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MANAGING BY VALUES

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Management, through its speeches, propagates the corporate culture in order to ensure a sustainable relationship in time between the organization and its customers. On one side, market orientation serves as a reference for all the organization's employees in their efforts with the environment. And on the other side, to transmit to employees the strategic vision which serves as a rule of behavior and commitment of each employee in order to achieve the organization's objectives. Thus, value management can be built on a behavioral approach oriented towards the market, with all actions taken in favor of consumers and/or on a cultural approach based on the organization's values and beliefs. With the challenge of building leadership based on corporate culture, today's major groups are consolidating their competitive positions through values. The reference to the values for all employees is the source of motivation and organization the relationships that allow the organization to build a team of collaborators which is solidarity and efficiency. As a result, the values expressed are established in accordance with the discipline adopted, such as sociology, psychology, philosophy and management that constitute a heterogeneous entity. Consequently, we consider that the values can be formulated with significant and common for each discipline. Thus, the suggested values which are founded on the aspirations of each individual, which are playful, amusing, ornament, pride, rivalry and the multiplication of richness, serve as the basis for management by values.

Keywords: Model leadership, values, values and corporate culture, managed by values.

THE NOTION OF VALUES

In the social sciences and humanities, values are usually described in the same way as attitudes in general and ideologies in particular (Berry et al., 2002). Thus, the attitudes concern the tendency to react positively or negatively towards an object, person, institution or event, while, the values are abstract and that allow individuals to evaluate behaviors for what is appropriate or not to achieve these aims (Craighead and Nemeroff, 2004). Values are also constructed emotionally and when they are transgressed, provoke an emotional reaction (Licata and Heine, 2012).

The degree of importance attributed to a value varies from one individual to another, just as it's also possible to highlight that a certain number of values shared by the same social group (Hofstede**,** 1980). At the beginning of the century, in the field of social psychology research, (Thomas and Znaniecki, 1918) considered that values influence workers' behavior and constitute a constraint for the social environment. Then (Morchain, 2009) establishes a six dimensional of the values which correspond to a specific personality. The six dimensions are: theoretical, economics, aesthetic, social, politics and religion.

(Kluckhohn, 1951) gives the psychological definition of values: «the value can be defined as that aspect of motivation that refers to (norm) personal or cultural rules of conduct, which don't arise solely from immediate tensions or situations [….] that the choice of behavior isn't only a function of motivation, but also from the strength of habits which related to the different possibilities of action». The values are aimed to cover the whole of life-space, not just the positive and the negative, as with attitudes (Hills, 2002). So, the values allow both between-group and within-group comparisons. In terminology (Lovejoy, 1950), the values are in the same terminal and instrumental values. Instrumental values refer to modes of behavior which

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are ways of being or acting like courage and honesty. Terminal values are aims in life and can be individual or social like peace or freedom.

(Rokeach, 1966) study the belief system which becomes a study of the attitude and value system. The author cites that attitude towards an object is confused with attitude towards a situation, while the social behavior of a subject must always be a function of at least two attitudes, one that is engendered by the attitude towards the object (attitude-object), and the second, that's engendered by the situation. And (Rokeach, 1968) concludes that the values represent particular of three types of beliefs: descriptive (existential), evaluative and prescriptive (assess desirable or undesirable).

In philosophy, (Lavelle, 1955) write "the characteristic of value is that it's neither given as an object nor thought as a concept, it's willed, and because it's willed, it can always be contested", and distinguishes between the following values: economic (relative values of excellence), emotional, aesthetic, moral, intellectual, social, religious...etc. While (Simone, 2008) noted that a value is something that is unconditionally admitted, because at every moment, our life is in fact oriented according to a system of values.

In sociology, (Schwartz, 1996) evokes value in terms of desirable aims which vary in importance and which serve as principles guiding people's lives. The author defines ten broad values: hedonism, stimulation, autonomy, universalism, tradition, benevolence, conformism, power and achievement. The author has presented a model of the basic human values by assigning them the following six characteristics:

- Values are beliefs that are inextricably associated with affects;
- Values refer to desirable objectives that motivate action;
- Values transcend specific actions and situations;
- The values serve as a reference or criteria and guide the selection or evaluation of actions, policies, people and events;
- The values are ranked in order of importance in relation to each other;
- The importance of values guides action. Any attitude, any behavior, necessarily implies more than one value;
- The arbitration between relevant and rival values is what guides attitudes and behaviors;

So, (Feather, 1970) and other researchers tried to find correlations between the ten values which mentioned above. However, in sociology, the concept of legitimacy is central in the construction of institutional approaches. So, to become legitimate is to be conformed to the norms, beliefs and rules of the belonging system of values (Scott, 1995).

The concept of institutional logic has been replaced as the value systems in the work of (Boltanski and Thévenot, 1991) which the actors refer in the legitimization of an action. They name the value systems "cities", which constitute several of referential, norms, emblematic figures, etc..... These cities involve forms of agreements and disagreements in society that can exist and allow to recognize the nature of the situation. Each city permits to give to individuals an order in society, provides tools, making possible the interpretation and coordination of actions. (Boltanski and Chiapello, 1999) explain that value systems are universal and have the same weight in society.

The axiology disciplinary retain morally neutral values such as pleasure, or economic costs, moral values such as virtue or justice, aesthetic values such as beauty and values that cannot be clearly classified as moral or amoral such as friendship. So, (Taylor, 1975) establishes four definitions of embedded value:

- What is sought for its own sake, or desired as an end in itself;
- Value due to its nature rather than to its consequences or its relation to other things;
- Non-derivative value;

- A non-natural, objective property, inherent in a thing or fact.

In a moral theology, the notion of value in the social doctrine of the Church known as moral value, according to their nature, to their purpose, to his obstinacy and to a certain measure of the circumstances. So, the reference of the Compendium of the Church's Social Doctrine (CSD) is the notion of values which based on respect for human life and the dignity of human life. And for Guerry (1959), the CSD is represented the following seven areas: family, work, economic life, the political community, the international community, environmental protection and the promotion of peace.

In terms of law, the Amsterdam Treaty of 1997 of the European Union was: «based on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law, principles which are common to all Member States. The current treaty of the European Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

In Germany, the constitution uses the notion of value. According the constitution, for the Federal Constitutional Court, the notion of human dignity is the supreme value of the Fundamental Law (Hans, 2004).

The law establishes an organic order of some values (Arnaud, 1981). Also, Bergel (2001) affirms that if the law is undoubtedly based on values that are beyond the sphere of legal technique, it's defined as the set of rules governing life in society and whose respect is guaranteed by the public authorities. Dworkin (1995) presented that the principles are as indeterminate norms, larger than the rule, and can target unscheduled situations. But the rules have the default of being based on binary logic of all or nothing, they apply or don't apply and there is no alternative. Therefore, Mireille (2011) clarify that the law is a tool that permits to «consolidate the choice of values by allowing them to be formalized and implemented».

For Habermas and Geltung (1994) a distinction must be made between norms and values, and according to Luhmann (1987), the legal treatment of situations distinguishes clearly between norms and values and favors norms over values. So, the values in their own, don't allow for case treatment, because they are too abstract, they only represent preferences in terms of action. Contrarily, Habermas (1992) describes that the norms and values are intrinsically linked and indicates that the principle is the junction of values within legal systems.

Molinier (2005) notes, then that principles and values are terms that can be used indifferently to designate the same reality, he considers that value and principle are the two sides of the same reality, which expressed from the moral, spiritual, ethical, social angle.

THE VALUES BETWEEN PERSON, ORGANIZATION AND SOCIETY

The values of an organization reflect the vision of the manager who must reconcile between profit and humanity through the sense.

The individual values

Individual values are everything which that motivates the worker, inspires him, gives him energy, self-confidence and enthusiasm in his work and well-being in his life. These values will be prioritized according to each individual in order of importance, let's go from priorities such as respect, job security, empathy, sense of hierarchy, etc.....

We require six dimensions of the following classification: playful, amusing, ornament, pride, rivalry and the multiplication of richness and children (progenitor). In practice, we use the national survey released in Belgium, which revealed 12 values of society (Vivre, 2012). The classification of values reveals the typology of the society detailed in the following table:

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Table 1: Dimensions of Belgium's values

1	2	3	4	5	6	
Playful	**Amusing**	**Ornament**	**Pride**	**Rivalry**	**Multiplication of**	
					Richness	**Progenitor**
Solidarity			Respect	Progress through knowledge and critical spirit	**The work**	**The family**
			Individual flourishing	The freedom		
			Citizenship	Equality		
				The efficiency		
				The neutrality of the State		
Autonomy	**Autonomy**	**Autonomy**	**Autonomy**	**Autonomy**	**Autonomy**	**Autonomy**

Source: Authors

We note that the dimension of rivalries is dominant, which explain the content of the conflict.

Corporate values

The organization values are the shared and/or negotiated in writing or unwritten and that influence the organization's management. When the values and principles were adopted by the collective of workers that constitute the culture of corporate (organization). Corporate culture defined by Mercier (2004) as a complex set of values, beliefs, symbols, practices which define the manner in which an organization conducts the business.

So, Schein (1988) distinguished three levels of corporate culture: artifacts, the values and basic hypothesis.

Hofstede (1991) explained that values are associated with six dimensions that describe organizational culture:

- The culture of the process marked through the attention given to technical values, which is associated the homogeneity of the perception that differs according to the levels;
- The work-oriented culture which emphasizes the exercise of responsibility on the value accorded to work, and focuses employee-oriented on the wellbeing of employees;
- Professional cultures on which the essential identification criterion is oriented towards professional values;
- Open system cultures refer to the values that are often expressed in internal and external communication;
- Tight control cultures refer to the degree of formalization then the value placed in exactness;
- Pragmatic cultures refer to the modalities of control of values.

Usually, the reference to the values expressed by an organization is often initiated by the charismatic founder and then maintained by the managers and their collaborators who are faithful to the organization's spirit. So, the most frequently cited values: disinterestedness, integrity, openness, honesty, responsibility, accountability, independence, loyalty, impartiality, respect for human rights, vigilance with regard to abuses of authority, harassment, conflicts of interest and activities incompatible with the position held or the employer organization, safety and security, search for excellence, respect, team spirit (Barthélemy, 2017).

The organization and societal values

Any society fixes limits to the behaviors of social life that characterize the relationships, between individuals and groups and between groups. These relationships are constituted of written rules such as laws and rules and unwritten rules such as acts and conduct derived from a frame of reference based on religious beliefs, morals, ethics, inherited usage attitudes, habits, rules of politeness, codes of verbal communication, etc...

It's interesting to recall that in the case of the study in a 2016, on the values of French society and on the values of corporations by the Barrett Value Centre, it was concluded that the desired common values (teamwork, respect and customer satisfaction) are better realized in the organization than in society (peace, efficiency, government and justice). This study identifies 101 corporate values and 104 national individual values (Observatoire, 2015).

INTRODUCTION TO VALUES OF THE ORGANIZATION

Value management dates from the 1930s, when manager Chester Barnard of the Bell Telephone Organization conferred a personality of its own to the organization. In this approach, employees and managers are perceived as custodians of values in the organization.

In current practice, the United States, the American legislator has granted companies in the event of legal proceedings following a crime, mitigating circumstances, if they define a formal ethics, in which their reference values are in a prominent place. The texts in question are the Foreign Corrupt Practices Acts in 1977, the Sentencing Reform Act in 1984 and the Federal Guidelines for the Sentences organization in 1991. This legal environment justifies that during the 1990s, more than 95% of great organizations formulated their values. In Japan, only 40% of large companies have formalized their rules. Their content contains only declarations of a philosophical nature referring to general cultural norms that transcend the organization. Europe, for its part, doesn't have a uniform vision. Each country is trying to find its own approach to the place of values in the organization, even if several of them are trying to imitate American practices. France, culturally different that the United States, 62% of the top 100 companies have a guide in which is mentioned the values of the organization (Courrant and Mercier, 2000). The Great Britain 60% of companies had an ethics document in 2000, compared to 18% in 1987 and 47% in 1995 (Mercier, 2000). So, a values statement is a specific set of publicly stated organizational beliefs or concepts (Buchko, 2007).

In the case of Toyota such as respect for employees, continuous improvement and the elimination of wastage as an ecological imperative constitute the value of the company which are the basis of the construction of objectives (Maïlys, 2015). In addition, Japanese culture and lifestyle (cooperation, respect, trust, and harmony) are at the origin of the concept of the 5S method used in management (Kobayashi et al., 2008). As far as Apple, its advertising slogan for its products is "think different", that reflects the organization's values. Steve Jobs mentioned it in his conferences "Although things have changed, but the values, the essential values, must not change. This is what Apple believed in at the beginning, Apple wants to incarnate it today more than ever. We have decided to honor those who think differently and advance the world in which we live. This is also what Apple is trying to do, and that's why this theme reflects the soul of our organization." (Dru, 2007).

As others example, Orange French company governed by 6 principles: proximity, dynamism, simplicity, modernity, transparency, responsibility. Oréal firm, specializing in cosmetics, advocates six values: passion, innovation, the cost of entrepreneurship, open-mindedness (listening to consumers), the quest for excellence and responsibility.

In Asia, China Alibaba Group had also two basic requirements of management by values: first, the leadership style of the leader, the founder and chairman of the Group, has always been trying his best to utilize his influence to persuade all the employees to contribute to the organizational goals; second, the existence of a valuable organization is valued not money that constructs the goal (Liu, 2012).

SHARING VALUES WITH SUPPLIERS (SANCTIONS, TERMINATION AND CESSATION OF RELATIONSHIPS)

Failure to respect values, principles or rules lead to recourse to sanctions that can be explicit (written rules) and not explicitly (disapproval, disdain, exclusion of a group or the indifference). These are the sanctions that apply to employees, contractual partners and subcontractors.

The sanction mechanisms required by the code of Levi-Strauss company offer an interesting example in this regard. The code of conduct has stipulated sanctions in the event of failure to respect the dispositions of the code. The code designers have previous audits that may include a thorough investigation by the organization's personnel responsible for enforcing the code of conduct and also termination of contracts for those who violate it (Compa, 1996). Since the multinational's production extends to diverse countries and cultures, it is reasonable to choose partners whose practices are compatible with the organization's values and aspirations. However, this multinational organization applies a sanctions mechanism, using a two-level approach:

- Is applied to those whose practices are inadmissible, are indifferent and not very willing to improve the situation. In this case, the relationship is ended.
- Concerns operations that give cause for alarm, but which indicate the possibility of correction. In this case, a plan and a deadline for resolving the problems is presented.

On the contrary, Reebok considers that the cancellation of contracts indirectly penalizes workers. Consequently, this organization preferred to maintain its relations with suppliers, hoping that working conditions would improve over time. In addition, Sears has adopted a policy to ensure that the products it imports from China are not manufactured by prisoners. Under this policy, all contracts signed by Sears for the import of products originating in China must contain a clause stipulating that no products included in the contract were manufactured by manpower owned or with forced labor.

MANAGING BY VALUES

About the management, Goleman (1998) write that management is a question of the heart and that the most successful leaders all have a high emotional quotient. And, Bojin and Schoettl (2005) write that the value creation offers a certain competitive advantage that must be articulated around a step dedicated to finding existing or potential value and, which amounts to understanding the customer and his needs.

Thomas and Waterman (1983) consultants at McKinsey, study the reasons for the success of many business cases. They observe the importance of the commitment of the personnel to working together to achieve competitiveness and quality that can't be attained through authority. The authors illustrate 8 fundamental rules of excellence that lead to performance. It involves the action, cooperation (listening to customers and employees), favoring autonomy and innovation, motivating, mobilizing around shared key values, keeping with what we know how to do, simple and flexible structure, rigor and flexibility in management.

So, the management by values describes one approach for managing an organization for greater financial success and it's closely related to the ideas about the merits of strong organizational culture (Krista, 2010). Management by values recognizes that in a knowledge economy, highly focused on service to customers, characterized by rapid technological and product development, versatility of demand, the multiplication of hazards, not everything can be predicted and codified in advance, but the creativity, initiative and adaptability of employees make the difference (Horovitz, 2012). In addition to its generic function of absorbing organizational complexity, management by values is directly oriented towards the redesign of corporate cultures and thus helping leaders to guide strategic change in the organization in order to adapt itself to changes in its environment and to overcome internal tensions (Dolan and Garcia, 2000).

So, the management by values is a systematically manageable way which includes great values in any decision firstly, management by general principles secondly, the construction of norms thirdly, respects the process of selection values, principles, norms, assessment motivation fourthly and remember that values change with each generation, context and place fifthly. All this process to management by values is a strategic leadership tool.

So, the usefulness of management by values as a leadership tool can be considered at various levels, but basically, it has a triple purpose: to simplify, to guide; and to secure commitment. Simplifying involves absorbing the organizational complexity created by the ever-increasing need to adapt to change at all levels in the organization; guiding means channeling strategic vision towards the future destination of the organization, securing commitment is part of strategic management, whereby it must be integrated with the policy towards people, with the aim of developing every employee's commitment to deliver a high quality performance in day-to-day work (Dolan and Garcia, 2000).

More than a new way of managing an organization, management by values is a new way of understanding and applying knowledge per ideas advanced by behavioral sciences, ever since the middle of this century, there are many managers, all over the world, who are already practicing management by values in one form or another, although, in many cases only in an intuitive and still very imperfect way, in the interests of corporate survival and differentiation, in the race towards the future.

So, management by values defined by O'Reilly and Chatman (1996) is a combination of identifying strategically relevant values and norms, as opposed to irrelevant values and norms, and promoting agreement as opposed to chronic conflict among organizational members.

But for Claude (2003) the «management by values acquires a corpus of explicit and legitimate values which constitute points of reference for all the company's actions. The managers contribute to be inspired by situations at work. For this reason, they accept the principle that any employee, and any other party involved with the company, should be permitted and invited to instigate the confrontation between the actors concerned if a situation doesn't appear to them coherent in the reference of values. For the author, when the values are truly invested by employees, they provoke a critical relationship with the situations that they live; in fine, the action animated by risks and renews with prudence. The author added that the management by values places in a situation to debate with all the parties involved, and the values open on the horizons and targets that are never reached as a principle, but that give a sense to a continuous improvement. Consequently, criticism, prudence, debate with the parties concerned and continuous improvement become the tools of management by values. The author added that evaluation is necessary because it adapts the rhythm of deployment of a management by values. The author proposes that the value conferred by the actors of the company and do the following practices: the opportunity study, the evaluation of the adequacy of the values, the continuous evaluation of an operating device, the control of organization of management by the values, looking to the methods and procedures used for management by

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value, the supervision of the manner in which is the management by values is practiced and the measurement of impact.

CONCLUSION

The ***habits*** are physical and moral disposition of the individual or the action or attitude or behavior. The habit reunite ***ethos*** (represents the principles or values in the practical which were internalized and unconscious form of morality that regulates daily behavior and are schemes in action) and ***hexis*** is a corporal disposition which mechanically depends on the individual's adherence to this or that social group (Bourdieu, 1980).

And in many writings the habits is ***eidos*** (which define as a system of logical schemes) and ***ethos*** (which explain as a system of axiological schemes). We added and specify that the ***ethos*** is structured in six parts which are classified according to the following order: play, amusement, ornament, pride, rivalry and the multiplication of richness and children (progenitor) which constitute the dimensions of values.

We conclude that from these dimensions emerges a value system for each individual. When this system integrates the management of the organization and which reflects the different levels of relationships as defined in the agency theory, the excellence is ensured.

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BANKING REGIME OF PAKISTAN: SIGNIFICANCE OF BASEL ACCORD AND LENDER OF LAST RESORT TO DETER FINANCIAL CRISIS

MR. MUHAMMAD HASSAN IDREES

This article explicates the banking regime of Pakistan and extensively argues the establishment of the Central Bank (CB) known as State Bank of Pakistan (SBP). Primarily, it divulges the hindrances which the banking system of Pakistan had faced in the beginning. It further explores the policies of nationalization and privatization of all the financial institutions of Pakistan and evaluates the impact of these policies on the financial system. It enlightens the conception of Islamic banking and its operational challenges. It describes the laws which empower the SBP to play the role of LOLR and highlights the lacunas of the current regulation. Additionally, it unfolds the factors which contribute to cause a financial crisis and illustrates the background and regulatory framework of Basel Accord. Moreover, it evaluates the causes of the failure of Basel I and II and elucidates the key reforms proposed in Basel III. Finally, it argues the challenges of the implementation of Basel Accord and contemporary status of LOLR in Pakistan.

BACKGROUND

In modern financial system, vigorous contribution of the banks in the growth of Gross Domestic Productivity (GDP) has made an undeniable incumbent of banks in the system. A strong banking system is indispensable to deter the contemporary challenges of financial systems. The first bank in the world was established in 1407 in the republic of Genoa (The Bank of St. George). Banks obtain funds from the depositors and lend to the financial institutions (borrowers) which allows them to enhance their business activities (Mazreku, Morina and Mazreku, 2016). It ensures the security of the funds of depositors having surplus money however, they are reluctant to get engaged in business activities and provide to those who are ready to take risks through business activities. Basically, it performs the role of a guarantor and surge the financial activities by providing funds to financial institutions. The absence of banking facility in an economic system will dramatically shrink the business ventures which will result in diminution of GDP (Dincbas, 2017).

Banking industry is not merely an essential part of financial system, but they are also embedded in our lives. Collapse of the banking industry can cause a recession which will affect all the inhabitants of the state no matter whether they are engage with banks through any means or not. Stability of the banking industry is backed by the trust nonetheless, if public will lose its confidence in the banking system; it will indeed increase the demand of liquidity which would cause financial crisis. Hence, an efficient banking system became the mainstay for the sustainability of the financial system (Mkwawa, 2018).

People's trust in the banking sector allows them to erode the anxiety of the financial crisis and maintain the stability in the financial system. The financial institutions are not merely getting debts/loans from the banks, but they are also using banks for their transaction which is a transparent and convenient mode of business.

The Banking Sector of Pakistan is operated through the Banking Companies Ordinance 1962 (LVII of 1962) and the State Bank of Pakistan (SBP) plays the role of surveillant which is empowered by the State Bank of Pakistan Act, 1956 (SBPA). The banking history of Pakistan is as old as the history of Pakistan. The State Bank of Pakistan was established on 1st July 1948 which holds all the resources of the state and is empowered to regulate the banking sector. The core functions of the CBs are to conduct monetary policies and implement them (Schooner, 2003). The CBs supervise and regulate depository institutions. It also maintains the stability in the financial system of the state by taking all possible measures. It is the responsibility of a CB to ensure trust of the depositors in the system.

The CB of the state is the only institution which can emit new notes when needed and implement financial policies. Every CB of the state plays the role of LOLR for its financial institutions when they face liquidity crisis (Mazreku, Morina and Mazreku, 2016). Similarly, the SBP utilizes all its resources to maintain financial stability in Pakistan. The Banking industry of Pakistan is diverse than that of many other countries because it exercises two different banking systems; one is conventional banking system which works on interest rate. However, the other banking system is known as Islamic banking which is based on Shariah laws (Khan, Shafiq and Ijaz, 2017). Before appraising the banking regime of Pakistan it is important to elucidate the conception of the conventional and Islamic banking system.

The Conventional Banks' operations are based on the rules set by the board of directors of such banks. They can establish their rule of business however, cannot exceed from the border line set by the SBP. The Conventional Banks have a fixed interest rate on which they receive money from the depositors and lend to the borrowers. Interest is the main source of income for conventional banks because they offer less interest rate to the depositors and charge high interest rate from the debtors. They do not bear any risk and shift it to the debtors. Core responsibility of the banking industry is to play the role of intermediary between the depositors and debtors (Ahmad, Malik and Humayoun, 2010).

However, on the other hand, the Islamic banking sector claims to follow the injunctions of shariah laws. Therefore, Islamic banks do not operate on fix rate for the depositors and debtors. The main source of the earning for this sector is services charges, consultancy and share in profits. They jointly share the risk with lender, debtor and the bank. Islamic banks get share in the business of the debtors and then on the basis of that share, they offer the percentage to the lenders. The Islamic banking industry is swiftly emerging since last a decade and half. Many economists argue that the Islamic Banking industry could perform better if there would be a separate legal framework which can address its operational challenges (Khan, Shafiq and Ijaz, 2017).

INCEPTION OF ISLAMIC BANKING IN PAKISTAN

Islamic banking system does not merely exist in the sermons of religious scholars or virtual world. Nonetheless, it is operating not only in the financial system of Pakistan but also in many Muslim and non-Muslim countries (Zubair and Chaudhry, 2014). History of Islamic banking is not older as compared to that of the conventional banking. Islamic bank does not offer or charge interest to its depositors and investors, respectively hence it is also known as interest free banking. In Egypt the very first Islamic bank 'Mit Ghamr Social Bank' was established in 1963. Initially, the financial activity of this bank was limited. It collected the funds from depositors and offered the loans to the agriculture industry only. In 1973, the Organization of Islamic Conference (OIC) also backed the conception of Islamic banking. In 1975, a foundation for Islamic Development Banking was founded (Kalim, Mushtaq and Arshed, 2016).

After the recognition of the idea of the Islamic Banking by OIC, it was being disseminated in the world especially in the Muslim states where interest free Islamic banks were established namely, Philippine Amanah Bank 1973, Dubai Islamic Bank in 1975, the Faisal Islamic Bank of Sudan in 1977, the Bahrain Islamic Bank in 1979 and the Meezan Islamic Bank of Pakistan in 2002 (Ahmad, Malik and Humayoun, 2010). In 1983, Malaysia had passed Islamic Banking Act to merge all its conventional banks into Islamic banks and obliterate all interest-based banking (Ahmad and Haron, 2002).

During 1979-1992 several serious efforts were made by the government of Pakistan to establish an interest-free financial system. In 1979, many interest free financial institutions were established in Pakistan e.g. National Investment Trust (NIT), Investment Corporation of Pakistan (ICP) and House Building Finance Corporation (HBFC) ((Ahmad, Malik and Humayoun, 2010). In December 2001, the SBP officially explicated the criteria to establish an Islamic bank in the private sector. In January 2002, Al Meezan Investment Bank was able to satisfy the SBP for the compliance of the principles of establishing an Islamic bank and got license. It started its operations as the first Islamic bank of the Pakistan under the name of Meezan Islamic bank from March 20, 2002 ((Ahmad, Malik and Humayoun, 2010).

Banking system is regarded as an integral part of any financial system and plays a vital role in the economic growth. The strength of any system does not merely rely upon the natural or other resources but legislation which regulates it, has a vigorous role as well. Pakistan's banking industry has gone through an intense process of evolution and many different financial approaches were used to make a strong system.

LENDER OF LAST RESORT IN THE PERSPECTIVE OF PAKISTAN

Lender of last resort is also an imperative part of the modern financial systems like the Basel Accord. The inception of banking system has played an imperative role in the growth of the financial systems at domestic and international level. However, avarice of earning a lot hauled them towards risky business activities and the absence of efficient regulations caused financial crisis. The failure of the domestic banking regulations and detrimental effects of financial crises compelled the policy makers to come out of the trance that the freedom of business for the banking sectors is contributing a lot for enhancing the growth of economic systems. It is indeed an undeniable fact that banks have contributed a lot in the financial growth.

Nonetheless, the damage which has occurred due to the loopholes in the legislations relating to the banking system is also contemplating. After the failure of many banks around the globe, the policy makers recognized the lacunas and realized the need of an international banking regulation which eventually led them towards Basel Accord. The significance of Basel Accord is extensively described above. Basel Accord is no more an international banking regulation merely for the member states of the Basel committee, but it is disseminating across the global (Bordo, 2014).

In the earlier stage of the banking and financial evolution, the role of LOLR was not well accepted by the policy makers. It was regarded as a rescue package for the larceners and criticized by the economists that it is nothing but a wastage or taxpayers' money. As the role of CBs evolved and financial crisis of different eras had damaged the worlds' economy badly, the debate started surging among the policy makers regarding the need of a LOLR for the system. Initially, the understanding of LOLR was nothing more than a rescue package in the form of liquidity or through buying the illiquid assets of the financial institutions which were facing the problems of insolvency. Until the financial crisis of 2007-2008, this role could not grab the intention of the policy makers as an integral part of the financial system (Capie, 2002).

Now, it is realized after a long process of deliberating on the causes of financial crises that the trust of the depositors is the key factor to deter a crisis. However, if dread regarding the failure of the financial spread among the investors they will immediately start demanding their money from the financial system. A surging demand of liquidity adversely effected the system and urged the financial institutions to either sell their illiquid assets swiftly or seek intervention of the CB in the form of LOLR. The presence of LOLR ensures the investors that the financial institution would not collapse which help the financial institutions to keep the trust of their depositors (Berlemann, Hristov and Nenovsky, 2002).

LENDER OF LAST RESORT FOR ISLAMIC BANKS

The operations of LOLR are based on high interest rate as a penalty around the global and no liquidity support comes free because it is against the basic rule of having a LOLR. Even the liquidity which the SBP has obtained in different times from the IMF is based on high interest rate. The conventional banks are working on interest based financial activities in Pakistan. However, the Islamic banking system claims to operate as an interest-free industry. It is still under deliberation that on which conditions the role of LOLR could be played for the Islamic banks. In Pakistan the understanding of LOLR is still revolving around the concept that any financial institution which has liquidity in surplus can play the role of LOLR by lending liquidity to the financial institutions which are experiencing the problems of liquidity. Thus, the SBP has allowed the conventional banks to open Shariah-Compliant windows to address the of LOLR for Islamic banks. Sukuk (Islamic Bounds) are also introduced to address this issue (Zaheer and Farooq, 2014).

Islamic Banks are growing exceptionally well in Pakistan but still a deep evaluation of the history of financial crises divulges that LOLR is an integral part of banking industry. The absence of LOLR can surge a trivial financial panic and convert it into a serious financial crisis. Therefore, it is still a milestone not only to regulate but also to appoint a LOLR for Islamic banking which is a compliant of the Shariah laws (Umer, 2015). The Islamic banks operate as interest free sectors and they do not offer any fix interest to their depositors and do not charge any interest from debtors. If the SBP will offer liquidity support based on interest free grounds which is charged as a penalty to discourage the financial institutions from obtaining it again and again. However, if the Islamic banks will be offered a liquidity support and no interest or penalty will be charged, it will encourage them to seek financial support frequently. History of the financial crises enunciated that a continuous engagement of the CB in lending liquidity as a LOLR causes financial crisis. Hence, a system which can discourage the Islamic banks from seeking liquidity support and comply with Shariah laws is still undiscovered (Khatat, 2016).

FINANCIAL CRISIS AND BASEL ACCORD

Financial crisis and severe losses in banking sectors across the global hauled the contentions towards the solution of the economic crisis. Empirical researches to unfold the causes of financial unrest enlightened that the collapse of banking sector had played a vital role to ignite recession. Financial crisis is not like a natural disaster which occurred surprisingly, but it always has reasons and cautions to befall. In the modern economic system, the causes of financial crisis can be domestic and international. Collapse of international banking and multinational companies can harm the economic system of a country which is growing otherwise. Policy makers around the globe are striving to make plausible regulations which can curtail the vulnerability of the economic systems (Baran, 2009). Before explicating the salient features and contemporary significance of Bessel Accord, it is imperative to investigate the causes and consequences of the financial crisis.

Financial Crisis

Surging demand of money creates a situation in which depositors start withdrawing their money from banks which causes a liquidity shortage. Usually, banks sell their illiquid assets to fulfill the demand of liquidity. However, failure of the banks to handle the situation causes a financial unrest which can drag the entire economic system towards financial crisis. Financial crisis can be caused by several reasons but mostly a panic among the investors or a major bank run becomes the main reason behind a crisis. After the Great Depression (1929) the financial crisis of 2007-2008 was the worst which was mainly occurred because of the collapse of the banking system (Berkmen et al., 2010). However, it was argued by many economists that Community Development Act, 1974 which ordained the banks to reduce their credit check requirements played vital role in creating a financial crisis (Berkmen et al., 2010).

Background of Basel Accord

The banks play a vigorous role to maintain the financial stability and immensely contribute to the GDP of the financial systems at domestic and international level. In the modern economic era, the banks have turn out to be an indispensable part of the financial system. However, loopholes in the regulations allow the banking industry to involve in risky financial activities which can create a financial crisis (Calomiris and Gorton, 1991). Alexander Hamilton has established the central bank named the Bank of United States in 1791. The Banks around the global played an important role in the economic growth; however, due to an inappropriate legal system the banking industry caused financial crises. Thus, many countries implemented mandatory deposit insurance policies to secure the deposit of the investors, but nothing worked as a perpetual solution. After the collapse of serval banks around the global the G10[1] group has established the Central Bank of Governors in 1975 which constituted a committee (Basel Committee) to propose a solution for the banking system (Goodhart, 2011).

The Basel committee proposed a regulation to minimize risk but that could not work because the method which was used by Basel committee to evaluate risk was obsolete. Therefore, the Basel Acord I was amended in November 1991 to comprehend with the challenges. The financial crises of different times urged the policy makers to admit the need of international regulation for the banking system and the importance of the lender of last resort. There were many lacunas in the regulation of Basel I hence, the Basel committee has introduced Basel II in June 1999. Basel II was esteemed as a good regulation to prevent financial crisis. However, major concerns regarding its capacity arose after the financial meltdown of 2007-2008. Thus, the Basel committee has introduced Basel III, but it is yet to be implemented (Toor, 2017).

Initially, only G10 had framed Basel committee but later they enhanced their membership and now more than 28 countries are members of the Basel committee (Bank for International Settlement, 2014). Although there are no direct repercussions for the member countries if they refuse to implement the regulation proposed by the Basel committee, but it was still adopted by many countries. Basel Acord is regarded as a soft international law because unlike the international regulations there are no substantial consequence for not implementing it. However, there are indirect repercussion for the country who will not implement the suggestions of Basel committee because foreign investors and banks will be reluctant to invest. Implementation of Basel's suggestions ensures the investors that the financial system is sound and there is no panic of financial meltdown (Toor, 2017).

Basel Accord I

Banking sector took a fascinating start and due to the profitability, it grabbed the intention of both public and private investors. The banking sector turned out to be an indispensable part of the financial system. However, absence of efficient legislation allowed the banking sector to take advantage from the loopholes of the financial regulations and involved in risky activities. Resultantly, the banking industry started collapsing around the globe and arose serious financial issues which began the contentions of having an international regulation for banking system. Several banks in United States, Bankhaus in Germany and Long Island's Franklin National Bank were collapsed in 1970s. Although the Federal Reserve tried to frame a regulation which could prevent the failure of banking system but could not stop the banks from avoiding regulation. Thus, the G10 had established Basel Committee which gave its findings for the international regulation of banking system called Basel I (Jackson, 2001).

- The Basel Accord is considered as a major milestone in the history of banking system because it had proposed a minimum capital standard for the banks around the global.

[1] Belgium, Canada, France, Germany, Italy, Japan, Luxemburg, Netherlands, Spain, Sweden, Switzerland, UK, US

Member countries of the Basel committee were agreed to set a minimum capital requirement to 8% of risk-weighted assets for all internationally active banks in their jurisdictions. The bank capital was also defined in Basel I. The minimum capital requirement was proposed because the banks were already holding a low level of capital which was further declined due to the increase of off-balance sheet activities. Another main reason behind setting the minimum capital requirement was the avarice of the banks of some jurisdictions to obtain short-term competitive advantage in financial markets. They were maintaining a very low level of capital for getting this advantage which turned out to be a serious problem for the financial systems (Toor, 2017).

- Minimum capital requirement by the Basel Acord seemed to have asked the banks to generate more capital in order to fulfil the requirement. However, during 1990s banks developed various techniques to undermine the riskiness of different parts of their portfolio and introduced a new category of economic capital. Consequently, it arose discrepancies between the minimum required capital and economic capital and allowed the banks to avoid the regulatory requirements (Jackson, 2001).
- To fulfil the requirement of minimum capital, the banks started turning to securitization schemes. Thus, till 1998, the outstanding securitization was more than $200 billion by the ten largest banks of the United States. All these techniques resulted in the failure of Basel I to maintain the capital requirement internationally. Additionally, there was no proper standards to recognize the level of risk attached to the financial activities of the banks. Its scope was also limited to evaluate the reduction of risk in the presence of worthy collaterals which hindered the banks from taking advantage of it (Bhowmik, and Tewari, 2001).
- All these issues of capital requirement and inability of the accord to recognize the reduction of risk through collaterals put pressure on the Basel committee. Thus, the Basel committed had amended the regulation in 1996 and allowed the banks to use the value at risk models for the recognition of the reduction of risk (Jackson, 2001).
- Finally, although, there were major loopholes in the regulatory framework of Basel Accord I, but still it was adopted by member nations of the Basel Committee and some other countries as well.

Basel Accord II

Basel committee had tried to address the lacunas of Basel I therefore they had made a major amendment in it. They had tried to comprehend with new techniques which were developed by the banking officials. However, the changes made by the amendment were unhandy to address the issues. The Basel Committee was pressurized to allow the banks to use the credit risk models for fulfilling the capital requirement, but the committee was contemplated regarding the accuracy of these models. The research carried out in the Bank of England indicated that the model of credit risk was at the very early stage of development. Hence, the committee had to propose new regulation which can address the issue and comply with contemporary issues of the capital requirement and assessment of the riskiness attached to the financial activities of the banking industry (Dowd, Hutchinson and Ashby, 2011).

- Although, Basel II came few months before the financial crisis of 2007-2008 started hitting the financial markets but still it was blamed by many economists for not deterring the crisis. Basel II was proposed to address the loopholes of Basel I and framed an advance financial regulation. The failure of the method of calculating the capital and recognizing the risk reduction in the presence of collaterals urged the Basel committee to repeal it and proposed new one. There was only one method to calculate capital in Basel I however, three methods were proposed in Basel II.

Standardized Approach

Standardized approached was not a new method which was used in Basel II because it was also used in Basel I. However, it was altered according to the requirements of the modern banking system. In this method a fix percentage of risk was used after assessing the financial markets. For example, 35% risk was fixed for the residential loans in Basel II which was 50% in Basel I. Similarly, according to the nature of the business risk was predetermined and fixed for all type of financial activities (Jackson, 2001).

Foundation of International Rating Approach

This was a new approach proposed in Basel II which empowered the lender to determine the risk attached to the financial activities and required the minimum capital accordingly. The acumen behind offering this approach for capital requirement was that the lenders had the maximum stake in the stability of the system hence they would not allow the banks to involve in risky activities without holding a sufficient capital. Nonetheless, this approach allowed the banks to play with their lenders and avoid the minimum capital requirement by undermining the risk because normally the depositors have no parameters to determine it. The Basel II was criticized by many economists after the financial crisis due to this approach (Bank of International Settlement, 2014).

Advance Internal Rating Approach

This method was also initially proposed in Basel II in which the lenders had to determine the probability of default, loss given default and exposure at default. This method was used because it could swiftly determine the risk attached and help the lender to recognize the requirement of the capital. Banks used their own loss probabilities models in this approach (Basel Committee on Banking Supervision, 2001).

The Basel I had not addressed the operational risk; however, Basel II has addressed this issue. The Operational risk is a kind of risk which is attached to the operation of the banks while doing a financial activity. Basel II was not aimed merely to implement new capital rules. Rather, it was mandated to increase the quality of the risk management and supervision. Basel II has introduced three pillars for its regulatory frame in pillar I; it elucidated the minimum capital requirement. Pillar II is Supervisory Review which allows the supervisors to cross check if the banks' own assessment regarding the risk is reasonable or not. Mere reliance on the minimum capital requirement defined under Pillar I is not sufficient hence; the banks and the supervisors must understand the risk profile and capitalize it accordingly. Pillar III is market discipline which enhances transparency in the banks' financial reports (Venkataraman, 2006).

Basel Accord III

Basel II had addressed the lacunas of Basel I and tried to comprehend with the needs of the modern banking system. New techniques were also defined in Basel II to recognize the capital requirement for banks. Basel II was considered a plausible regulation for the banking system however, its failure to deter the financial crisis of 2007-2008 arose several questions on its capability. Although, Basel II was regulated few months before the crisis but still it was blamed for not operating appropriately. The financial crisis of 2007-2008 is regarded as the worst crisis in the history of financial crisis after the great depression. This financial crisis harmed the entire world badly, but it changed the mindset of the policy makers and urged them to consider the proposals of Basel Accord and lender of last resort as an essential part of the financial systems to strengthen the systems against crisis. The collapse of Lehman Brother (September 2008) arose serious contentions and highlighted the loopholes of Basel II. Additionally, the effacing effects of the crisis hauled the Basel committee towards a new regulation hence, they proposed Basel III (Lee, 2015).

- Capital requirement for the commercial banks was revised in September 2010 which later turned out to be the part of Basel III. The causes of financial crisis were deliberated in depth, all possible loopholes were identified and addressed by the Basel committee in Basel III. It was recognized by the committee that Basel I and Basel II were not implemented properly in many states which had contributed to cause crisis. Thus, 27 states had announced that they would start implementing Basel III from 1st January 2013 (Saidenberg and Schuermann, 2013).
- Three main pillars of Basel II are reformed in Basel III. For common equity the minimum capital requirement was 2% in Basel II which is increased to 3.5% in Basel III. For tier I the minimum capital requirement was 4% which is increased to 4.5%. The term Bank is explicitly elucidated in Basel III. For all risk weighted assets minimum capital requirement is declared 8%. Capital Buffer is a new term to use in the banking system is defined in Basel III which can be calculated as;
- Available Capital – Risk Capital = Capital Buffer (Lee, 2015).
- After the proposals of Basel III many economists showed their concerns if it can prevent any further financial crisis and remonstrated that it will be a tough task for the banks to meet the minimum capital requirement set by the Basel III. The banking systems of the small economies will not be able to meet the capital standards resultantly they would not be able to implement it. Basel III is trying to enhance the level of communication among the banks and improve transparency which will help to evaluate the riskiness accurately (Kwaku and Mawutor, 2014).

Implementation Challenges of Basel Accord in Pakistan

Although 27 states were passionate to fully implement Basel III from 1st January 2013 however, according to the report of Basel committee which was published in April 2013 only 11 states could implement it. Not only the countries having small economies are struggling to implement it but the countries like Canada is also struggling for it. They have passed rules which were made to implement the framework of Basel Accord in December 2012. However, they were not able to implement them till January 2014 (Gurrea-Martinez and Remolina, 2014). Moreover, developed countries like United States has adopted a different method to implement the framework of Basel Accord. Dodd Frank Wall Street reforms and Consumer Protection Act were used to implement it at domestic level. Capital Requirement Regulation (CRR) and Capital Requirement Directive (CRD) (June 27, 2013) were mandated to implement Basel III in Europe. The CRR is now the part of the domestic law in all member states. Basel III is not a regulation only for the banking system, but it also covers all the financial institutions. However, some states like Switzerland has set even a more higher capital requirement for their banking systems to minimize the dread of insolvency (Ojo, 2018).

There is a split on the matter of capital standards in the EU because the United Kingdom and Sweden are of the view that the capital standards must be discretion of the state instead of having a same standard. However, Germany and France emphasize on having a same capital standard in the EU states (Gurrea- Martinez and Remolina, 2014). Pakistan is a country which is facing several economic and political challenges. It is listed in the developing economy and among countries having small economies. For a country like Pakistan, it is not an easy task to implement the capital requirement regulations of Basel III immediately. It can take several years to fully implement Basel III. Pakistan, unlike many other developing countries, took serious initiatives to implement it. State Bank of Pakistan has issued a circular (BPRD Circular No. 06, 2013) which was passed by the parliament in 2013, is mandated to implement the framework of Basel III in Pakistan (Alamdar and Shah, 2012). Initially, this circular only addresses eligible capital, capital ratio and leverage ratio and explicitly states that other parts of the framework of Basel III would be addressed separately. This circular however, gives a resounding message to the financial institutions of Pakistan regarding its intentions to implement the framework of Basel III. State Bank of Pakistan has set a deadline of 31st December 2019 to fully implement Basel III on all of its banks and financial institutions (Masood, 2017).

WAY FORWARD

The problem of having a LOLR facility for the Islamic banks based upon interest-free liquidity support is also a big challenge for the SBP to address. Islamic banks work as interest-free companies that is why it is not possible for the SBP to play the role of LOLR for these banks based on the classical theories of LOLR. The CBs around the globe charge high interest rate to discourage the financial institutions from relying on the liquidity support of the LOLR. The SBP while acting as LOLR for Islamic banks can use the option of nationalization as the BOE did in the case of Northern Rocks because if the liquidity support will be interest-free, it will incite Islamic banks to frequently seek liquidity assistance. Consequently, the SBP will start experiencing liquidity crisis which will lead it to seek another bailout package from IMF. Additionally, the SBP can use same approach as the Islamic Banks and take share in the profit of these banks. Furthermore, the SBP can purchase the illiquid shares of Islamic banks instead of directly injecting liquidity into them and once they overcome from the liquidity problem, resale those illiquid assets on the market value at the time when SBP can earn money as much as it has spent in playing the role of LOLR. The SBP must impose conditions on Islamic Banks which are seeking liquidity support from it that they could only invest in the businesses which are progressive. The proposals of Basel Committee should also be implemented by the SBP as a matter of urgency which can be helpful to inhibit a financial crisis.

CONCLUSION

The banking regime of Pakistan is explained in this research and all the laws which regulate the banking industry are also described. The role of the banking sector in any financial system is appraised and argued on different polices which are used to establish a sound financial system in Pakistan. The effects of a financial crises are enlightened. Basel accord is an international regulation for the banking system. The reasons for establishing a Basel Committee and loopholes in the Basel I and II are also illustrated in it. The implementation challenges of Basel III are examined and the steps which Pakistan took so far to implement Basel III are also evaluated. Finally, the role of LOLR is explicated in the context of Pakistan and the laws which legitimize its functions are also appraised. The diversity of the banking system is also described and the challenges which the Pakistan is facing to establish a system of LOLR for the Islamic banks are also observed.

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ADDRESSING GENDER AND POLITICS GAPS THROUGH CORPORATE SOCIAL RESPONSIBILITY: IN A PHILIPPINE PRIVATE COMPANY SETTING

MS. KRISTINE DEMILOU SANTIAGO

The cataclysm of women to establish their equal worth in a patriarchal society has been struggling in a relative note most significantly at workplace. In a third world country like the Philippines, the head of the family according to the law of the land who is the father, has the responsibility to act as provider of the family. But in a contemporary world modernized by education and opportunities for both sexes, where gender equality has continuously being fought for, working women have already been recognized for equal opportunities by private and public corporations. Private sector development and equal rights for women can very well go hand in hand: ‘Where business is good for women, women are good for business’. This is now a call for Philippine business industries to take a step ahead. The increasing level of demands for women to take the challenge are in frontlines.

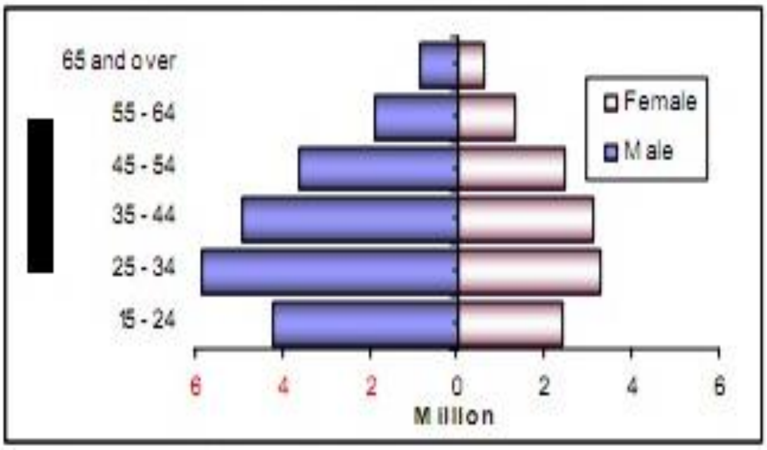
FAMILY CARETAKERS AND FINANCIAL PROVIDERS: WORKING MOTHERS IN THE BUSINESS INDUSTRY

In the Philippines setting, where history provides an image of a patriarchal society, the outcry for women empowerment has been a struggle unfold. Where women have been deprived for equal rights and opportunities, they were bound to be the prime backbone of the household – intentionally assigned to deliver output for the members of the family. Back then, women are bound to be the caretaker of the family which made them less productive in the larger scope of the society – professional occupations. According to Hays (2008), in traditional societies they have been responsible for planting and household chores and child care although men have participated some in these duties. Men are seen as head the head of the family, but women often assume the role of major income or wage earner as well as homemaker and nurturer of their children. Women are just as likely as men to seek and take overseas contract work. There is broad commitment to extended education at secondary and tertiary education for girls as well as for boys, by all families that can afford it. However, in families with limited means, girls are more likely than boys to be asked to defer or sacrifice their own education in order to support the education of younger siblings, especially younger brothers.

But after several feminist movements, where equal rights have been fought for to disregard gender at any point, most especially at workplace, at present, women have been implicitly and explicitly treated as much if not “fully equal” as that men in business industries. The gender discrimination has been set aside as the first major shaft happened in 1986 Philippine revolution – where democracy has been institutionalized in the Philippines. The overarching principle of democracy imparted an important beginning for women to get equal rights in terms of education, benefits, workplace and social positioning in the society.

This has vastly transformed every promising endeavor to weigh every single opportunity that came along to the Philippine population regardless of gender. And therefore, has concluded the challenge for women to provide equal output to that of men in the workplace. Nowadays, it cannot be said that the challenge has already ended – instead a larger scale of measure has took place – the role of women as mothers and at the same time, financial providers. When education has been entitled to everyone – women have been shouldering responsibilities for their families not just in terms of household chores but also in their search for professional careers. As to reasons, the statistics differ as to what really triggers a woman to work and practice their professional careers – may it be to pursue what they have studied, provide additional financial needs of the family or even be it that they become the main financial provider of the family.

Figure 1: Employed Persons by Sex and Age Group: October 2008



In the report by Philippine Statistics Authority (2009), the estimated number of employed persons based on the October 2008 Labor Force Survey is 34.5 million. Of this number, 38.4 percent are women (13.3 million). This translates to an employment rate of 93.5 percent for women, higher than the employment rate of 93.0 percent for men. Employment among women is highest at age group 25ÃƒÂ¢Ã¢â€šÂ¬Ã‚Â• 34 years at 24.8 percent, followed by those aged 35 ÃƒÂ¢Ã¢â€šÂ¬Ã‚Â• 44 years (23.5%), and 45 ÃƒÂ¢Ã¢â€šÂ¬Ã‚Â• 54 years (18.8%). Majority of employed men belong to the younger age groups, wherein 19.8 percent are 15 ÃƒÂ¢Ã¢â€šÂ¬Ã‚Â• 24 years old; 27.4 percent, 25 ÃƒÂ¢Ã¢â€šÂ¬Ã‚Â• 34 years old; and 23.1 percent, 35 ÃƒÂ¢Ã¢â€šÂ¬Ã‚Â• 44 years old.

This is a clear implication that women have been taking an enormous place in the employment sector. Through these latest data provided by a government agency, it is initially figured that there is a high time call for household mothers to be financial providers at the same time. The attempt by women to be working professionals have played a vital role in companies to take the challenge as well to be the point of adjustment in case they hire working mothers – a gender playing a salient scope in the basic unit of the society. With all of these being compiled in a single logic, what has been happening to working mothers shall be considered to be in politics – a political choice for a mother professionally working in a private company of whether how much of what between household responsibilities and professional career she will best owe her capabilities. The gap between these two responsibilities have been in a larger scale to be resolved especially in cases where supposed "household mothers only" are having no option but to end up practicing their professional careers due to certain reasons they considered pushing them to do so – lack or insufficient financial support from the head of the family (the father), absence of head of the family and a lot more in the list. The purpose of this section is to prove that there is indeed, a need for the mother (caretaker of the family) to be a financial provider (may it be minor or main provider). For with this circumstance, it shall be better understood gender and politics gaps exist because reasons are present.

Work and family—two words that highly interact and support each other, and two words that may cause the most conflict and stress when combined.

Filipino workers are generally over-employed, rendering more than the required 40 hours of work per week to earn more and sustain adequate family life. Work and family—two words that highly interact and support each other, and two words that may cause the most conflict and stress when combined. Filipino workers are generally over-employed, rendering more than the required 40 hours of work per week to earn more and sustain adequate family life. This is true not only to men, who were the traditional family breadwinners, but also to women whose population in the workforce continues to grow. The growing number of women in the workplace can be due to the increasing need to supplement family income and the desire for empowerment and financial independence. Yet the Philippines is a highly familial society. We put particular emphasis on ensuring that the children and the house are taken care of according to standards set by past generations where most mothers have the luxury or the preference to remain at home. Most employees, especially working moms, will agree that there comes a time when work and family roles come in conflict with each other and that fulfilling the demands in one domain makes it difficult to fulfill the demands in the other. This produces tremendous negative stress or distress on the employee (Philippine Daily Inquirer, 2012).

WORKING MOTHERS IN A PHILIPPINE PRIVATE COMPANY: AN ATTEMPT TO ADDRESS THE GENDER AND POLITICS GAP

The call to address the gender and politics gap highly exist in local companies in the Philippines as company positions have been opened fairly enough (or most likely to be fair if not equal) to both men and women considering working qualifications. This study has been targeting to reveal what should be done in an implied gender and politics gaps in the workplace (showcasing initial surveys to working mother employees in a Philippine private company) and how to start addressing said gaps.

Having more hours at work likewise impact family life. Obviously, the more hours the Pinoy spends at work, the less time he or she has with the family. This means less quality time spent with one's spouse and children as well as less time for household duties and responsibilities. As for age, it was found that younger couples tend to experience more work-family conflict than senior couples aged 40 and above. This is because younger couples are adjusting to their new roles as spouse or parent. Adjusting from single to married life can already be stressful and levels of stress become even higher when the children are born. More senior couples, on the other hand, have passed through the adjustment stage, are more stable and have more independent kids.

As expected, women reported experiencing more instances of work-family conflict than men. Aside from doing work, women have significantly more household responsibilities. A review of literature showed that this finding was true even to other nationalities (Philippine Daily Inquirer, 2012).

Figure 2: Sample Survey for Initial Implications of Genders and Politics Gaps in a Philippine Private Company

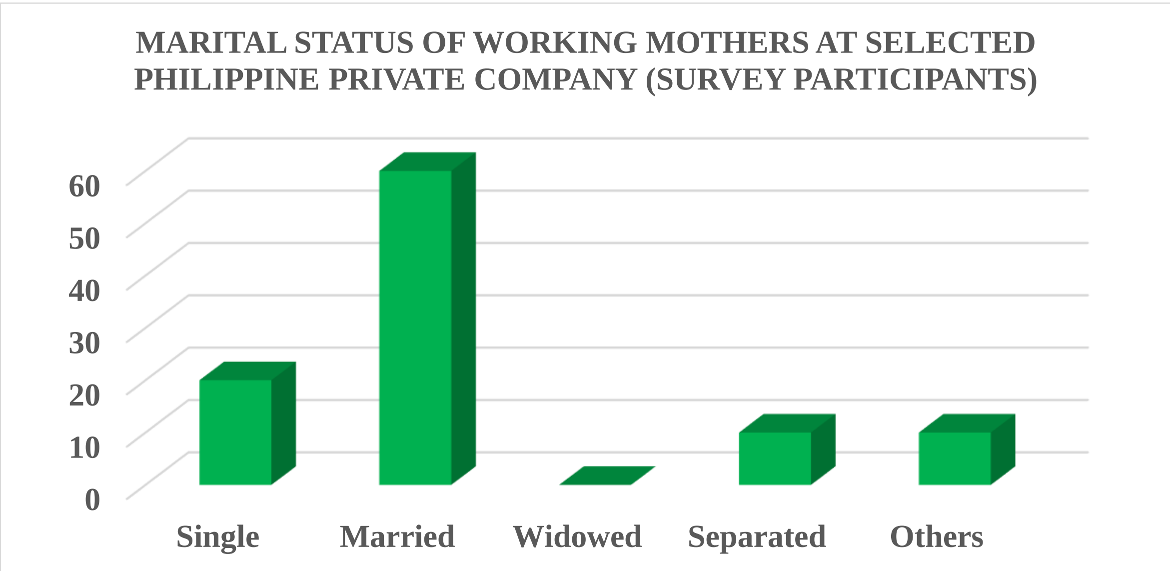
NAME:
DEPARTMENT:
SCHEDULE:
PRESENT ADDRESS :

1. Please choose marital status by checking on the blank beside status:
   ___ Single ___ Married ___ Widowed ____ Separated
   ____ Others, pls. specify: ______________________
2. How many children (with age) do you have? ________________
3. What is your husband's present occupation? _______________
4. Is your husband the main provider of financial needs? _____ Yes _____ No
5. How many times a month do you take a leave for your family matters such as babysitting, attending parent's meeting, etc.: _________________________
6. Does your leave for these reasons affect your work schedule such as delay of work assignments and the like? ________ Yes _________ No
7. If provided by the company, are you willing to bring your child in the company's learning centre instead of taking a leave? ______ Yes _______ No

Thank you for taking this short survey!

As seen in the sample survey sheet formulated to commence a thorough findings if gender and politics gap really exist in the identified Philippine private company, questions were placed according to what are the initial input details of working mother employees. After determining the built of the family set up, the questions proceeded with general capture of what might be the conflicts between family responsibilities and professional careers of working mothers. The survey slightly presented a possible pipe up solution for gender and politics gaps in the workplace – the conflict of performance between household responsibilities and professional careers.

Table 1: Data on Marital Status of Working Mothers at Selected Philippine Private Company (Survey Participants)



As shown in the answers on the first question, marital status varied according to legality of their family set up. Although majority of the participants in the survey have been married and legally bonded according to laws and procedures of the Philippines, there are still working mothers who have been struggling to have a normal life. If from the beginning, the mother has already a problem in the "supposed normal family life" – from dating to being married and starting a family, the stress is started to being carried along the way.

Table 2: Data on Number of Children and Age Range of Working Mothers Have

No. of Children	Percentage	Age Range
1 - 3	80%	0 - 9 years old
4 - 6	10%	10 -19 years
7 - 9	10%	

Majority of the working mothers have children of at least one to three with ages ranging from zero (0) to nine (9) years old. At these ages, it is quietly significant that mothers took care of their children because they are still in their early childhood stage. By which, it means that more attention should be imparted in doing household care for these age range. This is an obvious implication that if a mother is in a professional career, she is more likely juggling her time and efforts to perform better for both her personal and professional responsibilities considering requirements being presented to her by both aspects.

As shown in the information provided, majority of the age range of children for each survey participants are minor and therefore be concluded as unemployed. By this, the main source of income are being supported by either the father or the mother.

Table 3: Data on Main Financial Providers of Families' Survey Participants

MAIN FINANCIAL PROVIDER	
Husband	40%
Wife	60%

Table 3 containing data on main financial providers of families by working mothers who participated in the survey exhibit that the 60% of the total survey participants who are working mothers are the main financial providers. The greater part of the working mother population of the selected Philippine private company is the core source of financial needs of the members of their respective families.

This therefore states, the vast burden of a working mother's role to take quality care of the household and at the same time provide for the financial requisites of the family.

Table 4: Data on Frequency on Leave of Absence (LoA) Due to Family Matters

FREQUENCY OF LEAVE OF ABSENCE DUE TO FAMILY MATTERS	
Frequency	**No. of Participants**
Once	50%
Twice	50%
More than twice	

The frequency of leave of absence as shown in Table 4, provided the information that working mothers seek absence in workplace between one to two times per month. These absences have also direct implication on day to day operations of the company according to Human Resources department of selected Philippine private company.

While leave of absences have been identified by working mothers in workplace, 100% of the survey respondents said that there were no affected task assignments due to their call as caretaker of household every time they ask for a leave.

CORPORATE SOCIAL RESPONSIBILITY AS THE TOOL IN ADDRESSING THE GENDER AND POLITICS GAP IN A PHILIPPINE PRIVATE COMPANY SETTING

As the study has revealed that there is indeed an inevitable necessity to cater the gaps on gender and politics at workplace for working mothers, these matters clearly reflect the Corporate's social responsibility for their employees who are considered working mothers.

The survey respondents delivered an 80% positive rate when asked about their willingness to bring their children in a company's learning center instead of taking leave of absences. Though there is a 100% result that their leave of absences do not affect their work performance, an 80% yield to agreeing with sending their children to company-sponsored learning center highly infers that there is a need for the company to take a massive concept of helping their working mother employees through corporate social responsibility programs that address the gaps of their call as a mother and as a professional worker in the society.

This study is further open to trigger new contributions about this topic and look forward to large scale discussions on this matter.

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TOWARDS SUSTAINABLE INVESTMENTS: A COMPARITIVE STUDY OF TRADITIONAL FUNDS AND SUSTAINABLE FUNDS

MS. TUHINA SRIVASTAVA

ABSTRACT

This study highlights how sustainable investing precedes over traditional investing in terms of instrument viability, investment structure and risk-reward ratio. Sustainable investing may refer to as all forms of Environmental, Social and governance (ESG) Investing. This paper scrutinizes the scope of diversification of volatility and return realization to be better in sustainable investment funds. It is carried out in South Asian countries and USA as a globally affecting economy. Preliminary results show that majority of South Asian countries have not incorporated ESG funds as a financial instrument under mutual funds market. USA on the other hand has many ESG funds and their returns are almost equal to that of other funds or indexes. Outcomes of this study would fuel the growth of ESG funds as ESG-Focused assets are on the rise and findings of this nature would make the readers cognizant of its correlation with the lower cost of capital.

Keywords: Sustainable Investing, ANOVA, Sustainable funds, Social & Governance Investing, Traditional funds

INTRODUCTION

The major economies of the world are presently facing issues like income inequality and climate change threats. Traditionally, investors across the globe aimed for high financial returns generated from their portfolios. However, a few investors, particularly in the developed world have now shifted their focus from conventional investments (with financial returns in focus) to sustainable investment (with sustainability in focus along with financial returns). These investors have paved way for rest of the world to consider sustainable funds for their future investment decisions. Conventional Investments usually refers to investing into well-known assets such as bonds, cash, real estate and equity shares with a sole purpose of earning high financial returns. However, Sustainable Investors aim to use environmental, social and governance (ESG) criteria to evaluate the impact of their investments (Chen, 2016). ESG is the most popular criteria to ascertain the sustainability of a fund. Sustainable investing may refer to as all forms of Environmental, Social and governance (ESG) Investing, Social Investing and Responsible Investing. Since its inception, Sustainable Investment has witnessed an increased growth while it has now started to expand its horizon into developing countries as well. For instance, hedge fund operator Avendus Capital Ltd., plans to start an India focused ESG fund with an overall corpus of $1 Billion (Karve, 2019).

Professionals and researchers have conducted many researches related to conventional and sustainable funds, comparing their financial return and volatility taking many different factors. Majority of the time, result shows that sustainable funds are safer than the conventional funds and it is beneficial to both individual and society. Like Company's have Corporate Social Responsibility (CSR) regulation that makes them to take more CSR models and values to help the economy grow, in the same way new investment methods like Impact Investing, Social Responsible Investing (SRI) are being taken into consideration in order to benefit the economy of one's country.

This paper focuses on scope of diversification of volatility and return realization to be better in sustainable investment funds. It also tries to analyze the performance superiority of sustainable funds over traditional funds. The First section comprises of the trading of sustainable funds across the globe, which include both developed and developing countries. These countries are still far behind in trading in stock market and have less investment option then other parts of the world. Second section comprises of ESG funds that are traded in USA and its comparison with NASDAQ index. The ESG funds taken into consideration are: Calvert Emerging Market Equity Fund (CVMIX), Parnassus Fund (PARNX) & Domini Impact International Equity Investment Fund (DOMIX). These funds are being traded in US market from last 10 years. Analysis tools such as ANOVA and other ratios are used in comparing the ESG fund and the NASDAQ Index in order to differentiate between the two funds. Positive outcome of this study would fuel the growth of ESG funds as ESG-Focused assets are on the rise and findings of this nature would make the readers cognizant of its correlation with the lower cost of capital and market-based outperformance.

Sustainable Investment across the globe

(a) Sustainable Investment in Developed World

European markets continue to set the global standard for sustainability. ESG based investment philosophy has foundation in United States and Europe set in 1960-70. In Europe, the first SRI fund was launched in Sweden in 1960s whereas socio-political movements in US led to start of socially responsible investments in 1970s. France is the top-scoring global market on environmental criteria. The Netherlands leads the world when it comes to governance. Australia is the highest-scoring, non-European market for sustainability, which is driven by its big banks. Denmark leads on the social pillar. Countries like Japan score is dragged down by governance issue. China is one of the worst scorers across ESG criteria. (Lefkovitz, 2017)

(b) Sustainable Investment in Developing Countries

Sustainability is not just a developed market phenomenon. Several emerging markets score above the global median, including Colombia, South Africa, Hungary, and Taiwan.but some countries like South Africa lack the knowledge as to how and why environmental, social and corporate governance should be mainstreamed into their funds. Brazil has Sustainable Investment environment relatively stronger than any other large emerging economies. Sustainable Investment in developing countries include foundations, high net-worth individuals, early-stage venture funds, private equity funds, development finance institutions and other institutional investors

(c) Sustainable Investing in South Asian Countries

South Asian countries comprises of 8 main countries, they are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The paper focuses on sustainable investments in these countries. It primarily focuses on the returns and volatility of the ESG funds being traded in the market of these countries. Results show that South Asian countries have limited or no sustainable stocks trading in their market. Afghanistan, Bhutan, Maldives, and Nepal have no ESG funds in their market. Theme of Sustainable Investment is still absent in their economy. Majority of investor are unaware of benefits of ESG funds and sustainable investing. Others who are aware of this have to invest in the funds that are outside their countries. A Swedish frontier market specialist Tundra has identified Sri Lanka as a core market and is planning to involve them in their growth process that includes investing sustainable funds. They held a form in collaboration with Colombo Stock Exchange (CSE) which constituted top MNC’s managers and government employees to enhance their knowledge about the benefits of ESG funds and how they help in attracting foreign capital. Bangladesh and Pakistan are also the part of the Tundra’s sustainable profile. Due to this initiative some part of South Asian countries is moving forwards towards new opportunities.

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Coming to India, they have few ESG funds being traded in the market. DSP India T.I.G.E.R Fund-Reg(G) and SBI Magnum Equity ESG Fund-Reg(G) are two government ESG funds that are being traded in the market. DSP India T.I.G.E.R Fund-Reg(G) was launched on July 11' 2004, they are an open-ended diversified scheme seeking to generate capital appreciation which could benefit from structural changes brought by continuing liberalization in economic policies by the Government.(reference).Another one is SBI Magnum Equity ESG Fund-Reg(G), it is the oldest sustainable fund in India. It was launched on January 01'1991 to provide investors with opportunities for long term growth in capital through an active management in a diversified basket of companies following ESG criteria. (reference)

Crisil and S&P has launched an index based on environmental, social and governance (ESG) theme few years back. The index is known as S&P ESG India. The S&P ESG India is an index that provides investors exposure to 50 of the best performing stocks in the Indian equity market as measured by environmental, social, and governance parameters. The index represents the first of its kind to measure environmental, social, and corporate governing practices based on quantitative rather than subjective factors with the implementation of a unique and innovative methodology. It is based on Environmental, Social and Governance (ESG) scores. The weight of each constituent in the index is tilted based on ESG score assigned to the company i.e. the constituent weight is derived from its free float market capitalization and ESG score. ESG performance of a company is measured on three pillars: environmental, social and governance. Based on the raw score and weight of all applicable indicators across E, S and G pillar, a weighted average company level ESG score is determined, which ranges from 0 to 100. The companies are assessed annually by Sustainalytics based on annual filings & other sources. Additionally, companies are monitored on an ongoing basis for any controversy pertaining to ESG.

Since India is the only country with a separate ESG index among all others, its comparison with other countries is not possible. Also, they are the only one who has ESG funds being traded from last so many years. Thus, in order to actually understand the comparison between the traditional funds and Sustainable funds, we took ESG funds that are traded on US market exchange and the US index NASDAQ.

Sustainable Investment as compared to Conventional Investment (An example from USA)

The US economy is expected to continue growing steadily over the next few years, outspacing many other western countries. Its economic outlook is healthy according to the key economic indicators. The most important economic indicator is gross domestic product, which measures the nation's production output. The GDP growth is expected to remain between 2% to 3% which is supposed to be the ideal range.

US sustainable, responsible and impact investing continues to rise, with total SRI assets at the beginning of 2016 at $8.72 trillion. (GSI, 2016). In this the major holders are institutional investors, money managers, and community investments institutions who apply various ESG criteria in their investment analysis and portfolio selection. Assets also involve US-domiciled assets held by money manager and institutional investors who filed or co-filed shareholder resolution on ESG issues at publicly traded companies in last 4 years. There are several factors that drive the growth of ESG assets in US market. Some factors are market penetration of SRI products, the developments of new products that incorporate ESG criteria. These kinds of investments are coming to light because of the increased disclosures to the principles of Responsible investment by the US investors.

Descriptive analysis is done between the US index NASDAQ and 3 sustainable funds in order to discover the returns and volatility of conventional fund and sustainable funds. Investment structure, risk reward ratio and instrument viability are determined among the stocks and the index by calculating various ratio like mean, standard deviation, beta, sharper ratio and treynor ratio. Calculation of all the 3 funds and Index is shown in Fig (1), where they are compared with each other. Sustainable funds that are taken are Calvert Emerging Markets equity (CVMIX), Parnassus (PARNX) and Domini Impact International Equity Inv (DOMIX). Mean is the average daily return of stock. It is said the higher the mean the better the returns are. When compared NASDAQ has higher mean than any of the funds, thus it gives higher returns than the sustainable funds. Another tool is Standard Deviation that is used to measure the risk of the fund. It is said the lower the SD, the better is the fund. The results show NASDAQ has the highest SD making it the riskiest of them all. Next is the beta, it is the comparison between the market risk and the individual stock risk. The Beta of the market is always 1, if the individual stock volatility is less than 1 then it is less volatile then the market. The last analytical ratios are the sharper ratio and the treynor ratio, sharper is associated with the standard deviation whereas treynor is linked to the market risk(beta). The higher the ratios the better is the fund.

Analysis of variance (ANOVA) is a statistical formula that is majorly utilized to determine the influence that an independent variable have on the dependent variable in a regression model. In this scenario, NASDAQ is taken as independent variable and the other three as dependent variable. Result can be shown in Table (2).

Anova Results shows that they are not very different.

Hypotheses:

H_0: Conventional funds and Sustainable Funds are not different in respect to financial returns

And volatility

H_1: Conventional funds and Sustainable Funds are significntly different in respect to financial returns and volatility

Based on the out from ANOVA, sig level is (.415), thus our H_0 is accepted hence indicating that both funds are not different from each other in respect of the financial return and the volatility.

CONCLUSION

Socially Responsible Investing (SRI) or Sustainable Investing (SI) seeks to balance social return and financial return at the same time. Whereas the traditional funds seek only the financial return form the market. Our main objective was to ascertain whether the sustainable funds are better option than the conventional funds. Investment in Sustainable Funds comes with no extra cost in terms of financial returns. ANOVA shows that they are not different from each other. Thus, an investor can invest in ESG funds and earn return as well as can help the environment. It is a much better investment option than the conventional funds. It would be beneficial for both the investor and the country's economy.

We calculated the yearly annual return, which showed that the NASDAQ (14.665%) has the higher return than the CVMIX (5.32%), PARNX(-3.72), AND DOMIX(.5).But on the other, in context with the risk (standard deviation) the funds have risk that is lower than the conventional fund. CVMIX (0.26), PARNX (0.15), and DOMIX (0.17) has lower SD than the NASDAQ (0.7)

Thus, they are the safer investment which an investor can select. A stock with normal return and less risk is better than a stock with high return and high risk. Beta of the market is always 1, if it is >1, it means the security is less volatile than the market. If its <1, it means the security is more volatile than the market. Two out of three funds have beta <1, which means the majority of sustainable funds are less volatile than the market. The portfolio is less risky with the stock included than without it (Clenton, 2019). Ratios such as Sharper and Treynor are used in order to compare the return and risk of the fund. The higher the ratio of the fund the better is the ratio. Here the conventional fund has higher rate than the sustainable funds but the risk is high too.

Investing in ESG funds reduces your risk and gives the investor a chance to stabilize his earning. A hedger who believes in avoiding risk can invest in such funds. What better way to invest, when investing in sustainable fund can help an economy grow. Sustainable funds are the future of the markets. Countries in South Asia that lack these funds are starting to expand their horizon to be part of this sustainable world.

TABLES AND FIGURES

TABLE (1) DESCRIPTIVE ANALYSIS

DESCRIPTIVE TOOLS	NASDAQ	CVMIX	PARNX	DOMIX
MEAN	14.66%	5.82%	-3.72%	0.5%
STANDARD DEVIATION	0.7	0.26	0.15	0.17
BETA	1	1.09	0.6019	1.3233
SHARPER RATIO	0.555	0.344	0.166	0.274
TREYNOR RATIO	19.87	2.68	1.72	0.18
RISK FREE RETURN	2.36%	2.36%	2.36%	2.36%

TABLE (2) ANOVA ANALYSIS

ANOVA

returns

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.935	3	.978	.950	.415
Within Groups	4093.454	3976	1.030		
Total	4096.389	3979			

Robust Tests of Equality of Means

returns

	Statistic[a]	df1	df2	Sig.
Welch	.801	3	2202.303	.493
Brown-Forsythe	.950	3	3840.050	.415

a. Asymptotically F distributed.

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1-CO10-1826

A REVIEW OF KEY THEORIES OF CORRUPTION, MEASUREMENT OF CORRUPTION, AND APPLICABLE RESOLUTIONS IN THE UNITED STATES

DR. CAITLIN STEIN[1]

Our country continually moves away from federalism and towards a central state. The Constitution delegates specific powers to the Federal Government such as the power to coin money, regulate commerce, declare war, raise and maintain armed forces, punish crimes committed on the high seas, and to establish tariffs, yet the Federal government continues to obtain more of the State's power. With more power comes more corruption.

There are three major theories of corruption. These theories are agency idealism, structural materialism, and structural idealism. Agency Idealism states that bad people will do bad things and good people with do good things. Structural Materialism is solely based on self-motivation and maximization of economic returns. Structural Idealism focuses on social context and culture. Structural Idealism is best defined as the philosophical notion that there is an ideal way for a community to behave and live.

Corruption will always be a problem due to the imperfect nature of man, but if we work towards transparency, accountability, higher oversight, smaller government, and harsher punishments we should see a steep decline in corrupt actions. All of these methods sound noble, but all of these methods will take years to work through the bureaucratic and legal system to see any results

2-CM01-1815

ENHANCING THE BANDWIDTH OF BUSINESS FINANCING USING INTELLECTUAL PROPERTY AS COLLATERAL: A INDIAN PANORAMA

MR. SWAPNIL KOTHARI[2] AND MR. DIVYADITYA KOTHARI[3]

Since 19th century, financing has always been a rigorous concern. During the 1880s, in order to lose the grapple of taut finance and to start his own Electric Company, Sir Thomas Edison used his registered patent of incandescent light bulb as a "collateral" to raise the principle capital funds. It was a remarkable step to aggrandize the finance sector, but unfortunately, it took us more than 100 years to resuscitate the renaissance step.

Observing the contemporary dynamic business environment where companies are fighting head to toe to create and maintain their market and brand, the most frequent problem that any business face, is their line of credit.

Collateralization of IP has re-emerged as a new credit enhancement tool during the recession period. All countries across the globe are adopting this method, though the practical implementation is arduous. Distinctly, in 2009, the China Banking Regulatory Commission had decided to let small technology companies use their patent and other type of IPRs as loan security (collateral). Comparatively, in India, Vijay Mallya, ex-chairman of UB group convinced the State Bank of India to accept kingfisher airline's "brand" as collateral to raise ₹2000 crore in debt.

Few international conventions like W.I.P.O. and U.N.C.I.T.R.A.L. are regularly working to implement and execute the model of IP-backed financing in all the countries.

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[2]Mr. Swapnil Kothari, Chancellor, Renaissance University, India.
[3]Mr. Divyaditya Kothari, Director, Renaissance University, India.

There are few examples of US and Japan lending loans by keeping IPs as collateral, which can inspire the developing countries like India in adapting this new technique of finance.

In the year 2000 and 2007 respectively, U.N.C.I.T.R.A.L. had established a working group to address security rights in personal property, including intangible assets and also concluded a legislative guide that contains recommendations for a uniform legal regime for secured financing, which also covers IP financing.

Developing countries (including India) face following hurdles in executing the idea of business financing through IP, which are: -

- Non – Availability of any fixed and secured set of rules and regulations,
- No prescribed method for Valuation of I.P.,
- Lack of political pressure to modernise these systems,
- Lack of awareness

This paper talks about the laws relating to the securitisation of intangible assets in India and tries to compare it with few other jurisdictions in order to suggest a better solution for above stated problems. The paper will discuss the short-comings and amendments needed in Indian Laws to effectively implement this model. It also presents a comparative study of laws of various countries and the result of their implementation.

This paper will also try to suggest a method of valuation of few IPs which can be used a common method for all the financial institutes across India and which comply with the regulations of Reserve Bank of India.

4-CM10-7016

AN EMPIRICAL ANALYSIS OF INVESTORS' MENTALITY TOWARDS DIVIDENDS' POLICIES AND THE 2003/7 AMERICAN INVASION TO IRAQ: EVIDENCE FROM AMMAN STOCK EXCHANGE

DR. MOHAMMAD SAMI ALI[4]

This research aimed at evaluating the monthly impacts of dividends policies and the 2003 American Invasion to Iraq in the mentality of Amman stock exchange's investors as captured by the stock market's performance, over the period Jan/1990-Dec/2017. Consequently, results from the ADF test showed that the examined variables became stationary only after including the first difference. However, findings from the Johansen and the ECM tests confirmed that investors' mentality as measured by the Buffet indicator is significantly influenced by dividends policies and the 2003 American invasion, over the long-run. By contrast, the study revealed that the market's performance as gauged by the value traded and the M/BV ratio is significantly impacted by the American Invasion in the short-run. On the other hand, the study revealed that there is no short or long-run causalities running from dividends policies towards investors' mentality as captured by the general stock index, M/BV ratio or the value traded. Moreover, the study concluded that the market's performance was positively impacted by the inflow of Iraqi investors as they increased the stock market's capital gains, due to the increase in stock demands. Thus, since the monthly change in capital gains as well as the dividends' yield ratio, and the dividends' amounts is found to be significantly and positively associated with the market's performance, the study induced that the stock market's investors are following both the relevance as well as the irrelevance dividends' theories.

Keywords: Investors' Mentality, Buffet Indicator, 2003 Iraqi War, 2003 American Invasion, Dividends' Policies.

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5-CM14-7200

THE GENDER EQUALITY LAW IN 2015 AND ITS EFFECT ON IMPROVING FEMALE REPRESENTATION IN SENIOR POSITIONS OF JAPANESE LISTED FIRMS

MR. YUICHIRO MITSUTAKE[5]

Female representation, including in senior positions, in Japanese listed firms is considerably low among OECD member states. In order to diminish gender equality, the Japanese government enacted the 'Act on Promotion of Women's Participation and Advancement in the Workplace' in 2015. Under this legislation, Japanese listed companies with more than 301 employees are required to develop action plans to promote female representation and publish them online to facilitate the process of holding these companies accountable. Contrary to strong regulative approaches such as quota system, hitherto unused in Japan, the Act adopts a moderate regulative approach by encouraging them to set numerical indicators regarding female representation and pressuring them to enhance female representation through information disclosure without specific punishment. Although the effect of a quota system has been broadly explored, the effect of such a moderate regulative approach has received little attention. Therefore, I aim to quantitatively analyse the effect of the Act on the improvement in levels of female representation in senior positions at Japanese listed firms. This study intends to adopt a regression discontinuity design combined with a difference-in-differences analysis to analyse the effect of the legislation on a proportion of female managers in listed companies. Due to the fact that there is an arbitrary demarcation between 300 and 301 in terms of the number of employees in firms, a regression discontinuity design is likely to be effective method to analyse the legislation's impact, and so compare the performance of companies above the demarcation and below it. Furthermore, a time trend regarding female representation in senior positions at Japanese listed companies needs to be considered through the difference in differences analysis, thereby enabling the estimation of the impact of the legislation. Both methods are applied to identify and qualify causal effects, through which the effect of the legislation can be presented in this research. -

6-CM04-1830

EMPIRICAL ANALYSIS OF CYNICAL ATTITUDE TOWARDS TRANSGENDERS AT WORKPLACE

MS. HIRA TOHEED[6]; Dr. Khalid Khan and Dr. Muhammad Ismail Ramay

Based on 15 in-depth interviews, this research investigates a condition called 'transphobia' that is the negative attitude of employers towards hiring transgender employees at workplace. The paper identifies gender identity and diversity inclusion in Pakistani employment context. Results show that a strong negative attitude is shown towards transgender employment and education programs through employers of Pakistan. The findings reveal the range of workplace challenges experienced by transgender employees. Major findings are that hiring authorities in Pakistan higher education sector are not diversity – friendly. Their school of thought is very conservative and a high rate of transphobia was recorded through these interviews. Due to this approach and mind set of employers, many transgenders workers suffer due to lack of proper organizational support; and expertise deficits exist in supporting and accommodating

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transgender employees' needs. These findings classify the necessity for a new approach not only to researching diversity but also to developing organizational diversity strategies. The paper provides endorsements for HRM policy and run through in order to grow a more sophisticated tactic to attaining inclusion at higher education institutes of Pakistan.
Keywords: Workplace diversity, Transgender Employment, Negative attitudes, Equality, Inclusion

8-CM12-7026

PUBLIC OFFICE IS PUBLIC TRUST: TRANSPARENCY AND ACCOUNTABILITY THROUGH ICT IN MINDANAO, THE PHILIPPINES

MR. JP LEO ASONG[7]

Corruption in the public sector has been a pervasive issue in the Philippines over the last three decades since the Marcos dictatorship. For years, the post-Marcosian Philippine government has been at the forefront of anti-corruption campaigns yet the country still ranks at the tail-end of countries included in corruption perception indices. With the advent of social media and information and communication technology (ICT), the government has attempted to bridge the gap by harnessing the internet and increasing public participation in transparency and accountability initiatives. It has introduced "Transparency Seals" to every government website as a way of increasing awareness by opening each government department's performance targets and ratings, procurement plans, disbursements and financial reports, and major projects and programs, to the public. The Philippine government, together with its various agencies and local government units (LGUs), has also made its presence felt by promoting its social media accounts, particularly Facebook and Twitter – two of the most widely-used platforms in the country – and by engaging the public through prompt response and service.

The primary purpose of this paper is to identify and examine key issues in ICT-facilitated anti-corruption campaigns by analyzing the Philippine government's social media accounts as well as websites of LGU in Mindanao, one of the country's biggest and impoverished islands. The paper argues that in spite of the government's efforts in curbing corruption in the public sector, there are structural issues in the country that must have to be addressed in order to fully maximize the potential of ICT. Specifically, it shall focus on 1.) the extent, reach, and possible risks of ICT and social media use in the Philippines, 2.) the Philippine government's overall policy, long and short term goals, in eradicating corruption in the public sector, 3.) and the growing role of Filipino netizens in the fight against corruption.
Keywords: Philippines, corruption, ICT, social media

9-CM13-7039

REVISITING THE DISASTER RISK REDUCTION AND MANAGEMENT (DRRM) LAW OF THE PHILIPPINES: ISSUES, CHALLENGES AND PROSPECTS

MS. LENNIE ANN CERDANA[8]

The Philippines is a natural disaster prone country mainly due to its geographical location. It ranks 3rd on the World Risk Index (WRI) list of countries with the greatest exposure to natural disasters. For example, an average of 20 typhoons visit the country annually. Being situated in the "Pacific Ring of Fire" has also made the country vulnerable to other natural disasters such as earthquakes, tsunamis and volcanic eruptions. These disasters leave hundreds dead and

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homeless and result to millions of damages to infrastructure and livelihood. Thus, those who are already identified as belonging to the impoverished sectors of the society are further driven into deep poverty. The Philippine government has come up with long term solutions in order to prevent and mitigate the effects of these natural disasters, and to rebuild and rehabilitate disaster-struck communities. Recognizing the impact of natural disasters to the country, the Philippine Congress, for its part, has likewise enacted environmental laws to further the climate change agenda in the country. One of such laws is Republic Act No. 10121 ("The Philippine Disaster Risk Reduction and Management Act of 2010") aimed at providing the country with legal and environmental framework on how to better deal with natural disasters. Despite the passage of said law, the country still suffered from Typhoon Yolanda (Haiyan), one of the most devastating typhoons that struck the country. Local government units, dubbed as "first responders" in times of natural disasters, have been rendered helpless in providing support to their constituencies.

This paper works on the assumption that there is a need to revisit the current Disaster Risk Reduction and Management (DRRM) Law of the Philippines in light of all the challenges that the government faced when massive typhoons such as Yolanda (Haiyan) and Pablo (Bopha) hit the country. Specifically, this paper will focus on: 1) examining the current organizational structure of the National Disaster Risk Reduction and Management Council (NDRRMC) and its powers and functions; 2) identifying the scope and extent of power of the local government units as "first responders under the law"; 3) assessing the actions taken by the government vis-à-vis the issues concerning the evacuation centers and temporary shelters, distribution of relief goods, financial management of local and foreign aid, funding and donations and; 4) providing recommendations for the strengthening and re-calibration of the DRRM Law.

12-CM15-7095

PUBLIC FINANCIAL SYSTEM IN SAUDI ARABIA REFORM NEEDED

DR. BASSAM ALBASSAM[9]

Managing public financial system effectively and efficiently has been considered one of the main tasks of the government. At the same time, many financial reforms have not been successful for a number of reasons, most notably the lack of institutional reform and thus inadequate of the outcome of the government work. Yet, many previously reforms and plans did not reach their goals because of the lack of adopting good governance practices by the Saudi government; this paper, discussed recent public financial reforms in Saudi Arabia. Here, the argument is that improving institution's quality in Saudi Arabia is the way to have a successful Vision 2030 plan including economic reforms, and it is a necessity to have a sustainable development.

Keywords: Public Finance Management, Saudi Vision 2030, Institution Quality, Good Governance.

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13-CO17-7216

USE OF FORCE TO 'RESTORE' DEMOCRACY: A THREAT TO INTERNATIONAL LAW AND LAW OF WAR?

MR. YOUNG (MAXWELL) JOO[10]

Western nations have utilized the notion of democracy or democratic values, especially under the pretense of preservation, restoration, and dissipation of democracy and democratic values as a vehicle of enforcing certain political ideas or oppressing particular government regimes. This practice of utilizing democratic necessity however has often provided a blank-check authority for nations to exercise certain level of discretion, especially through the use of military force in realizing the utopian and political goal of 'establishing democratic principles.' Many literatures have written on the relationship between democracy and use of force. Furthermore, the ambiguity in law, especially under the exception provision under the U.N. Charter system as well as the many political theories ranging from the Escalation Theory to the Kantian approach and various liberal theories have all discussed the complex relationship between war and peace. In modernity, states have utilized these ambiguities in theory and law to exercise greater political and military dominance within the global community, best represented through the Bush Doctrine: emphasizes democracy as a legitimate tool and purpose for fighting terrorism and tyranny. This notion of utilizing democratic ideas as a legitimate reason for using force dates back to the Cold War Era in modernity to the Arab Spring and other Middle Eastern interventions of today.

However, many literatures examining the question of whether intervention is an effective means of spreading democracy have failed to provide a clear distinct answer with the debate divided between the optimists and pessimists. Furthermore, continued efforts of the international community in acknowledging democracy as a 'universal value' more and more states are referring to democracy as a source of legitimacy, necessity, and legality to rationalize their actions.

Contrary to this universal consensus, there exist serious threats to existing principles of international law, especially that of state sovereignty, which is violated at the cost of democracy any time a state restores to the use of force. However, current literatures have been limited in examining the relationship between the preservation of democracy and respect for sovereignty. Furthermore, because of this absence, many states have failed to adhere to the many rules, principles, and regulations governing the use of force.

In recognizing these international developments as a threat to the very foundation of international governance and legal order, this paper seeks to explore the relationship between democracy and use of force: First, the paper will provide historical case study of states where democracy was introduced by use of force as well as if permanent democracy was actually realized through such actions. Second, the relationship between use of force to introduce democracy and respect for sovereignty will be analyzed against existing jus cogen to highlight that using force to introduce democracy is a serious threat to international law. Finally, this paper will apply these theories on the security issues of Northeast Asia, focusing especially on topics like nuclear proliferation and economic sanctions as a quasi-threat to peace and security.

Keywords: Political Theory, International Law, Use Of Force, Democracy

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14-CO16-1851

JUVENILE JUSTICE SYSTEM IN INDIA AND CRITICAL ANALYSIS ON THE JUVENILE JUSTICE (PROTECTION AND CARE OF CHILDREN) ACT, 2000 WITH JUVENILE JUSTICE (PROTECTION AND CARE OF CHILDREN) ACT, 2014

MR. YASH TIWARI[11] AND MR. ABHIMANYU SINGH RATHORE

"Humanity has the stars in its future, and that future is too important to be lost under the burden of juvenile delinquency." Isaac Asimov

Juvenile delinquency, also known as "juvenile offending", is participation of minors in illegal activities or acts.

A person who is under age (usually below 18), who is found to have committed a crime in states which have declared by law that a minorlacks responsibility and thus may not be sentenced as an adult.

Author thinks that Juvenile delinquency can be separated into three categories: -

- Delinquency, crimes committed by minors, which are dealt with by the juvenile courts and justice system
- criminal behavior, crimes dealt with by the criminal justice system
- Status offenses, offenses that are only classified as such because one is a minor, such as truancy, also dealt with by the juvenile courts.

Author has analyzed law and statues enacted by the Government of India regarding juvenile delinquency like Juvenile Justice (Care and Protection of Children) Act, 2000 and also discussed international perspective towards the juvenile justice. Author also did a comparative study on Juvenile Justice (Care and Protection of Children) Act 2000 and on Juvenile Justice (Care and Protection of Children) Act 2014 amendment. Research paper also proposes certain changes with regard to the Indian Juvenile Justice System to make it more effective.

After 'Delhi- gang rape' case the issue with respect to the penances prescribed under this act is much debated. This paper tries to attempt to analyze the degree of implementation of this legal framework post the decade since its enactments and discussed the provisions in which the law protects the juveniles in with conflict with law. The study aims in general to identify the parameters and constrains of the Juvenile justice system in India and specifically to: -

- Bring to light the vision and commitment of the policy makers of the Juvenile justice system.
- Describe the nature, scope and structure of juvenile justice in India

Author thinks that the main goal of the juvenile justice system is rehabilitation of the juveniles rather than punishment. Statutes creating juvenile courts and providing methods for dealing with juvenile delinquency have generally been upheld by courts as an acceptable extension of state police power to ensure the safety and welfare of children. The juvenile justice system is a foundation in society that is granted certain powers and responsibilities. It faces several different tasks, among the most important is maintaining order and preserving constitutional rights. When a juvenile is arrested and charged with committing a crime there are many different factors that will come in to play during the course of his arrest, trial, conviction, sentencing, and rehabilitation process.

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15-CO11-7017

PUBLIC RELATIONS IN TOURISM SECTOR AND ITS IMPACT ON CULTURAL TOURISM IN AHMEDABAD

MS. KANKSHA VASAVADA[12] AND MS. AMRITA CHAKRABORTY, PROFESSOR (SUPERVISOR)

Tourism in India is growing rapidly and has become an important contributor to the country's economy. Due to the rich cultural heritage of the country, India has been witnessing an increased inflow of tourists every year.

On July 8, 2017, the cultural hotbed of Ahmedabad became India's First World Heritage City during the 41st UNESCO world heritage committee meeting at Poland. The 606-year-old Walled City is endowed with rich architectural heritage. With a complex maze of neighborhoods called Pols, Ahmedabad is also famous for its heritage sites such as Badshah no Hajiro, Sidi Sayeed Mosque and countless others.

This research will primarily focus on the public relations activities done by the Gujarat Tourism Department to promote Ahmedabad as a tourism hub. It also aims to find out the various platforms through which tourists receive information about the heritage city.

The research will follow a qualitative route and will include intensive interviews of key personalities from the Gujarat Tourism Department in addition to tourists. The outcome of the research will help in comprehending the benefits of public relations activities in promoting tourism in Ahmedabad.

17-CO09-7033

K-POP: REASONS BEHIND ITS VAGUE POPULARITY IN INDIA

MS. KHUSHALI CHAUHAN[13] AND PROF. PRADEEP KUMAR MALLIK, HEAD OF THE DEPARTMENT OF MASS COMMUNICATION (SUPERVISOR)

India, where Bollywood and English music dominate, the emergence of K-pop and it's fan base is a journey worth following. The South Korean pop culture has grown in prominence to become a major driver of global culture, seen in everything from Korean dramas on Netflix to Korean skin care regimens dominating the cosmetics industry to delicious Korean tacos on your favorite local menu. K-pop has become a truly global phenomenon thanks to its distinctive blend of addictive melodies, slick choreography and production values, and an endless parade of attractive South Korean performers who spend years in grueling studio systems learning to sing and dance in synchronized perfection. However, in India only a very small percentage of it's population is familiar with the K-Pop industry.

In my research paper I'm going to discuss and exhibit the reasons why K-Pop isn't as popular in India as it is in other countries. The paper will cover topics like K-Pop's insufficient exposure in India, the Cultural gap, standards if beauty and media influence. I will also talk about some common stereotypes and language barrier between both the countries.

The method of my research is both Quantitative and Qualitative. The research will be based on the questionnaires and interviews received from the sample group (age 10-25) from India. During the course of my research, we will get to know the root causes behind K-Pop's vague popularity in India.

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18-CO07-7038

SOCIAL MEDIA AND IT'S IMPACT ON CONSUMER PRIVACY

MR. AAYUSH JAIN[14] AND PROFESSOR TEJAS DAVE, HEAD OF THE DEPARTMENT OF BUSINESS ADMINISTRATION (SUPERVISORS)

Nowadays, social media has become a very common platform of electronic communication which includes websites for social networking and microblogging. These websites help users create an online community to share information, ideas, opinions, personal messages and other content among the millions of people around the world. Facebook, WhatsApp, Instagram, Snapchat, Google, Twitter, etc. are some of the social media platforms that have become a major part of everyday life for people because of its ease of use and its ability to stay connected with others. The problem arises when people get overtly comfortable using these sites and start sharing personal information publicly with others. This could be due to their lack of awareness about the misuse of personalized information by cyber criminals and addiction towards the social networking sites leading to privacy and security concerns.

In my research paper, I will be discussing the Social Media and it's Impact on Consumer Privacy by taking the three major social media platforms into consideration, which are Facebook, WhatsApp and Twitter. The loopholes and privacy problems faced on these networking sites will be covered which will educate us on how much trust should be placed on these platforms and its content. The paper also analyses the magazine articles, newspaper articles, and research papers pertaining to social media to determine its effect on user privacy and security breach. The study will also through some light on how cyber criminals are attacking these social networking sites with increasing amount of malware and online scams.

The method of my research is both Quantitative and Qualitative. The detailed study will highlight the statistics of networking sites around the world. It will also provide a comprehensive view regarding the social media networks alongside offering methods and suggestions for users to help protect themselves against privacy invasion.

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