To Serve is Human

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In a free-market economy besides being the engine of growth, what extended role does the private sector perceive for itself especially vis-à-vis the society?

It is an uncontested fact that the private sector plays a crucial role in the Sri Lankan economy. Since the concept of a free market economy was introduced to Sri Lanka in the early 80's the private sector has seen a steady, yet remarkable growth. In the past few years the sector has continued to expand and today, it not only dominates the economy but plays a decisive role in the governance of the country. It is the private sector that is won over when politicians come in to power and the sector's views are influential even with regard to a subject like the current devolution proposals. The vitality of the private sector is evident in the fact that the present government has continuously stated it is the engine of growth in the Sri Lankan economy.

Sri Lanka is expected to record a 6% growth rate this year. Analysts forecast the economy will grow at a rapid pace in the years ahead. Development is expected to increase in volumes within the next few years, and the private sector is expected to be the center of this development. Thus the role of the private sector becomes more elaborate.

Corporate heads share different views on the role of the private sector in the country today. Its obligations, duties and contributions are wide in scope and it's a demanding task to have to define the role of the sector. The Group Human Resources director of the Maharaja Organization Priyantha Serasinghe says, 'the private sector must oblige first their employees, then their customers, suppliers etc. and then the community."

The definition can be both subjective and complicated. The question then is what part does the society play in the private sector? Is the sector duty bound to serve the community? It may seem a straightforward question but the answer is often taken for granted. The corporate world does accept the importance of serving the community but the extent of involvement in community service is the point in

debate.

As much as economic growth paints a rosy picture of Sri Lanka it does not erase the nagging discrepancies of our society. Development is yet to delete the sad picture of poverty and the continuation of the war in the north and east has left its scars on society. The private sector is often quiet on these issues but most senior personalities in the corporate sector give great importance to community service. In defining the role of the sector, chairman/president of the National Chamber of Commerce and chairman of Ceylon Shipping Lines Armyne Wiresinha says, 'the private sector is essentially an area where people have to survive on their own, unlike the public sector there is no one to depend on, but as citizens of this country we have an obligation to look in to a wider area in our society which needs support.' A view supported by vice chairman of the Ceylon Chamber of Commerce and chairman of John Keells Holdings Ken Balendra who explains that in a free market economy people must accept that the role of the private sector is not merely to make profits but to get involved in community development as well.

"Profits- important, community service – as important,' is what the sector seems to say. But there appears to be a wide gap between what is said and done. The private sector does show great involvement in the development of society but officials believe there is room for greater involvement. Wiresinha put it aptly 'so much to be done and so little being done.' Not all agree with this view. Many company managers say the private sector is involved in a big way but their services are shrouded with secrecy.

Among the impressive projects discussed with 'Business Today' were large financial contributions made to urgent causes such as the Army Hospital, Jaipur Foot Fund, Cancer hospital, Disabled homes and Orphanages. However, none of the firms were willing to disclose their actual participation in such projects. Among the few projects mentioned were efforts to foster sports which are carried out by many companies. It was also obvious that a large number of firms contribute towards awareness campaigns. However, financial contributions made for various pressing causes and large scale development projects carried out in Colombo and the outskirts were kept confidential.

Despite the obvious efforts of the sector, when it comes to social service there appears to be no limit. 'How much is enough?' asks a senior official. He ex- plains that not all causes can be helped financially 'a fat check is not always the answer sometimes spending time just talking to people in need is more important,' he says.

“There is so much more that can be done, assistance to those affected by the war and conservation of Wild Life are areas that need so much assistance,’ says Balendra.

The impressive point is that unlike politicians and some in the public sector the private sector prefers to keep their services undisclosed. It is unbelievable the amount of work done towards community development by the private sector which is kept under a cloak. Training programs are conducted for students with no mention of a financier, hospitals are built, wards are upgraded by anonymous contributors, disabled people are provided medical assistance, terminally ill patients are given new hope by mysterious benefactors, but it is the private sector that is often behind such commitments. In a recent incident Sri Lanka’s first ever case of Siamese twins were in need of financial assistance to be taken abroad for urgent medical attention and within weeks the entire trip was organized, air tickets provided and financial assistance readily granted. There were only a few people who knew the involvement of the private sector and the doctors involved in the life saving mission had been strictly warned not to mention the benefactors.

The maintenance of silence is not however a mere gesture of humility. It is sometimes incorporated as company policy in order to draw the line on the expectations set on the sector. ‘If we talk about all we do, people will take our service for granted and identify us as bottomless pits,’ said one manager.

This is one of the restrictions the corporate sector faces when contributing towards the community. Analysts explain that most companies are forced to limit their services in order to restrict the expectations set upon them. The private sector also faces other complications which restrict them from playing the role of the generous benefactor. ‘Sometimes, the private sector lacks resources to carry out large scale projects,” explains Wiresinha, but he quickly adds ‘this should not prevent them from doing small scale community service projects.’ The resource problem is shared by many. One senior manager explained that even if the financial constraints can be met companies are often short of time and manpower needed to help the community. ‘We don’t even have a Saturday free to go and do a shremadana campaign or spend a day at a home for the needy,’ he says.

Financial constraints however pose the biggest obstacle. ‘In 1995 and 1996 the private sector was unable to perform to their expectations, now that they are doing well they can contribute more to the community,’ says Balendra. In the private sector there are many stake holders who have an important say in what is done

with the profits. “We have to often face shareholders and employees asking us why we are spending the money on community service instead of increasing salaries or granting bonuses,’ explains Balendra. Most large companies have succeeded in battling the obstacales and despite the restrictions the service done by the corporate sector is commendable.

The obvious question then is, what makes the private sector assist the community? Is it pure generosity and sympathy for the less fortunate? The surpassing fact is that for most companies there is a lot to gain by such services. Many prominent firms are known to link social service with publicity by using community assistance projects to market their products. Some may call it exploitation others say it is business thinking but most accept it is commonly done. There are also those like Serasinghe who say there is no need to use community service for publicity. ‘Most of our firms have their own promotional activities that bring enough publicity,’ he says.

Whatever the motive may be, the fact is, the sector is involved in a substantial amount of social service. The general trend amongst the larger companies is that most of them allocate a percentage of their profits annually for social development projects. Most projects are launched on various requests made by people, however there are no specific rules. “Sometimes if we see something in the papers or hear about someone who needs assistance we take measures to help them,’ says Serasinghe. Generally a committee is set up to look into the requests and consider the authenticity of the appeals before contributions are made.

The services of the private sector are generally acknowledged. Mayor of Colombo, Karu Jayasuriya told ‘Business Today’ that he was satisfied with the response he had from the sector on this issue. “There was a lot of goodwill on their part to help develop the city.’ He was however, another person who shared the view that more can be done. A number of non-governmental organizations and humanitarian groups told ‘Business Today’ that at present there is a crying need for finances to upgrade the living standards of refugees. The army hospital and disabled soldiers were also mentioned as needy causes.

With the war claiming the lives of so many, humanitarian groups also suggested that the private sector contribute towards families affected by the war. The cancer hospital has also been sighted as a worthy cause. Mayor Jayasuriya who has had many discussions with corporate heads said much assistance is needed to develop the city of Colombo alone. “There are 23,000 homes in the city that need basic

facilities like water and sanitation,’ he said, hinting there were plenty of projects for the sector to be involved in. The Colombo Municipality is also toying with the idea of handing over certain areas in the city to be maintained by the private sector. “There is about 40 km of roads in Colombo which the private sector can maintain and they can contribute towards beautifying the area,’ he said. It may be too demanding to ask for big contributions from the private sector but it is expected of them to make the small contributions.

Educational groups have also appealed to the corporate sector to expand their involvement in the development of education. This can be done in a simple way by conducting seminars, technical training courses and English classes. ‘Since it is the private sector that is always talking about the importance of the English Language they can help rural students learn the language,’ says Serasinghe.

Community service is a wide field. It is not merely about contributing financially to worthy causes or making big sponsorship deals, it is also about talking to the disabled soldier, smiling at the orphan and not dumping garbage on the road. It may be too demanding to ask for big contributions from the private sector but it is expected of them to make the small contributions. The private sector may face constraints in helping society but they also. have the means of overcoming the barriers and lack of finance is going to become a lame excuse in the months ahead. This year the private sector has shown a remarkable growth and analysts say their economic prospects seem very positive. Therefore the expectations on the private sector to serve the community is going to double. As mayor Jayasuriya said ‘the private sec- tor owes it to the community, the community is their customer and the customer gives them their business.