

1. Relevance of Government to Business

Government:

- maintains law and order conducive to business and regulates the monetary system by which business is conducted
- attempts to eliminate unfair practices, cartels, monopolies, etc. and protects competitive activity from its own excesses. It provides a context in which differences of opinion between businesses can be settled
- protects business from outside interference by tariffs or by force
- selectively improves business conditions in underdeveloped areas by special allowances or stimulates, creates and maintain industries
- dampens swings in business cycles, attempts to maintain a healthy economic climate, builds national income and profits, and minimizes unemployment
- helps to resolve problems affecting the place of business in society. Such problems include the extent of government control necessary to establish satisfactory solutions to such questions as collective bargaining and strike threats in key industries, the nation's balance of payments, race relations, unemployment, poverty, urban decay

2. Relevance of NGOs to Business

Non-governmental, non-profit organizations:

- are created by or create movements of public opinion. Such movements affect buying patterns and can make or break markets. NGOs represent large markets or segments of markets and these can be reached by suitable advertising through their publications
- themselves represent an important market for businesses concerned with transport, tourism, hotels, meeting organization, etc.
- are the principal channel by which corporations can integrate themselves and their employees into a new community
- are one of the principal channels for corporate giving. This has favourable tax implications in some countries and rebounds indirectly to the benefit of the corporation. This is a form of investment which is a compromise between public and company interest
- perform certain latent functions for the social system in which business functions best. They provide the checks and balances appropriate to democratic society
- include the following groups with which a corporation may be involved: trade associations for the industry, trade unions, employer associations, professional associations, lobbies, political groups, religious groups, etc
- provide a forum for the establishment of industry standards

3. Relevance of Informal Organizations, Groups and Social Movements to Business

- Top-level business policies should reflect social forces. Decisions that are in serious conflict with social movements will undermine corporate reputation
- A recognition of trends in the public's goals gives executives some insight into the public's probable reaction to certain company policies. This therefore gives some guidance in the area of public relations