

Financial Sector CSR Support in Disaster Risk Management

Dr. Atiur Rahman, Governor, Bangladesh Bank

Disasters can strike anywhere. No country, rich or poor, is immune from risks of accidents and disasters causing deaths and injuries, destruction and damage to properties and assets; disrupting economic activities and livelihoods of individuals and households. In media reports almost every day we come across news of some disaster event or other striking somewhere around the globe. Country authorities try to build up preventive and preparedness measures against the types of disaster (floods, cyclones, droughts, deadly epidemics and so forth) that they tend to be prone to. Local and international voluntary support from organizations such as the Red Cross, Red Crescent etc. usefully supplementing government efforts focus mainly on post-disaster rescue and emergency relief rather than preventive and preparedness measures.

High income countries can much better afford prevention and preparedness measures as well as rescue, emergency relief and rehabilitation measures than is possible for a low income country like ours. Here community initiatives, businesses and charities do come forward alongside government with such resource support as they can afford; but dependence on external assistance remain substantial, particularly in severer disasters inflicting large scale fatalities and damages. Resource constraints limit focus of local efforts mainly on rescue and emergency relief; disaster prevention, preparedness and post-disaster rehabilitation tend to remain under-resourced, if not altogether unattended.



Prevention and preparedness measures actually merit high priority, however. Preventive measures reduce incidence of future disaster events, preparedness measures bring down fatalities and physical damages in disasters; together relieving potentially huge cost burdens of post-disaster rescue, emergency relief and rehabilitation.

The recent Tazreen Fashions fire and Rana Plaza building collapse incidents causing well over 1100 fatalities and manifold more debilitating injuries to apparels sector workers laid bare the limitations of disaster preparedness of the country's emergency services in terms of needed equipment and ancillaries; besides spotlighting the criminal neglect of factory owners in complying with mandated safety standards and measures. Of course, despite many limitations and handicaps, the Fire Brigade and other emergency

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Chairman of Bangladesh Telecom Regulatory Commission (BTRC) Sunil Kanti Bose talked about existing and potential CSR activities of the telecom sector of Bangladesh in an interview to the CSR Review. Doulot Akter Mala, special correspondent, The Financial Express took the interview.

Telecom sector coming up with CSR activities

The BTRC has been playing an effective role to regulate the country's growing telecom sector. Since 2002, the commission is working with a vision to facilitate connect the unconnected through quality telecommunication services at an affordable price by introducing new technologies. The commission has been formulating different guidelines to ensure discipline in telecom sector. Recently, the commission felt the necessity to measure the voluntary effort on public welfare of the cell phone companies. BTRC chairman shared his plan regarding promoting and encouraging Corporate Social Responsibility (CSR) in telecom sector in an exclusive interview.

Question (Q): How can BTRC put in place an effective regulatory framework to encourage, promote and, where needed, quantify the CSR activities done by telecom companies?

Answer (A): An effective regulatory framework always means the operational procedures and/or

implementation guidelines issued and practiced by a Regulatory Commission to successfully implement the duties and responsibilities of the Law and Policy binding upon it. In line with that, BTRC's duty and responsibility are to ensure tile implementation provisions of Policies and Laws on Telecommunication in Bangladesh. As per the provisions of the 2G Renewal and 3G 'license' the operators are encouraged to ensure vivid CSR activities. However, still CSR is a voluntary work and it is not BTRC's prime mandate to regulate the CSR activities of the operators. BTRC does not feel the need to intervene and impose any regulatory instructions to the companies in this regard. Each business has its own strategy, capacity and modus operandi. Regulatory guidance/intervention may rather defuse their excitement. Companies like TATA, Intel, Globe Telecom have their own CSR strategy and good examples of conducting successful programs.

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CSR and Disaster

Disasters strike Bangladesh in many forms. This low-lying delta nation is often buffeted by natural disasters such as floods, cyclones and tropical storms. There are manmade disasters too coming in the forms of industrial accidents, fire and building collapses and motor launch capsizes.

Be it natural or manmade, disasters bring deaths and destruction. People get displaced, lose jobs, homes, crops and property. Disasters make a huge negative impact on the lives of the people, their livelihood and the overall economy. The poor become poorer. Even the wealthy people, industrialists and businesses get affected by disasters.

In 1970 a typhoon along the southern coast killed at least half a million people. Another 138,000 men, women and children perished in a powerful cyclone in 1990. Disasters as massive as these ones also left a trail of destruction washing away factories and other infrastructure.

These are just among a few of the major natural disasters that pounded Bangladesh over the decades.

Industrial fires or building collapses, blamed on negligence, lack of safety equipment or weak structures, have become a major cause of concern for both the private sector and the government. The recent collapse of Rana Plaza, a multi-storied building housing several garment factories employing thousands of workers, has highlighted the poor working condition in the export-oriented readymade garment factories and the lack of safety for more than 3 million workers, mostly women.

The government response to both natural and manmade disasters is sometimes slow and tangled in bureaucracy. With its growing dynamism the private sector in Bangladesh has the potential to be more effective in addressing the disaster-related challenges through the CSR activities.

In fact, disaster management is becoming an important area of CSR these days. Although some natural disasters strike very suddenly and the only response that can be done is post-tragedy, others require a great deal of strategy and preparedness. Sometimes CSR responses may be as simple as ensuring that services go on as normal, so as not to create further inconveniences.

When disaster (be it natural or manmade), hits the companies can turn the tragedy into opportunities to fulfill their commitment to the society

through better response in both short-term relief work and long-term task of rehabilitation of the affected people.

As disaster badly affects common people, hinders economic growth, aggravates poverty, people in general expect companies to play a meaningful role in disaster response.

Businesses, as a vital segment of the society, have responsibilities to carry out both in disaster-preparedness and post-disaster relief and rehabilitation. Mitigating the sufferings of the affected people is a way hoe companies can comply with business ethics and related laws.

Companies need to understand that, when it comes to disasters, consumers set a remarkably high bar. They believe that companies - whether they make food or skin-care products, medicines or insecticides, noodles or buckets, salts or sugar - can help the government and NGOs get communities back on track with their highly motivated workforce, experience in crisis management tricks and better utilization of available resources.

Companies throughout the year work for high visibility and high profit. Corporate Social Responsibility (CSR) during disaster time demands a nerve-racking combination of high stakes, high urgency and high visibility.

As businesses are largely dependent on banks, the time is also for the financial institutions to extend their support to their client companies that have projects addressing climate change, environmental degradation etc.

What can the businesses do during disaster? There is hardly clear answer to this. A lot of activities and actions are expected including direct financial assistance, emergency relief, rehabilitation through job creation, support to education etc. And the issue of sustainability has to be kept in mind while taking rehabilitation measures. The time is also a suitable one for businesses and companies to go for collaboration and partnership with NGOs to successfully operate CSR activities in disaster prevention and mitigation.

Nothing goes without result. If it is done right, effective disaster response can create significant opportunities for brand building and meaningful stakeholder engagement. Companies should think carefully about how they can participate. A lucky few, whose products are in need when disaster strikes, can take things to the next level, tapping into the rich emotions that calamities trigger to make disaster response a core, defining aspect of

both their CSR commitments and their brand.

There are examples that in times of disaster, the companies' network of customer care professionals proactively work to locate and assist stranded or displaced people offering them help to overcome the crisis.

CSR activities in disaster and environmental management broadly fall under different categories including philanthropy or charity, contractual, collaborative, adversarial and unilateral.

Taking a proactive stance towards disaster management is not only a good CSR, it also boils down to good customer service. To meet consumer and other stakeholder expectations, companies need to go beyond their checkbook philanthropy. They need to think about leveraging all of their resources such as people, products and know-how instead of just giving money. The age of checkbook philanthropy is over as there is strong perception among consumers that companies should not only donate money, but should also mobilize their full range of manpower and assets.

CSR requires a well-built plan and strategy. As CSR continues to mainstream into a core business driver, companies must treat disaster response not as a sporadic, last-minute scramble, but rather a core part of a comprehensive CSR strategy. Of course, no one can predict every disaster that may happen. However, figuring out ahead of time a company's disaster response focus areas, identifying core competencies and deployable assets, and establishing meaningful relationships with non-profit partners, will put the company ahead of the game when disaster strikes - enabling it to deliver real impact while also building the company's trademark and reputation.

Stakeholders also should be given job during disaster time. During uncertain times people are looking for companies to step up and show strong leadership. A great way for companies to do this is by mobilizing and enabling stakeholders to participate during the disaster time.

Even during big adversity there is no scope just to give and run. Many companies have too short an attention span when it comes to catastrophe quickly directing support towards communities, but then just as quickly moving out. In fact people expect more commitments. They believe companies should play a long-term role in rebuilding. This means companies need to be prepared to be involved for the

long haul, offering essential support for reconstruction, and helping focus attention on communities' long-term needs.

No company wants to appear exploitative during a disaster. But companies shouldn't make the mistake of being overly modest either. When it comes to disaster relief, consumers are looking for signs of positive progress. When companies step up to aid communities, and work to get the word out about what they are doing, consumers are eager to recognize them for their commitment and generosity.

CSR during disaster time can serve as a booster for the morale of employees, which helps produce a more productive workforce. It enhances the image of the company, which in turn enhances the image of its products.

It helps to maintain good relationships with all sectors of the community. It helps create new relationships with the government, aid agencies and other private sector companies. It can compensate for the negative aspects of a company's activities. It opens avenues for receiving tax exemptions and other concessions.

The vision of CSR should come from the management, which filters down to the rest of the company staff. Usually it is perceived in Bangladesh that disaster preparedness, with all its associated limitations, is the responsibility of the state. But worldwide practice proved that there is substantial potential to seek greater and more constructive engagement from the businesses in disaster management.

The positive signs of companies' involvement in CSR are visible in terms of initiative, resource generation capacity, and efficiency. In big disasters a private company cannot operate alone. There can be a combined effort of companies along with the government and other agencies for lasting impact.

When it comes to disaster, one thing is copiously clear: It's not a question of "if" or "but", rather "how," and "how much?" Companies must remember that when communities are impacted by disasters, people overwhelmingly expect companies to act - generously, efficiently and effectively. Disasters create a unique opportunity for companies to build their image and reputation, fire up their employees and inspire their consumers, all while helping communities get back on their feet.

Disaster management has remained largely an unexplored field for companies in Bangladesh. It's time the businesses, especially those having strong commitment to the community, turn their attention to this by adopting short-term and long-term CSR projects.

In Remembrance...



*We dedicate this issue of CSR Review in fond memory of **FARZANA NAIM***

Farzana Naim passed away on Friday 20 September 2013. We sincerely pray for the eternal peace of her departed soul and express our deepest condolence to all the members of her family.

Farzana Naim was associated with our organization since its inception in 2003. She was a consistent inspiration to those who aspire to dedicate their lives in the development sector of Bangladesh. She remained devoted to her commitment until her last breath and made significant contribution in improving the quality of life of the people through upholding human rights and ensuring good governance. Her wisdom, calm bearing and vast knowledge in this sector encouraged us to rely on her for even little things though she had her priorities, work pressures at her own organization - ManusherJonno Foundation (MJF).

One of her striking qualities that always amazed us was her capacity to understand and continue to be passionate towards people...even those who hurt her. She did not know how to nurture any grudge. I am sure Farzana Naim will remain immortal in our memories and we feel fortunate to have come across such a personality and enjoy the privilege of interacting with her over the past years. It will be nearly impossible for us to cope with the loss. Her contributions to MJF and its partners are unquestionable, and this aspect is reflected in her outstanding reputation amongst partners and colleagues. I am certain that many accolades, words of gratitude for Farzana Naim's professional contributions will pour in over the next days.

However, the CSR team at MRDI, will treasure her memories not only as a professional associate but also as a warm and caring friend, a dedicated mentor who never hesitated in giving credit to her team. She will be remembered as a wonderful and tireless colleague, a helpful critic, brilliant scholar, and a sensitive mentor. We should not let this go unsaid that without her constant guidance and support, it would have been difficult for us to make any headway with our CSR projects. We will always miss her voice and her presence - and the vacuum is irreparable.

Dedicating this publication in her memory is just our very modest way of paying rich tribute to this unique personality!

New Hope for Vulnerable Women

BSRM joins MRDI's CSR initiative

This is like a new beginning, a new lease of life for the poverty-hit women of Laxmanpur, a village near Benapole border in Jessore. The women who are often victims of violence and trafficking are being liberated from insecurity and hardcore poverty through an initiative of MRDI with the support of BSRM.

A skills training centre for women is expected to benefit ten thousand people of the village.

From the experiences of advocating CSR for last couple of years, MRDI developed the feeling that if properly guided and channeled, CSR funds could not only be used on edge of the society's needs, but also be utilized to tackle core development issues. While conducting needs assessment exercise, MRDI team found an area of Jessore district near the international border where women and girls of a certain age range migrate to the neighbouring country for their livelihood, in an irregular way. They become victims of harassment and violence during their journey and in their work place. After several years they come back with hardly any saving and ill health. They live a miserable life in poverty and health hazards.

Based on this basic information, MRDI team made an investigation in the Benapole border area. The team found that the women are unwilling to migrate for job if livelihood options are available in the locality.

The management of BSRM Group of Companies expressed their interest to take an intervention in Laxmanpur village near Benapole border. After threadbare discussions BSRM and MRDI agreed to set up a skills training centre, equipped with all necessary equipment, materials and personnel, in order to create work opportunities for 100 marginalized women in three years and form a sustainable women's association in the village for livelihood and empowerment of women.

Alternative Development Organization for Raising Entrepreneurship (ADORE) and local daily Gramer Kagoj will jointly implement the intervention under the supervision of MRDI.

An agreement signing ceremony was held in this regard.

Dr. Atiur Rahman, Governor of Bangladesh Bank was present in the ceremony to encourage the initiative. Alihussain Akberali FCA, Chairman, BSRM, Hasibur Rahman, Executive Director of MRDI, officials of BSRM and MRDI and corporate dignitaries were also present.

BSRM will provide funds worth Taka 7,781,662 for the intervention.



CSR in Academia A new window opens

In the quest for a better society and corporate world, MRDI continued its advocacy to channel CSR fund into the development sector. MRDI saw the corporate world is in dire need of skilled workforce to continue its CSR effort. Thus MRDI, to fill the existing emptiness, stepped in to develop a CSR course outline and advocated with university authorities to tailor it to their needs and include it in their regular curriculum. Quite successfully, MRDI achieved the anticipated objective. The academic council of Dhaka University also approved the outline.



Advocacy Group to Mainstream CSR



Syed Manzur Elahi



Professor Wahiduddin Mahmud



Rokia Afzal Rahman



Dr. ABM Mirza Azizul Islam



Moazzem Hossain



Shaheen Anam



Hasibur Rahman



Hedayetul Islam Helal

In course of advocating CSR, MRDI identified champions who have strong commitment and significant contribution to this issue. Involvement of these high ups has facilitated promotion of the concept among the stakeholders and changing mindset of the corporate leaders.

CSR, a voluntary act by nature, is not mandatory for a business license. But it is essential for securing social license -- an approval that is made by the society from which businesses earn profit.

This realization and advocacy of CSR champions, has made more business entities in the country embrace CSR as an operational strategy for winning their wider stakeholders' support, promoting ethical goals, building social value and upholding the interests of the broader community.

But the fact still remains that it is difficult for the companies to identify

specific needs of marginalized target communities, monitor progress of work and ensure proper use of funds. Businesses want to see the value for money in the sense that the expenditure has made some positive changes in the target community.

The sporadic CSR efforts need to be consolidated and put under one umbrella to ensure best use of the funds for demonstration of visible impact.

Out of this feeling, a CSR Advocacy Group has been formed under an initiative of MRDI involving high profile dignitaries of the academia, business arena, media and the civil society of Bangladesh to push CSR forward to make this an alternative of development funds.

Chairman, Apex Group and former advisor to the caretaker government Syed Manzur Elahi; Eminent economist and former advisor to the caretaker

government, Professor Wahiduddin Mahmud; MCCI President and former advisor to the caretaker government Rokia Afzal Rahman; Eminent economist and former advisor to the caretaker government Dr. ABM Mirza Azizul Islam; Editor, The Financial Express, Moazzem Hossain; Executive Director, Manusher Jonno Foundation, Shaheen Anam; Executive Director, MRDI, Hasibur Rahman and Team Leader, Green World Communication Ltd. Hedayetul Islam Helal are the members of the group. MRDI will act as the secretariat of this advocacy group.

The group is expected to meet the policy makers and business bodies to expedite the process of creating a common CSR fund and use it in a planned way for implementing need based social development programmes.

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Telecom sector coming up with CSR activities

Q: Do you think that the government can play a positive role in promoting corporate social responsibility (CSR), by creating an environment conducive to growth of businesses and also by facilitating the implementation of community development programmes, by the telecom companies at grassroots levels, with or without direct or indirect partnership with government agencies?

A: Speaking in simple terms, government/BTRC can play positive role in promoting CSR by creating a friendly environment. But the fact remains that the authorities need to think about development of the underdeveloped segment of the sector. However, BTRC is collecting 1% of all the gross-revenue of Cellular Mobile Phone Operators (CMPO) in account, of Service Obligation Fund (SOF) and this SOF is the absolute input of CMPOs and managed by BTRC. The fund will be used to bear the expenses of the development activities and related requirements of BTRC. Currently, an amount of about Taka 4.0 billion has been deposited to that fund. The relevant rules on use of this fund are now at the Law ministry for vetting. Once it is approved, a gazette will be issued to implement the CMPO. The operational and management procedures of this fund is going to be published very soon. Moreover, the general CSR activities are done by private sector business mainly concentrating on socio-economic uplift of the disadvantaged people. It is imperative that government creates conducive environment for business to function properly and grow. Better growth of business can enable them to contribute to social uplift which in turn supplements governmental efforts for societal development.

Q: There are many good examples of CSR activities in other countries of the world and even in some of our neighbouring ones. How far has Bangladesh, particularly the telecom sector, been able to accommodate CSR as a part of corporate culture?

A: There are many good examples of CSR in Bangladesh too. CSR has been practiced by several companies in this country since hundreds of years. Telecom sector has not missed the boat either and is engaged in various CSR program. For example, Robi has an extensive CSR program providing solar power to energy deprived poor people in off grid villages, providing purified drinking water for passengers and others at different railway stations, facilitating students to develop computer literacy and enjoy free access to internet. Moreover, Banglalink always looks into the interest of clean environment and has initiated regular beach cleaning and other cleanliness activities. Furthermore, CSR is very much a part of corporate culture in ICT sector in Bangladesh. Still there is ample scope of doing more to integrate and add value.

Q: Is there any mechanism through which BTRC can regulate and take account of the social responsibility activities of the telecom companies? If not, do you feel the need for such regulations?

A: BTRC already has in place an obligation by the operators to provide CSR reports twice a year. Apart from regular reporting of operators, BTRC recently sought CSR related information as and when required from the operators. Their CSR activities will be estimated and quantified for the first time.

Q: Do you suggest any standard guidelines for telecom companies to follow for spending on CSR?

A: No, I don't want to set any standard parameters right now. The companies are running on their own management. Let them decide on their respective CSR policy. Such standard is not necessary currently as companies will spend on CSR on the basis of their income. Rather, BTRC can have a look on their respective CSR policy and suggest for development.

Q: What role can the media play in expanding the scope, and also deepening the activities, of CSR for promoting social development, particularly for poverty reduction?

A: As in any sector, media can play a constructive role in relaying the CSR activities of the operators which are having positive impacts in the life of the common people. The remote-classroom, virtual-tutor and many such services are going to be launched in recent future by the CMPOs as their 3G 'service and will have direct impact in rural education thus poverty reduction. BTRC is planning to go for a Cost Modeling to User Tariff to ensure maximum effectiveness of the services. Therefore, BTRC needs the newspaper and electronic media working side by side the ICT industry in Bangladesh to make that dream realized.

Q: How would you like to assess the present, and to preview the future, of CSR in Bangladesh?

A: CSR is still regarded by many businesses as a marketing-tool, good-will and good for building brand-image. However, the concept of CSR is also changing and is set to stress on aspects of sustainability. So, remodeling the CSR strategies by tele-companies will be imperative. Despite the good CSR activities and initiatives by the enterprises, BTRC is going to encourage them even more to pay-back to the society. Meanwhile, the enterprises are required to have a CSR policy of their own as reference /guide to follow.

Q: How the telecom sector can partner with development organizations in carrying out CSR?

A: Telecom operators are already partnering with relevant development organizations to implement various CSR programs. Like: Robi has partnered with Water Aid to implement and operate its safe water projects in the common brand of AMTOB. The CMPOs usually operate some awareness-raising programmes in rural and under developed regions of Bangladesh.

Q: You are already aware that MRDI has partnership with Bangladesh Bank and NBR in promotion of an advocacy for CSR. Do you see any opportunity of such partnership?

A: Though there shall not be any end of quest and query. And, BTRC believes that CMPOs need to go for more collaborative approach and more activities to pay-back the society. But it is always the call from the corporate side not the BTRC. Meanwhile as BTRC is not a media/creative production/ economical analysis related organization; thus Yes, MRDI may have a partnership with BTRC like with the Bangladesh Bank and NBR. But it needs to be a real requirement of the Commission and subject to vet the partnership modality and documentation regarding it.

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services teamed up swiftly with the armed forces, public and private sector medical establishments, and volunteering local citizenry; doing their utmost in non-stop round the clock rescue and salvage operations for well over a month. Ready availability of adequate appropriate rescue equipment and amenities could have meant fewer deaths and injuries with swifter, more efficient rescue and salvage operations.

The financial sector and the broader business community in Bangladesh came forward with prompt, generous fund support for the rescue and relief efforts, by way of donations to the apex Prime Minister's Relief Fund. Bangladesh Bank (BB) itself, and banks and financial institutions enthused by the ongoing BB-led social responsibility mainstreaming initiative, together contributed one Billion Taka. These and other such contributions would presumably be used up entirely in extending emergency assistance for the affected families with little left for capacity building of the emergency services. Securing government's budgetary allocation for such capacity building purposes usually involve lengthy administrative processes, with possibility of fading off in priority as memories of distresses from disaster fade and public attention shifts to new exigencies.

In this context, Bangladesh Bank is contemplating a more targeted approach of specifically supporting disaster management capacity building in the Fire Brigade and other emergency services, by total or partial funding of procurement of such rescue and salvage equipment and ancillaries as they may need urgently for shoring up their capabilities. BB's own contribution and those of other banks and financial institutions for this purpose will be pooled together, its utilization to be decided and overseen by a committee of the participating institutions. The committee will need to engage intensively with the target emergency services to ascertain their needs. Financial sector institutions have no expertise or know-how on how best to structure the contemplated support initiative; consultative support and assistance from institutions like the MRDI will therefore also be welcome. Lastly, once the initiative crystallize and take off, social responsibility driven nonfinancial businesses, including in particular those already in the UNGC Local Network Group, can also be invited to participate in the disaster management capacity building support group. In future, the committee can move on to support initiatives targeting other areas as new necessities emerge.

This write-up outlining the new social responsibility driven disaster management capacity enhancement support initiative is intended to bring the nascent idea to general notice, welcoming follow-up comments and observations from readers including potential participants in the initiative for its fruition as an exemplary, meaningful social contribution.

Corporate Governance will Suffer if Public Governance is Weak

Syed Ishtiaque Reza

Director, News and Current Affairs
Ekattor Television



The word 'corporate governance' has become a buzzword these days. This is more because the concept of government controlling the commanding heights of the economy has gone. Today the market is the most decisive factor in settling economic issues.

Corporate governance represents the value framework, the ethical framework and the moral framework under which business decisions are taken. Corporate governance calls for transparency in decision-making, accountability and safeguarding the interests of the stakeholders.

It is believed that economies with more transparent corporate sector attract higher degree of private investment as compared to ones that do not manage higher level of governance.

So, in Bangladesh we need to develop a corporate culture which is both transparent and effective.

Worldwide it is strongly perceived that the countries having good corporate governance norms attract more capital and the investor confidence is higher than those having weak governance structures.

Corporate governance calls for a healthy relationship of a company with its shareholders and stakeholders. A code of corporate governance could be thought to establish a system whereby a company is directed and controlled by its directors in compliance with the best practices enunciated by the code so as to safeguard the interest of diversified stakeholders.

The need for good corporate governance in Bangladesh is undisputed for the promotion of a healthy and competitive corporate sector and to attract foreign and local investment. A governance code would help achieve transparency, institution building, incentives and accountability in the corporate sector, as its key features include, separation of management of public owned companies with ownership; enhanced disclosure and transparency in operations; quality control of audits; effective representation of minority shareholders and non-executive directors of companies; and it shall be applicable to listed companies, banking companies, development financing

institutions (DFIs), non-banking financial institutions (NBFIs), insurance companies, mutual funds, and companies/corporations held or controlled by the government.

The codes, however, can only be a guideline. Ultimately effective corporate governance depends upon the commitment of the people in the organization. The very first issue of corporate governance in Bangladesh is whether the companies here really believe in corporate governance.

The commitment of the management to integrity and transparency in business operations is highly important. But also important is the legal and the administrative framework created by the government. If public governance is weak, we cannot have good corporate governance. Corruption, extortion culture, criminalization of politics, bad law and order are detrimental to the interests of business. In such a situation companies cannot remain sound in business, judicious in management and ethical in dealings.

The legal and administrative environment in our country provides open scope for corrupt practices in business. As a result, unless a management is committed to be honest and observe the principles of propriety, the corporate governance will remain only in theory.

The ethical position of any business depends on various factors such as individual's sense of values and the social values accepted by the business and industry. The most decisive factor here is the prevailing system. Our system encourages people to be corrupt, rent seeker, unethical that results in lack of corporate governance.

From Bangladesh's perspective, corporate governance is the result of the individual sense of values and the values held in society or part of a society like professional bodies or business associations and finally the broader governance issues.

What we need in Bangladesh is an improvement in the overall governance in the country. Side by side, efforts must be made to update laws and regulations concerning corporate governance and enforce those strictly.

The role of CSR in preventing and mitigating natural and man-made disasters in a Bangladesh context

Rodney Reed

Living in a delta exposes our population to risks including regular flooding and cyclones - these are natural occurrences. This natural environment usually only poses a threat to human life in Bangladesh when citizens are caused by poverty or economic necessity to live in risky areas or when other human activity raises the level of threat to them e.g. poor people needing to live near hill cutting. Climate change caused through Global Warming is now an almost universally acknowledged reality. Bangladesh was not a significant part of the industrial revolution, with its coal-fuelled factories, that caused the emission of these Green House Gases (GHG) and so we are a victim not a perpetrator of global warming. In the south of Bangladesh, the effects of Climate Change may be seen as more frequent and frequent severe storms, higher storm surges and inrush of seawater into areas previously filled with sweet water. Even though Climate Change is regarded as man-made, there are human interventions that could protect the population. There are also human activities which put the population at risk when these protective measures fail, take for example a protection embankment being deliberately breached to allow salt-water ingress to fill a shrimp enclosure. Another example is an embankment constructed using poor quality materials or where a flood protection embankment is not maintained to the standard at which it can serve its designed purpose.

Using the term Corporate Social Responsibility (CSR) makes it appear that only the big business houses i.e. the corporate sector have a responsibility for disaster mitigation and prevention. The reality is that all of us living in Bangladesh have a Social Responsibility (SR) to live and to work in ways that protect ourselves - to live an environmentally friendly lifestyle. We also have an important personal social responsibility towards the more vulnerable members of our population to protect them from the effects of natural and man-made disasters. Newspaper pictures of Dhaka drainage canals being filled with rubbish and of our great rivers being narrowed through commercial encroachment and sand filling of their banks return us to the theme of general social responsibility. Blocking of watercourses and narrowing of rivers for commercial gain are obvious examples of social irresponsibility and of the corporate sector putting profit before the safety of the citizens of Bangladesh these are also examples of putting profit before protecting the natural environment of Bangladesh. Whereas Climate Change following Global Warming affects Bangladesh without our being a significant part of the cause, the heavily polluted state of most of our rivers is however social irresponsibility 'writ large'. It is our human waste, our tannery effluent and our dye houses and garment laundries that is causing the death of many of our rivers.

Bangladesh is experienced in coping with cyclones and flooding and we experience regular low level earth quake tremors. A socially responsible society will choose to make contingency plans for a response following a severe earth quake e.g. one of the scale that affected Christ Church in New Zealand or Port-au-Prince in Haiti. Building codes that ensure earthquake proof buildings are constructed is one necessity, building inspections to make sure that buildings are constructed to agreed safe designs are other examples. Having contingency plans in place for rescue and evacuation following a severe earthquake is a third. Recent garment factory building collapses have highlighted the challenge of rescuing thousands of workers from one building. It is impossible to imagine the horror and the devastation that might follow a large earthquake when there might be a thousand Rana Plazas to deal with. In this nightmare scenario, all sectors of society would need to cooperate in order to have a socially responsible and effective response for rescue, emergency health care and rehabilitation.

At its simplest level a CSR can help to prevent disasters and can be part of the response to disasters as private and public sector companies and organisations donate generously from their profits and donate some of their products. Though extreme cold winter weather is not an 'unexpected disaster', the gifts of warm clothes and blankets are a practical evidence of a socially responsible attitude by organisations and individuals. Similarly, gifts



of drugs and medicines by pharmaceutical companies or gifts of food and water to people whose lives and properties have been devastated by a severe cyclone are evidences of simple, practical CSR.

However returning to the theme of CSR preventing man-made disasters questions need to be asked about how such risky situations came into being. Why was hill cutting tolerated and why were some people so poor that they were willing to live in at the base of the cut hill in bamboo framed CI sheet shanties erected by unscrupulous landlords? Why was a coastal village inundated following the collapse of a flood protection embankment? Why were additional floors allowed to be constructed on a factory building that was already unsafe? Why are so many of Dhaka's natural drainage canals blocked and why are the measures taken by the Courts which were intended to protect the full width of our rivers by demarcation being subverted into permissions to encroach onto the banks and sand-fill to create land for commercial building purposes? The answer is of course self-evident, a general lack of social responsibility has allowed all of these things to occur. To reverse the trend requires a change in mind-set and a taking of personal responsibility.

A socially responsible society is, of course, not able to alter the effects of climate change over one country but it is certainly able to devise and implement adaptation and amelioration measures. Having funds available and emergency and rescue equipment and food stores in place in advance of an emergency is, of course, the responsible thing to do. Corporate sector cash as well as donor agency funding can enable a timely response following a crisis. Stepping up from this simple level of CSR to one where the whole of Society becomes socially responsible requires a change in mind-set. Bangladesh needs more environmental champions and more advocates for the protection of the environment and for the 'rolling back' of some of the damage already done to our jungles and forests and open land. The Bangladesh Environmental Lawyers Association (BELA) are often reported to be in the Courts seeking to prevent something that will be damaging to the environment or seeking to get a Court Order to reverse some damaging decision.

In order for Bangladesh Society to consider itself socially responsible all of us have a duty to minimise the effects of natural disasters and to be prepared to respond generously following disasters whether they are man-made or of natural causes. A socially responsible society will choose not to allow the environment to be a 'party political issue'. Members of a socially responsible society will also choose to take personal responsibility for prevention and improvement and will not seek to ignore the reality around us or to pass the blame onto others whether the 'others' are individuals or organisations.

In conclusion, CSR and the funds and medicines and garments that individuals and organisations can donate are worthwhile contributions following disasters of any kind. The real value of CSR however is in the way in which the desire to be socially responsible changes mind-set, life style and business decisions - for the good of the country rather than for the good of the business, the organisation or the individual.

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CSR Catalogue

Like previous eleven issues of CSR Review, a catalogue of business houses practicing CSR prepared through random monitoring of reports published or telecast by the national media over a certain period is being placed on this page of the current issue of the newsletter. This time the monitoring period was June 2013 to December 2013. We would highly appreciate if the corporate houses send information on their CSR initiatives to csr@mrdivd.org. Since MRDI works with media and journalists, the news about such initiatives will certainly reach a large audience through them.

HEALTH



EDUCATION



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FACILITATING MARGINALIZED/VULNERABLE GROUP



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