

Endnotes

¹ Such as, for example, the European Community.

² For example the decision to abolish capital punishment in the UK in 1969 could not have been made consensually; nor too could the decision to invade Iraq in 2003.

³ The ancient Greeks favoured beneficial dictatorship as a means of running their city states.

⁴ Few would argue that, for example, power was usurped in the USSR by Stalin because of a centrally imposed governance; equally few would suggest that this power was used beneficially or in a way which most members of the society were happy about.

⁵ An example is the Cadbury Report.

⁶ It is also known as the Anglo American model.

⁷ For example the recent financial crisis has been brought about – as far as many people are concerned – by failures in the governance systems of the UK and the USA – the two principal exponents of this system of governance.

⁸ This is also known as the Continental model.

⁹ Such as, for example, the UK Combined Code referred to earlier.

¹⁰ This would imply of course the protection of human rights but could be taken also to imply concern for the environment and its protection.

¹¹ This can be to national courts, trade associations, supra-national courts such the European Court of Human Rights, or to an organisation such as the United Nations. Whatever the body it needs to be appropriate and not just impartial but also seen to be impartial to all concerned in order to maintain the creditability to adjudicate disputes.

¹² Similarly once an animal or plant species becomes extinct then the benefits of that species to the environment can no longer be accrued. In view of the fact that many pharmaceuticals are currently being developed from plant species still being discovered this may be significant for the future.

¹³ Interestingly Sir Adrian Cadbury who led the committee which established the first code of corporate governance is a member of this family – perhaps concern can be inherited.

¹⁴ It needs a very careful reading of the annual report to discover this.

¹⁵ We base our assertion regarding all businesses upon our study of the FTSE100 businesses, and so recognize that our claim may not have universal truth.

¹⁶ In actual fact Lovelock claimed in his hypothesis that the earth and all its constituent parts were interdependent. It is merely an extension of this hypothesis to claim the interrelationship of human activity, whether enacted through organisations or not.

- ¹⁷ See for example Davila Gomez & Crowther (2007).
- ¹⁸ This is of course the basis upon which financial management is based.
- ¹⁹ Consider for example the financial consequences for Barings Bank of their focus upon short term financial success. Nick Leeson was able to gamble so much that he destroyed the bank. See the film Rogue Trader for details.
- ²⁰ The consequences of the use of asbestos, for example, were not known about in the 1960s when this material was considered beneficial for commercial use.
- ²¹ NPV = net present value. It is a mechanism for translating future costs and revenues to present day value. Its calculation is outside the scope of this book.
- ²² Diversification in this context means to increase the number of shares in different companies which are held
- ²³ Such owners are of course the legal owners of the business, that is the shareholders.
- ²⁴ Even the current US regime has acknowledged that there has been a laxness in regulation which has made a significant contribution to the current situation.
- ²⁵ He was previously Chancellor of the Exchequer and therefore architect of the very relaxed regime operating in the UK.
- ²⁶ Of course in the UK the scandal over parliamentary expenses and the misuse – even sometimes criminal fraud – of public money has shown that governments are often not fit to act as overseers and are unable to behave any better – or even as well as – than the managers of financial institutions.
- ²⁷ Consider for example the British governments nationalisation of Northern Rock before the crisis had really started. Consider also the even more surprising volte face of the US government in acquiring stakes in struggling financial institutions – lots of evidence of the risk free environment in which banks have been operating...
- ²⁸ Wikipedia suggests that there are around 40,000 such international NGOs although different classifications lead to different numbers. Nevertheless the number of such large international NGOs is a very small proportion of the total number of NGOs.
- ²⁹ There are exceptions. For example, In Turkey there are some general regulation about NGOs. If you want to establish a new association then you have to complete all the necessary paperwork and get permission from the Association board of Turkey. And you have to give a report every year after a general board meeting about managerial and financial aspects. As a sanction it is necessary to pay very small amount kind of tax every year if you do not do this but this is a fairly small penalty.
- ³⁰ Brinsley in a small town in the centre of England and Brinsley Animal Rescue has the purpose of rehoming unwanted pets in the area.
- ³¹ The Temple Trust operates from the UK but has the purpose of looking after orphans in a region of Sri Lanka.
- ³² See www.unglobalcompact.org
- ³³ Possibly the newly introduced ISO 26000 will become bigger and more important in this respect