 9.41% to 14.8 and 15.01% respectively, but there is a decline in employment in the agriculture sector from 58.65% in 1965 to 43.05% in 2004. In manufacturing sector the employment has actually decreased from 14.48% in 1965 to 13.73% in 2004. This is an interesting finding and in my opinion reflects a failure on the part of successive governments to stimulate the industrial growth in the country.

Following are the urban/rural (UR) ratios of employment in the above mentioned sectors from 1965 to date. Following picture emerges:

Industry Div.	1965	1975	1985	1995	2004
Agriculture	0.11	0.08	0.11	0.09	0.09
Manufacturing	2.57	2.76	2.62	3.11	2.64
Commerce	4.81	4.78	3.95	3.08	2.83
Services	3.7	3.72	2.75	2.73	2.42

The UR ratio has declined for the agriculture, commerce and service sectors over the years which mean that the share of rural population's employment has increased in these sectors. But a reverse trend is seen in the manufacturing sector where the UR ratio has actually increased from 2.57 in 1965 to 2.64 in 2004, showing that this sector has not created as much jobs for the rural population as it has done for the urban populace. That probably accounts for increasing income-poverty in Pakistan over the years.

Human Capital Formation

The overall and male and female literacy rate has increased in Pakistan.

All forms of educational institutions (primary, middle & secondary schools and colleges and universities) have increased in numbers but the number of vocational institutions has decreased by 36%. This is a striking finding and probably explains Pakistan's rising unemployment as the masses do not have access to institutions where they can learn different vocational skills and get absorbed by the employers. The human capital formation, in terms of productive and trained personnel, in Pakistan has therefore suffered and we have produced many educated and literate people who cannot find jobs relevant to their educational backgrounds.

For the number of people served per registered doctor in the country from 1950 to 2004, the trend is downwards and should indicate improvement in health services to the masses but the real picture can only be deciphered by analyzing the split of urban and rural population's access to registered doctors.

Debt Servicing 1990 - 2003

Debt servicing as a % of GDP, current expenditures and total revenues peaked in the years 1997-2000. The main reasons for this accumulated debt can be described as follows:

- The rising trends in the non-development expenditures (debt servicing and defense).
- The persistence of low growth rate of economy also compelled the successive governments to resort

- Economic mismanagement and corruption by the civilian governments resulted in the loss of public exchequer. In order to fulfill their agendas, the civilian governments resorted to external debt.

Current Changes in Macroeconomic Indicators

Pakistan has made considerable progress in achieving macroeconomic stability in the recent years. This is evident from a robust increase in GDP growth rate, falling inflation, decreasing fiscal deficit and debt, increase in exports, tax revenues, FDI, and foreign exchange reserves. The current government should be complimented on these achievements but there are areas of concern shown by this data in the form of decreasing remittance and more alarmingly increasing poverty and unemployment. The rising population and lack of employment opportunities create persistent unemployment problems in the country.

Pakistan Economy: A Comparative Analysis (Focus: Southeast Asia)

Pakistan is well placed in terms of per capital GNP growth and life expectancy at birth but her infant mortality rate has decreased slower than rest of the Southeast Asian and other developing countries of the world.

Comparative Analysis of FDI flows in Pakistan

Pakistan's FDI in-flow, as compared with other countries shown in the table, has increased very sluggishly.

Pakistan Economy: A Comparative Analysis of HDI & GDP per capita

The latest data compare Pakistan with rest of the world as of today and clearly show that Pakistan's economy, in terms of HDI and GDP PC, is only above that of Sub-Saharan African countries like Sierra Lone and Niger.

CONCLUSION & DISCUSSION

Based on the above data analysis, following is a summary of the important findings:

1. less dependence on agriculture and more reliance on commerce and services with a slight fall in the share of manufacturing sector
2. more contribution of the private sector in physical capital formation and national savings
3. a persistent improvement in the agricultural yield or produce/hectare
4. an increase in FDI in-flows which is comparatively very low in the international perspective
5. a persistent negative balance of trade
6. a decline in employment of rural population in the manufacturing sector
7. an improvement in literacy rate and public access to health services but a decrease in the vocational institutions in the country
8. a rising debt burden
9. substantial economic progress in the recent years (probably best after the 1960s decade)
10. Pakistan's lethargic economic performance against the rest of the world especially in the area of human capital development

Pakistani government has made substantial economic reforms since 2000, and medium-term prospects for job creation and poverty reduction are the best in nearly a decade. Government revenues have greatly improved as a result of economic growth, tax reforms introduction and corruption control in the Central Board of Revenue. Pakistan is aggressively cutting tariffs and assisting exports by improving ports, roads, electricity supplies and irrigation projects.

Liberalization in the international textile trade has already yielded benefits for Pakistan's exports, and the country expects to profit from freer trade in agriculture.

A perception of stability in the nation's monetary policies has contributed to a reduction in money-market interest rates, and a great expansion in the quality of credit, changing consumption and investment patterns in the nation. Pakistan's domestic natural gas production, and its significant use of CNG in automobiles, has cushioned the effects of the oil-price-shock of 2004-2005. Pakistan is moving away from the doctrine of import substitution and, is now pursuing an export-driven model of economic growth.

In 2005, the World Bank reported that

"Pakistan was the top reformer in the region and the number 10 reformer globally – making it easier to start a business, reducing the cost to register property, increasing penalties for violating corporate governance rules, and replacing a requirement to license every shipment with two-year duration license for traders."

Pakistan's Economic Growth Model

Pakistan has tinkered with multiple economic strategies over the past 60 years.

During 1950s and 1960s Pakistan basically followed a linear growth model with stress on import substitution and industrialization. Pakistan was described as being on the verge of an economic take-off but it changed after the 1965 and 1971 wars with India.

1970s witnessed nationalization of the industry by the government and lack of incentive for the private sector to grow but large scale public projects like steal mill formation and building of strategic "silk route" were under taken.

In the 1980s, the generous financial support from the West and the acceleration in the inflow of remittance from the Middle East, helped stimulate economic growth. The GDP growth increased from about 5% in late 1970s to 6.6% during 1978 – 1988 periods.

In terms of growth model followed, we witness a strategic shift from the "socialist" policies of nationalization, and the large public sector to denationalization and a greater role assigned to private sector in the growth process. The following incentives were offered to the private sector:

- low interest credit
- duty free imports of selected capital goods
- tax holidays and
- accelerated depreciation allowances

Three constraining factors during 1980s explain the failure to maintain this growth rate later:

1. low domestic savings
2. low rate of exports and most importantly
3. inadequate investment in social and economic infrastructure

And not surprisingly when the cushion of foreign loans and debt relief was withdrawn at the end of the Afghan war, the underlying structural constraints to GDP growth began to manifest and the country entered into a protracted economic recession in the 1990s.

During 1990s, political instability, the use of public office for private gain and the worsening law and order situation had a significant adverse effect on private investment and GDP growth.

In my opinion, until recently, Pakistan has blindly pursued growth in GDP without investing in the development of human resources, specially the women. At best this type of growth can be classified as close to classical linear models of growth as Pakistan was chronically stuck at the pre-take off stage.

RECOMMENDED FUTURE DIRECTION

The future course of direction for Pakistan economy needs to involve the following measures:

- to document and assess the large informal economy present in the country
- to invest aggressively in improving social indicators and human development indicators
- to pursue continuity in the economic policies regardless of the ever changing political and governmental personnel
- to aggressively pursue population growth rate control programs
- to curb corruption and lethargic attitude and performance of the public sector
- to promote and facilitate the exports of value added products and to control the inflow of luxury imports by focusing more on importing primary inputs
- the key to ensuring Pakistan's future macroeconomic stability lies in strengthening the poorly functioning institutions and in controlling lawlessness and corruption
- good governance seems the only way forward for putting Pakistan on path of a respectable economic future

Research Limitations

The following research limitations were encountered in the preparation of this report:

- breadth and scope of the topic
- paucity of reliable and consistent data
- lack of time to vigorously analyze the international comparison of Pakistan economy with other countries

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Lesson 43

COORDINATION IN GOVERNANCE: AN EXAMPLE OF EU

The **open method of coordination** or **OMC** is a relatively new and intergovernmental means of governance in the European Union, based on the voluntary cooperation of its member states

Overview

The open method rests on soft law mechanisms such as guidelines and indicators, benchmarking and sharing of best practice. This means that there are no official sanctions for laggards. Rather, the method's effectiveness relies on a form of peer pressure and naming and shaming, as no member states wants to be seen as the worst in a given policy area.

Generally, the OMC works in stages. First, the Council of Ministers agrees on (often very broad) policy goals. Member states then transpose guidelines into national and regional policies. Thirdly, specific benchmarks and indicators to measure best practice are agreed upon. Finally, results are monitored and evaluated. However, the OMC differs significantly across the various policy areas to which it has been applied: there may be shorter or longer reporting periods, guidelines may be set at EU or member state level and enforcement mechanisms may be harder or softer.

Generally, the OMC is more intergovernmental in nature than the traditional means of policy-making in the EU, the so-called community method. Because it is a decentralised approach through which agreed policies are largely implemented by the member states and supervised by the Council of the European Union, the involvement of the European Parliament and the European Court of Justice is very weak indeed. Formally, at least, the European Commission has primarily a monitoring role; in practice, however, there is considerable scope for it to help set the policy agenda and persuade reluctant Member States to implement agreed policies. Although the OMC was devised as a tool in policy areas which remain the responsibility of national governments (and where the EU itself has no, or few, legislative powers) it is sometimes seen as a way for the Commission to "get a foot in the door" of a national policy area.

The OMC was first applied in EU employment policy, as defined in the Amsterdam Treaty of 1997, although it was not called by this name at the time. It was officially named, defined and endorsed at the Lisbon Council for the realm of social policy. Since then it has been applied in the European employment strategy, social inclusion, pensions, immigration, education and culture and asylum and its use has also been suggested for health as well as environmental affairs. The OMC was also frequently debated in the European Convention.

Historically, the OMC can be seen as a reaction to the EU's economic integration in the 1990s. This process reduced the member states' options in the field of employment policy. But they were also weary of delegating more powers to the European institutions and thus designed the OMC as an alternative to the existing EU modes of governance.

In the following, the OMCs in the areas of employment and social protection will be analysed because they are usually considered the most developed ones. A brief introduction to the "upcoming" OMC in health is also given. However, bear in mind that the open method seems to become more and more widespread, including areas such as immigration and asylum which are not discussed here.

Development of the OMC: from EMU to the EES

EMU and in particular the Stability and Growth Pact as well as the Broad Economic Policy Guidelines (which were introduced as an instrument to realise the goals set down in the Lisbon Agenda) can be considered a sort of “proto-OMC” with comparatively hard sanctioning mechanisms. As a reaction to the economic integration of Europe, the European Employment strategy (EES) evolved in the 1990s with the rationale of rebalancing monetary and economic integration. The original EES thus consisted in more or less replicating the EMU process with mid-term objectives, indicators and pressure for convergence. Legitimised through the Amsterdam treaty, the EES then became a process in its own right. As mentioned above, its’ principles were generalized and christened “Open Method of Coordination” at the Lisbon Summit (2000). Finally, the third phase of the EES began with the five year review in 2003 where the EES was repoliticised, due to the growing dominance of right wing governments in the EU. Nowadays the EES is a political compromise aimed to exclude both pure neo-liberal and social democratic approaches.

The OMC in Social Inclusion

The social inclusion OMC, by contrast, was not directly linked to the EMU debate. Social inclusion was for many years a controversial topic to address at the European level due to the subsidiarity concept. In 1999 the Commission finally adopted a communication for a concerted strategy on social protection, proposing a Social Protection Committee which was made official in the Nice Treaty. Said committee was responsible for the initial standard setting exercise. Next, each member state was asked to benchmark its situation by producing a two year national action plan (NAP or NAPincl), presenting national-level strategies for improving the situation. These were made available in June 2001. 18 months later the EU released a joint report on social inclusion where the member state's approaches were compared and contrasted and recommendations were given. While the NAPs form a first level of action, the Community Action Programme to combat poverty and social exclusion, which aims to improve cooperation between the member states, can be considered the second level of action.

In the social inclusion OMC some funds were made available for NGOs and consequently its' "inclusive" approach to civil society has been favourably commented upon. However, this is not necessarily the case for other OMCs. According to FEANTSA (2005), the Pensions OMC is more closed and involves mainly the Commission and national civil servants.

Comparing the employment and social inclusion OMC

When comparing the EES and social inclusion OMC, Pochet (2005: 43) notes that the first seems to go more in a direction of centralization, naming and shaming without any broad discussion about the content on the European level (top-down). The second process goes more towards an experimental dynamic with the involvement of local and regional actors (bottom-up). However, the author also notes that this is probably an over-generalization with tensions between centralization and decentralization being present in both forms.

Due to their different nature the impact of those two OMCs can be quite diverse as well. Ferrera and Sacchi (2004) analyse the impact of the EES and the Social Inclusion OMC in Italy. They conclude that the autonomous impact of the OMC has been relatively significant in the case of employment and relatively insignificant in the case of social inclusion. One key difference was the treaty status of the employment OMC which forced the Italian authorities to comply - this component was lacking for social inclusion. Furthermore, the issue of unemployment and labour market reform was simply more salient than social inclusion.

Health

As member states increasingly face common concerns in healthcare (such as demographic ageing), the application of the OMC has been discussed. In March 2004 the European Parliament passed a resolution calling on the Commission to present a proposal for the use of the OMC in health and long term care. The April 2004 Communication by the Commission recommended to apply the OMC to the development and modernization of health care provision and funding. As potential advantages the Commission pointed to:

- greater consistency with existing social protection mechanism
- closer coordination with other political processes such as the EES (in particular regard to the ageing workforce), As a result the issues of health should better reflect the Lisbon strategy
- involving the many actors in the sectors, particularly the social partners, the health care profession and patient representatives

Further steps have been taken to start the introduction of the OMC.

Indicators and streamlining

The choice of indicators is of vital consequence for the OMC and critics have argued that, for instance in the Social Protection OMC, the quality of the indicators is not high enough or oriented too much on economic criteria and not social ones. Also, for health the comparability of national data has been doubted.

In the social protection field the Commission is preparing to streamline the methods used in the different OMCs (social inclusion, pensions etc.). In this context, critics fear that the number of indicators will be too much reduced

Source: http://en.wikipedia.org/wiki/Open_Method_of_Coordination

Lesson 44

MOBILIZING REGIONAL EDUCATIONAL RESOURCES: THE ASEAN UNIVERSITY NETWORK, A CASE STUDY

The ASEAN University Network (AUN) was founded in November 1995 by ASEAN member countries including 13 universities. After the enlargement of ASEAN by the ASEAN Charter in 1997 and 1999, the AUN membership increased to 20 member universities (with the extension of 2 universities from Myanmar, one from Laos , and Malaysia and one from Cambodia also two from Indonesia.)

The ASEAN University Network is an arrangement between 20 universities in the ten ASEAN countries. The AUN is composed of a Board of Trustees (BOT), the participating universities, and the AUN Secretariat. The Board of Trustees consists of one representative from each of the ASEAN Member Countries, the Secretary-General of ASEAN, the Chairman of the ASEAN subcommittee on Education (ASCOE) and the Executive Director of the AUN. The BOT has the task of formulating policies, approving project proposals, the allocation of budgets and coordinating implementation activities. The board makes decisions on these activities on the basis of consensus. The participating universities have the task of implementing the AUN programs and activities. When AUN was founded in 1995, it consisted of thirteen universities from seven countries. Due to the inclusion of Myanmar, Laos and Cambodia in ASEAN, the network grew to 20 members (for a list of the members, see appendix I). Although numerous applications for membership have been received, it was decided to only admit universities from the new member countries. Non members from the region however, are invited as observers on a regular basis. The AUN Secretariat is involved in the planning, organisation, monitoring and evaluation of AUN activities and also in the development of new ideas and the acquisition of funding. The permanent office of the Secretariat has been established in 2000 and is located on the campus of Chulalongkorn University in Bangkok. The operating costs of the secretariat are (at least until 2005) allocated by the Thai Government.

The financing of AUN activities comes from either cost sharing between the participating universities or from the external 'dialogue partners' of ASEAN. The dialogue partners are the EU, China, South Korea, Japan, India and Russia. The meetings within the AUN Framework are financed by the hosts and travel expenses by the (universities of the) participants, or by universities from the richer countries for the poorer countries.

Objectives & Activities

The main objective of the AUN is to strengthen the existing network of cooperation among universities in ASEAN by promoting collaborative studies and research programmes. Furthermore, the AUN attempts to promote cooperation and solidarity among scientists and scholars in the region and to develop academic and professional human resources as well as to produce and disseminate scientific knowledge and information among the universities in the region.

In order to realise these objectives, a wide range of activities have been organized within the AUN framework. The initiative for AUN activities can be located with different actors. Member universities can request to put a particular activity on the agenda. Also initiatives can be proposed by the AUN Secretariat or by the ASEAN Secretariat. Finally, the Dialogue Partners can initiate activities. The Board of Trustees decides on the actual initiation of the proposed activities. In the course of its existence, the BOT has agreed upon a variety of activities which are both very diverse in content as well as in ambition and feasibility. In the early stages of AUN's existence, activities were largely focused on four priority areas: student and faculty exchanges, ASEAN Studies, collaborative research and information networking. After the establishment of the permanent AUN secretariat, various other activities emerged, both within the region as well as with the dialogue partners.

The ASEAN Studies Programme has been one of the instruments to realise a regional awareness and identity. The objective is to realise an ASEAN Studies curriculum for all member universities in order to provide students with knowledge about societies, economies and politics in the ASEAN countries. As a start, in 1998 an ASEAN Source Book was compiled with a bibliography on a wide range of ASEAN subjects. On the basis of the source book and after several joint workshops, six core courses were identified and course syllabi for the postgraduate level were compiled. At a later stage, all course information was placed on the 'ASEAN Virtual University' web-site (http://aunvirtualu.dlsu.edu.ph/). This virtual university should ultimately evolve into a joint degree granting programme for ASEAN Studies.

The student and faculty exchange programme contains three separate activities: the AUN Educational Forum,

forum covers a two week gathering of both students and staff of member universities. In this period, lectures and presentations are given on a particular theme and also several cultural activities are organised. The first educational forum has been held in 1998 with around 25 participants. Participation has gradually increased and for the 2003 forum, 50 participants are expected. Financially, the educational forum is based on the principle of cost sharing where the host arranges the activities and accommodation and the students or their universities pay for transport expenses. In addition to the educational forum there is also a student exchange programme. In fact, structural student exchange was the option preferred at a meeting of Vice Rectors for Student Affairs in 1997. However, the rather rigid curricula of the member universities, with limited space for optional courses, and very diverse academic calendars, only left a two week period per year for joint activities. This was why the option of the educational forum was proposed.

Student exchange now takes place on a more ad hoc basis and is only offered by limited number of universities. In 2003, scholarships for students (and staff) of member universities are offered by the member universities from Singapore, Malaysia, Brunei, Thailand and the Philippines. The obstacles observed above, inflexible curricula and differences in academic calendars; pose problems for exchange, but also the differences in educational systems and the medium of instruction, which is often the native language of the university concerned. Another problem is that, due to the uneven level of development in the ASEAN countries, exchange is frequently a one-way activity, with more advanced educational systems like Malaysia and Singapore functioning as a recipient of students and staff from other countries. Also, structural exchange programmes or scholarship programmes have not yet materialised because of financial reasons due to the financial crisis of 1997/1998.

The third activity related to exchange is the Distinguished Professors Programme. This programme provides opportunities for faculty members to visit other member universities. The participating professors give lectures, advise students and get involved in collaborative development of courses or teaching materials at their host university. The exchange is financially supported by the ASEAN Secretariat or the ASEAN Foundation and in some cases it is based on cost sharing between the host university and the visiting professors' university. Until the end of 2002, some forty visits had taken place. In the field of collaborative research, initiatives emerged already in a workshop in 1997, but have not yet materialised sufficiently. At present, the main progress in this field has been through the collection of research data of the participating universities and compiling institutional profiles in the field of research. These activities have not yet led to concrete matching of research areas for possible cooperation within AUN.

The AUN has also started to target other groups than traditional students. In the ASEAN executive development programme, the AUN aims to train professionals from business and management. Due to the 1997 financial crisis, this programme was postponed but at a later stage, the Asian crisis was used as an opportunity by AUN. In 1999, the network planned a two-week executive programme that focused both on the provision of tools to handle the consequences of the crisis and to prepare the business community for the further economic integration in the region and the ASEAN Free Trade Area. Even though the deans of the Business Schools concerned met twice, the programme has not yet materialised. Pre-occupation with the repercussions of the financial crisis is seen as the main reason for the fact that the programme has not yet been realised. Another activity in the field of Business Administration is the AGBEP Programme (ASEAN Graduate Business/Economics Programme), which aims at student and staff exchange and research cooperation on business and economic issues in the region. Cooperation within AGBEP, based at Gajah Mada University has led to student exchanges on a small scale and to symposia and joint publications since its establishment in 2000.

Many of the activities above are of a disciplinary nature and mainly aimed at exchange and joint curriculum development. A more recent and profound initiative is the AUN Quality Assurance, which has the aim of promoting the development of a common quality assurance system. On the long term this should function as an instrument for the improvement of teaching, research institutional academic standards of AUN member universities while recognising and respecting the differences among member universities. The ultimate goal of this initiative is the harmonisation of educational systems and standards of universities in ASEAN. The first step of this initiative was a workshop held in 2000 at Chulalongkorn University and which has led to the Bangkok Accord. In the framework of this document, a Chief Quality Officer (CQO) has been appointed by each member university to coordinate the implementation. The CQO's meet twice a year at one of the member universities. Currently this priority AUN activity is primarily based on the sharing of information and the creation of 'minimal standards' (which still can be considered high standards for some of the member universities).

Another activity that crosses disciplinary boundaries is the cooperation on new technologies. The programme focuses on the establishment and development of systems for information exchange between the member universities. The first phase of this programme was mainly the development of an AUN homepage through which all member universities were linked. The second phase comprises the further development of the concept of an ASEAN virtual university and is led by De La Salle University (Philippines). The programme is being gradually developed and the first recommendations of AUN experts in the field have been integrated in the ASEAN Studies Programme (see above). In the future, further technological cooperation in library services and standardisation of formats for information dissemination are planned to be developed.

In addition to the activities that have been developed and carried out by the member universities, the AUN also developed activities in cooperation with its 'dialogue partners', namely the European Union, South Korea, Japan, India, China and Russia. With the European Union, two joint activities have been set up. The most recent is the ASEAN-European Engineering Exchange. This programme aims to promote the exchange of students and staff between the European Union and ASEAN through study, research and internships. At present however, this programme is very modest in numbers. A more comprehensive project is the ASEAN-EU University Network Programme (AUNP). AUNP both promotes cooperation between higher education in the two regions and a further regional integration in the ASEAN region. The AUNP consists of two major projects: partnership projects and network initiatives. Under the partnership projects, two calls for proposals were launched by the European Commission in 2002 and in 2003 in order to improve cooperation between higher education institutions in EU Member States and ASEAN, as well as to stimulate collaboration in higher education within ASEAN. The types of projects that are eligible for funding in this framework are cooperation in applied research, in human resource development and in curriculum development. Activities that fall under the so-called network initiatives are the organisation of two rector conferences and four annual round tables for representatives of ASEAN and EU higher education institutions and relevant public authorities, which will focus on the further development of EU–ASEAN higher education cooperation. Another activity eligible is the sharing of knowledge between the two regions on issues like credit transfer systems, initiatives for student and lecturer mobility, initiatives promoting joint research, and convergence of curricula. The AUNP programme is managed by the Programme Management Office, with a European and an ASEAN co-director, which is based in Bangkok. The total budget for the programme is almost eight million Euros, of which around 90 % comes from the EU and 10 % from AUN. At the time of writing, the proposals are under evaluation.

Links with South Korea emerged from the interest that the Korean Association of Southeast Asia Studies (KASEAS) expressed to work together with the AUN. The cooperation between AUN and KASEAS led to a conference in 1999, which again resulted in two publications jointly produced by South Korean and ASEAN scholars. In 2001 a second programme was proposed by KASEAS, which was approved in early 2002 by the ASEAN Secretariat and resulted in a workshop and a conference in that same year. The second part of the 2001 Academic Exchange Programme is in progress and entails a joint research project, and a fellowship exchange scheme. Another South Korea- ASEAN activity was initiated by the Korean Science and Engineering Foundation (KOSEF) and focuses on the post-doctoral level. The ASEAN Post -Doctoral Fellowship Programme promotes cooperation in science and technology within the ASEAN region by providing ASEAN scientists opportunities for research exchanges with South Korea. The programme provides research scholarships for 11 ASEAN scientists or researchers for a period of 6- 24 months in Korea. The preparation for scholarships for a two-year stay in Korea for a new batch of 10 Ph.D. holders is in preparation. Recently, also a scheme has started for regular students. This scheme funds ten ASEAN students to study for one or two semesters in Daejoen University in South Korea.

Cooperation with Japan is based on two projects. The first is based on the sharing of experiences and has been set up by the Keizai Koho Centre. For this programme, a group of educators from ASEAN visited Japanese universities and governmental and private organisation in Japan. These 'educational trips' were organised annually from 1998 until 2000. A more substantive project is the AUN/Southeast Asian Engineering Education Development Network (AUN/SEED-Net), an initiative of the Japanese Government. This network is aimed at promoting both Japan-ASEAN cooperation in engineering education as well as the internal ASEAN cooperation. Activities under this network are in the field of research, graduate education (both short courses and full Masters programmes) and the exchange of staff and students. This sub-network network was established in 2001 and currently consists of nineteen universities from both Japan and the ASEAN region (mainly, but not exclusively, members of AUN).

Collaborative activities with India are mainly in the sphere of human resource development. The ASEAN-India

institutional and bilateral collaborative activities in the HRD domain, in order to bring these activities under a broader regional framework.
The ASEAN –China Academic Cooperation and Exchange Programme was initiated by a joint effort of the AUN and the Ministry of Education of the People's Republic of China in 2001. The activities under this programme include the ASEAN-China Rectors conference, grants for joint research and training and an exchange programme for academics in order to strengthen the network between ASEAN and Chinese scholars. Recently, AUN has also proposed activities for a further cooperation with Russia. At present these activities are in the stage of seeking funding for collaborative activities.

Development
The ASEAN University Network emerged from a highly ambitious idea of the ASEAN leaders and the ASEAN Subcommittee on Education (ASCOE) to establish an ASEAN University. A year after this idea was launched; it became clear that this would present too many problems concerning funding, location and leadership. Therefore, in 1994, it was decided that the founding of a network of existing institutions would be more feasible. In its early years (1995-1999), the AUN focused mainly on the sharing of knowledge and experiences and on small-scale student and staff exchange. As from 1999, the collaborative activities became more complex with programmes like joint curriculum development, cooperation in ICT and the establishment of sub-networks. This is not only the case for intra-ASEAN cooperation but also for the activities with the dialogue partners.
This also led to the establishment of a permanent secretariat in Bangkok in March 2000. Although there existed a secretariat since 1997, this secretariat was temporary. With the permanent office also came an increase in structural funding for the secretariat. In addition to the operating costs for the AUN secretariat, also the financial support for AUN activities increased substantially since 1999. In addition to a growth in financial terms, projects also became more comprehensive. In particular, the AUN Quality Assurance programme has very ambitious goals with consequences that transcend the disciplinary boundaries. This can also form a turning point in the sense that through such projects all members of the participating universities will be affected. Many of the current activities are focused on particular individuals of the universities, and many other students and staff that are not involved in activities are not familiar with AUN and its activities. Most exchanges and gatherings for instance, although successful, have been modest in its impact on the universities as a whole. An explanation for this lies in the top-down character of the activities, with a high involvement of the university's central level (and in some countries the ministry level) and only modest involvement of the faculties.

Source: Beerkens, H.J.J.G. (2004) Global Opportunities and Institutional Embeddedness; Higher Education Consortia in Europe and Southeast Asia (PhD Dissertation). Enschede: Cheps/UT. Available at: http://www.beerkens.info/files/phd.pdf

Source: http://en.wikipedia.org/wiki/ASEAN_University_Network

Lesson 45

GOVERNMENT PRIORITIES AND POLICIES

Important Lessons Learnt from HRD in four countries (Japan, Singapore, South Korea and Taiwan)

Four important lessons learnt:

1. Government support is the most important precondition for economic development
2. Corruption is a barrier to efficient HRD
3. Investments in education and training have played a key role
4. Comprehensive reforms are needed in public personnel management in the direction of attracting, retaining, developing and utilizing competent employees

In setting priorities and policies, governments do not operate in a vacuum. It is as well to acknowledge some external pressures which may influence government.

HRD is now very much at the heart of the development debate. Many international agencies and regional bodies have conceptualized HRD and described the role and priorities of government in HRD as they perceive it.

One dilemma is that although economic and social development programs need to be considered as long term process, many people and institutions, both within the developing and other countries, including donor agencies, seem to suffer from a 10 year itch (development decades).

It is also important to know that each institution and scholar seems to have found it necessary to hitch itself in an extreme way to particular solutions to HRD problems, e.g. whether to "get the prices right" or to "empower the poor" etc.

Role of Government

The government plays its role in the following ways:

- Policy formulation
- Translating policies into plans and programs
- Mobilizing resources required to implement plans
- Establishing/strengthening institutional structures and other infrastructure
- Implementing the programs
- Monitoring
- Experimentation in select areas
- Review

Socio Cultural Factors in Implementing HRD Programs

Consider the following factors carefully before implementing an HRD program or policy:

- Begin with a study of the socio cultural context
- Introduce programs in terms of needs of people
- Combine new with the old
- Respect indigenous knowledge systems
- Use influential village leaders
- Study previous experience with HRD programs in the region
- Consult the people involved
- Communicate development messages in forms that make an impact
- Ensure that development workers has the required set of skills and qualities
- Use local community organizations
- Plan the change step by step, thoroughly and carefully
- Anticipate the consequences of change and innovation
- Exercise more patience in programs requiring behavioral changes
- Ensure that new facilities remain in use

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