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**Is Participatory Governance
of relevance to
Corporate Governance?**

A thesis presented in partial fulfilment of the requirements for
the degree of
Master of Philosophy
in
Development Studies
at
Massey University, Palmerston North
New Zealand.

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2006

Abstract

The Grameen Bank, offering neighbourhood-banking services to over five million of the world's most neglected and poor human beings, is perhaps the world's most successful academic-action research project. Now with over five million members, monthly loan dispersal of nearly US\$50 million, and constituting over 1% of the Bangladesh GDP, the Grameen Bank started with \$25 from Economics Professor Muhammad Yunus' own pocket.

There is now no shortage of literature on governments, industries, corporations, organisations and individuals grappling with what governance is and what it means on a day-to-day basis. As the corporate world comes to terms with stakeholder and shareholder involvement in a manner that sometimes appears to be largely rhetorical, in an apparent parallel universe, the discourse of participatory governance is becoming increasingly important for those working in the field of bilateral aid and Non-Government Development Organisations (NGOs). Despite the lack of engagement between those working in these two fields, there appears to be a degree of overlap between these two discourses. It is this possible overlap that underpins the concerns of this thesis. The thesis thus addresses the question: Are there lessons from participatory governance of relevance to the corporate world? If so, what are they?

By researching the structure and workings of the governance of the Grameen Bank, it was found that a corporation can prosper using participatory governance, a governance style given the name of participatory corporate governance. This model can assist to create an institutional duality that balances social purpose with the need for positive financial outcomes. Further findings show that despite the lack of engagement between the discourses of participatory and corporate governance there does appear to be an overlap in the 'best practice' requirements of each.

Acknowledgements

Firstly I thank the staff, board members and members of the Grameen Bank who welcomed me and assisted me in my research as much as they were able. The experience of researching the Grameen Bank was uplifting and gave me renewed faith in humanity.

Then I need to thank the Smith's of the TLC Guesthouse and the Doorey family, our neighbours for taking good care of us in Dhaka, and the staff of Arc En Ciel Pre-school. Without the creation of a home environment in Dhaka, life would have been much harder for Zanoor and I.

Thanks also to Manuhua Barcham and Maria Borovnik for supervision and Martin Devlin for advice from the corporate perspective.

And finally of course thanks to Zanoor who coped so brilliantly with transplanting to a new and hot environment, letting me head off to my work with little fuss, and giving it all perspective at the end of the day.



Heading to crèche, Dhaka style. April 2005.
The author with daughter Zanoor, and rickshaw puller Mr Ali.

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