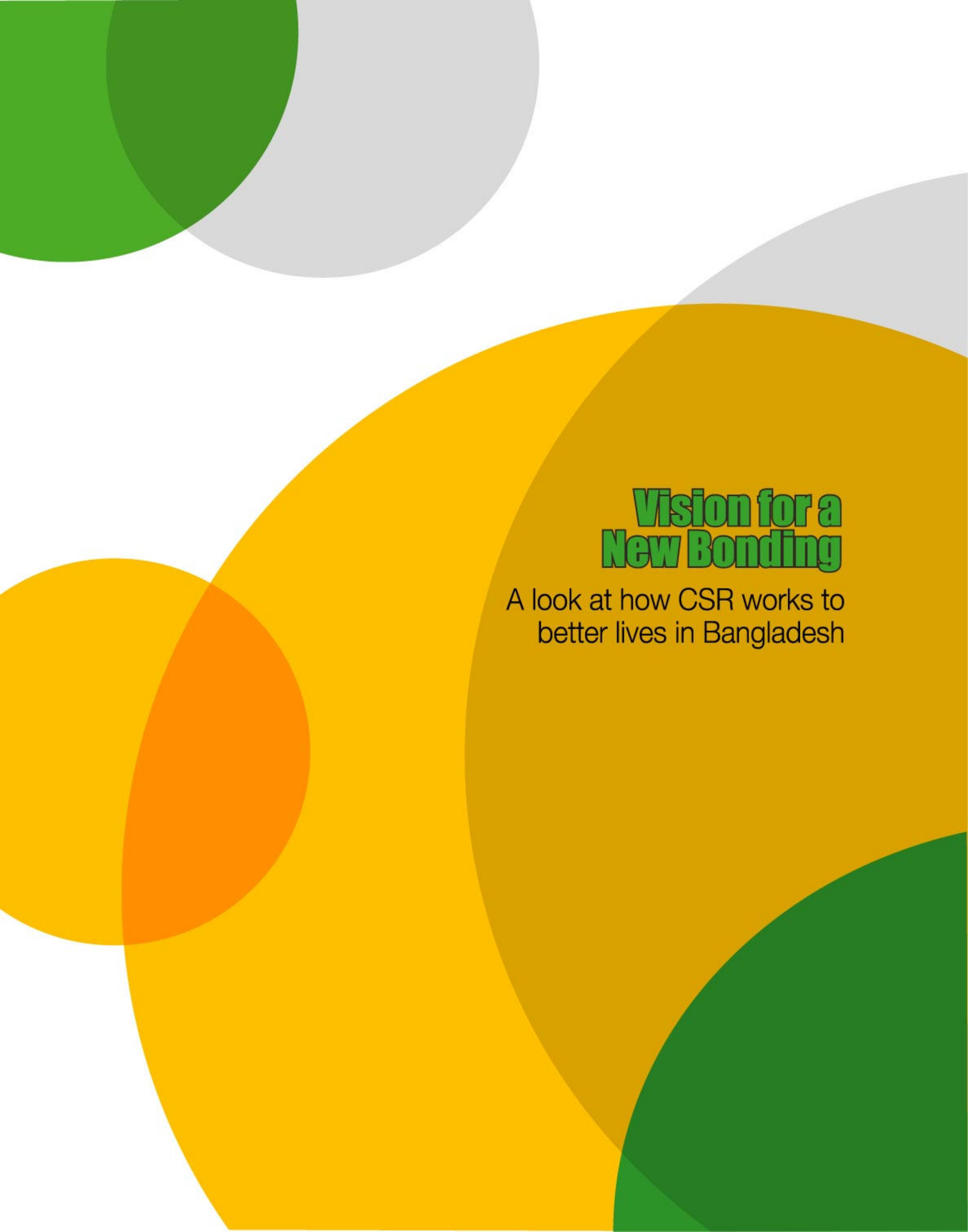




Vision for a New Bonding

A look at how CSR works to
better lives in Bangladesh

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better lives in Bangladesh

For a
Caring Society

Acknowledgement

Syed Zain Al-Mahmood

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Foreword

Business community, academics, policy makers and development activists have been discussing the concept, context and operations of corporate social responsibility (CSR) frequently in different forms of interaction like seminars, roundtables, consultations and TV talk-shows. Better understanding of CSR and a positive mindset among the stakeholders are the results of such discussions.

Expenditure on CSR in a focused manner, taking the felt-needs into consideration, witnessed a notably increasing trend every year. The impact of the related sustainable interventions is already visible. Incentives for CSR are being provided in the forms of tax rebate, company rating and state-level recognition. The National Board of Revenue (NBR) has offered 10% tax rebate for funds spent on CSR-related activities through a Statutory Regulatory Order (SRO). The SRO has been updated twice in last three years. The Bangladesh Bank (BB) publishes annual report on the CSR activities of banks; it has introduced credit point for CSR in the CAMELS rating of banks. The banks have opened a separate CSR desk in their respective head offices. Awards are being given to the companies or individuals in recognition of their distinctive contributions to good CSR activities. NGOs and CSOs are using CSR funds for alleviating poverty and mainstreaming sustainable social development activities.

This is the present scenario of CSR in Bangladesh. Looking at the situation five years back, we see a different picture. Businesses used to do philanthropic works in a piecemeal manner for promoting people's well-being or in support of relief operations to face the after-effects of natural disasters with little thoughts about long-term impact of such activities. Policy-makers and regulatory bodies were hardly concerned about the social responsibilities of the corporate sector. Using CSR money for the need-based social development activities was hardly the practice.

The scenario has now changed to a marked extent. And this change has not taken place overnight. Lots of advocacy efforts, discussions and debates among, and supports from, those involved in policy-making and also the members of the business community have brought the CSR issue into the limelight. The Management and Resources Development Initiative (MRDI) is one of the catalysts for this change in the process of which Manusher Jonno Foundation (MJF) has been its partner.

Six years back, MJF-MRDI conducted a study on the status of corporate governance and CSR, the functioning and limitations of media organizations in covering corporate issues and the communication deficit on the part of business houses in ensuring effective and adequate information flows to the media. Findings of that comprehensive study further suggested that there was a large gap in areas of businesses' understanding about CSR, in matters of its relevant conceptual and contextual aspects. It was also found that proper uses of CSR funds can play an important role in alleviating poverty and moving development efforts forward, in a sustainable manner. Reinforcing the links between the businesses and the media, as the findings of that study also indicated, would be quite useful for such purposes. Keeping these findings in mind, the MRDI took an initiative to mainstream CSR to address poverty, again in partnership with the MJF.

During the last five years, a number of advocacy programmes were taken up under this initiative to provide a momentum to CSR-related activities in their proper conceptual and contextual perspectives, involving particularly the stakeholders at different levels. Consultations were, thus, held to help evolve a rational conceptual framework for CSR in the context of the situation in Bangladesh. Also, seminars, roundtables and TV talk-shows were organised and a newsletter was published to sort out many relevant issues and provoke thoughts on the same. Simultaneously, some relevant problematic areas, requiring efforts to address them through development interventions with appropriate reporting inputs of the media, were highlighted. Accordingly, in-depth investigations to portray objectively the location-specific micro-level conditions were conducted, with the aim of undertaking follow-up actions.

A series of lobbying and presentation meetings were, thus, arranged with a view to involving the corporate sector to help implement the intervention programmes with funding support as part of their respective CSR activities. Such interventions where these could be initiated have been able to create a commendable impact on the life and livelihood of the target group of beneficiaries. The replication of such promising interventions is illustrating beneficial multiplier-effects, along with their sustainable traits.

During various interactions in the course of operational activities under the 'Mainstreaming CSR to Address Poverty' (MCAP) project, the MRDI has identified a high demand for properly skilled and trained personnel having a clear understanding about CSR, in the country's corporate sector. Since a university is the best place for producing young professionals, the MRDI initiated a move to facilitate the introduction of CSR in the course curricula of relevant facilities of Dhaka University (DU), in cooperation with the DU authorities. Efforts for developing such a curriculum are now in progress.

This publication, along with the video documentary, is a broad narrative of the experiences the MRDI gathered and lessons it learnt about CSR during the last five years. CSR programmes as one of the tools for promoting social development are still at the initial phase in our country. There is still a long way to go. The MRDI expresses the hope that this publication would be useful to look at the way forward.

We extend our gratitude to Manusher Jonno Foundation for their continuous support to this initiative without which it would not have been possible to reach this stage of CSR understanding and operations. Bangladesh Bank and NBR have provided policy support to CSR actors in the forms of recognition and tax incentives respectively. This support is essentially an encouraging factor.

Companies which provide funding support for interventions are the key players of CSR. Bank Al-falah Limited, Midas Financing Limited, Reliance Insurance Limited, Mutual Trust Bank Limited, The City Bank Limited and HSBC deserve special thanks for their support to achieving our goal of using CSR as an alternative to development funds. Thanks also to the internet operating company QUBEE for encouraging the women by purchasing their products as gift items. Green World Communications Limited, Banchte Shekha, The Gramer Kagoj and Unnayan Dhara Trust are playing vital role in implementing the interventions. We are thankful to them.

We have received tremendous support from some personalities with strong commitment to mainstreaming CSR to address poverty. We must mention the names of Former Advisers to the Caretaker Government Dr. Wahiduddin Mahmud, Rokia Afzal Rahman and Dr. Mirza Azizul Islam, Bangladesh Bank Governor Dr. Atiur Rahman, Vice Chancellor of Dhaka University Professor AAMS Arefin Siddique, Former Chairmen of NBR Muhammad Abdul Mazid and Dr. Nasiruddin Ahmed, Member of NBR Syed Aminul Karim, Deputy Governor of Bangladesh Bank Shitangshu Kumar Sur Chowdhury, Editor of The Financial Express Moazzem Hossain and Executive Director of MJF Shaheen Anam. The name that deserves special mentioning is Farzana Naim, Director (Governance) of MJF whose thoughts and innovative ideas have guided our CSR efforts to the right direction to achieve maximum impact. We extend our deep gratitude and heartfelt thanks to all of them.

Syed Zain Al-Mahmood has taken the troubles of visiting remote places and interviewing stakeholders to collect information on the initiative and produce this lessons learnt document. We acknowledge his contribution with gratitude.

We are thankful to the journalists who reported on the problems of the communities and also to those who conducted the social investigation. Production house Image Rain has produced the video format of this document. Thanks to the team. Last but not the least, the MRDI team has been working hard in implementing the project and publishing this document. Success of this initiative is the result of the concerted efforts of the whole team.

Acronyms

BB	Bangladesh Bank
BCAS	Bangladesh Center for Advanced Studies
CAMELS	Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DU	Dhaka University
MCAP	Mainstreaming CSR to Address Poverty
MJF	Manusher Jonno Foundation
MRDI	Management and Resources Development Initiative
NBFIs	Non Bank Financial Institutions
NBR	National Board of Revenue
NGO	Non-Government Organization
RMMRU	Refugee and Migratory Movements Research Unit
SEC	Securities and Exchange Commission
SME	Small and Medium Enterprise
SRO	Statutory Regulatory Order
UN	United Nations

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Glimpses into the Lessons and Challenges

Chapter 1

CSR : The lesson at the outset

A thought crossed through the mind of our board members - why do we have to depend on donors for development works? Why an NGO has to get funds from a funding agency to do what it wants to do for the poor? Why cannot we just tap the corporate sector and build a bonding for a common goal?

The journey started right then. It was uncharted water and a difficult tide as well. When we assessed the perception of the corporate sector, we were shocked by the mindset of many big companies and their perception about Corporate Social Responsibility (CSR).

Many of the best perceptions regarding CSR were distributing quilts in winter or donating for a local educational or religious institute. At worst people said paying regular salary to their staff or even running a factory thereby creating jobs is CSR.

Some corporate houses knew what CSR is but they did not have proper mechanism to find worthy areas of intervention.

The lesson was important. Because it was then that we could set our goal and strategy.

The change that took place

The term 'Corporate social responsibility (CSR)' has gained much currency in Bangladesh nowadays. People, at least those having direct involvement in CSR activities, possess now a fairly good level of understanding about CSR. But it was not the case even five years ago. There were lots of misnomers about CSR, the concept was not clear and people in the burgeoning corporate fraternity in Bangladesh were having a hard time negotiating effective channels to release the fund meant for CSR. There were hardly any policy interventions to encourage social responsibilities of the corporate sector.

Days have now changed. CSR has now taken an operational shape to create good examples by addressing crises of the marginalized people in the disadvantaged and hard-to-reach communities. People in the CSR arena now have a better understanding about the CSR tools. CSR expenditures by companies have a rising trend. Policy incentives, recognition and impact on beneficiaries are visible.



These changes did not occur overnight but these did not take too long a time either. Credit goes to different stakeholders - concerned government authorities, corporate community and advocacy platforms - who made a concerted effort over the last few years in helping out the corporate world find out best ways to channel CSR funds and bring about some lasting changes in the lives of needy ones in the society.

MJF and MRDI's stake

It was a multi-pronged approach that brought CSR to its present state, starting out from scratch and opening up new wings of hope. Manusher Jonno Foundation (MJF) and MRDI have been prominent players in this effort. MJF supports rights and governance initiatives in Bangladesh and pro-poor agenda. CSR fund is seen as untapped and unexplored resource which has potential to be used for long term pro-poor initiatives. MJF also believes that addressing CSR issues indirectly and positively affects corporate governance for policy compliances. Side by side with this, MRDI has the advantage of using its close link with media for promotion of the CSR concept among the corporations and other stakeholders and its operations. Using these collective advantages, MRDI, in partnership with MJF, launched a project titled 'Mainstreaming CSR to Address Poverty (MCAP)' back in April 2008 with the objective to develop CSR as an innovative and sustainable source of support for development.

Ascending by steps

In carrying forward advocacy for CSR, MRDI has progressed step by step instead of going for direct development interventions in the community with corporate support. We faced challenges, learned lessons and devised ways to face challenges.



On way to school at Char Fashion



Pond re-exavation at Bon Laudob

CSR : Concept and reality

At the beginning, we launched conceptual discussions on CSR involving academics, policy makers and experts. TV discussions and consultations were organized. Journalists involved in the team were oriented on the concept of CSR. But when we went for lobbying and direct interventions, we found that a rigid academic definition of CSR would not work at this stage in Bangladesh. So we had to take the middle course, sticking to the theoretical principle of CSR with some flexibility in the practical field.

Picking the needs

We wanted to identify some areas for intervention and thought media could be of great help. MRDI team identified some local problems by monitoring media stories that could be addressed through CSR interventions. Teams comprised of journalists and researchers conducted investigations in the selected areas through questionnaire interview, focus group discussion and key informant interviews and developed separate projects for intervention.

This exercise proved to be important for a starter. We had a good measure of development needs and concerns. We got to know the local strengths of organizations who could act as the change agents. We knew the route.

Strength of media

As a media focused organization, MRDI utilizes its links with the media and the journalists at the national and local levels in implementing its projects and activities. It has been strategic in using the strength of media also in the process of CSR advocacy and interventions. Sense of ownership of media to the initiative has enhanced visibility of the CSR concept and interventions in media which is encouraging for the corporate entities and beneficial to the development actors. For MRDI, media reports have been a reliable source of development needs of the outreach communities that can be addressed through CSR efforts. Moreover, the project collected CSR interventions by monitoring newspapers and published CSR catalogue in the newsletter which had a substantial impact on the corporate houses.

Learning from the best practice

The project through its advocacy programmes has tried to promote the concept that CSR is not necessarily a one-off charity; rather it aims at creating some lasting impacts to ultimately help build a caring society. MRDI team visited Tata of the neighboring country which is a champion of this approach and a glowing example of global CSR best practice.



MRDI team with TATA official

CSR champions

In advocating CSR, we identified champions who have strong commitment and significant contribution to this issue. Personalities like Former Advisers to the Caretaker Government Dr. Wahiduddin Mahmud, Ms. Rokia Afzal Rahman, Dr. Mirza Azizul Islam, Bangladesh Bank Governor and eminent economist Dr. Atiur Rahman, Vice Chancellor of Dhaka University Professor AAMS Arefin Siddique, Editor of The Financial Express Moazzem Hossain, academics and journalists have been involved in the process of discussions and interactions. Representatives of Bangladesh Bank and NBR were officially assigned as advisers of the MRDI's CSR team. Involvement of these high ups has facilitated promotion of the concept among the stakeholders and changing mindset of the corporate leaders.



Need for academic intervention

While deploying CSR desk officers, the banks faced difficulties in finding personnel with sound concept of CSR. The need for academic teaching of CSR surfaced from this finding. MRDI initiated to introduce CSR in the course curricula of graduate and post graduate students. CSR curriculum is now under preparation at two faculties of Dhaka University.



TV talkshow

This gradual and structured progress of advocacy, capacity building and conceptual understanding created an enabling environment for seeking CSR support and implementing development interventions in the communities.

Challenge of partnering

MRDI implements its programme activities utilizing its internal human resources, divisional and local coordinators and outsourced resource persons. But it has no previous experience of working with partner organizations. While implementing the CSR interventions, MRDI now has to work with partners in the community. MRDI had to develop the partnering capacity through the process of learning by doing.



Dignitaries at the CSR evening

Setting a New Agenda

Chapter 2

MRDI's project "**Mainstreaming CSR to Address Poverty**" (MCAP) deals with an area of thought little studied in the field of development: how the private sector, through Corporate Social Responsibility, can foster development.

This publication collects and collates the lessons learnt during the three years of MCAP. It encapsulates the conceptual framework of CSR, its operational aspects in the context of Bangladesh, CSR policy framework, advocacy at policy and community levels, case studies, challenges and recommendations.

The material for the publication has been gathered through field visits to CSR intervention locations, interviews with stakeholders, and review of reports and project documents.

The publication showcases MCAP's success in

- a) promoting the concept of CSR as an alternative development fund
- b) advocating policy updates on CSR
- c) implementing community level interventions using CSR funds by identifying community needs and linking local organisations with corporate entities.

The publication also identifies the challenges faced by MCAP.





Interaction with CEOs of banks



TV talkshow

CSR as a development tool

MRDI has done much over the last five years to ensure that CSR, once seen as a 'do-gooding' sideshow, is regarded as mainstream. Increasingly, CSR is evolving beyond philanthropy to an essential business function directly related to companies maintaining their 'social license' to operate.

Through advocacy meetings in the community, roundtables with business leaders, publication of the half-yearly newsletter "CSR Review" and production and airing of TV talk shows on CSR, MRDI has helped foster the understanding that Corporate Social Responsibility is much more than giving away winter clothes or donating to a local educational or religious institute.

MCAP has also successfully counteracted the idea that CSR is about compliance with regulations e.g., providing dorms or daycare centers for factory workers.

Through interactions at different levels, MRDI has opened up a new dimension of connecting CSR with social development agenda.

For an individual company, this means the integration of social (including human rights), environmental and economic concerns into that company's values and culture. These values are then incorporated into the way in which the company goes about its business and are reflected in that company's policies and strategies, decision-making, and operations.

In the future more and more companies, as well as government and civil society, will be assessing the social return on investments that companies make both locally and nationally.



An indication of the success of the promotion of 'CSR for development' was strengthened further when the finance minister in his budget speech on June 9, 2011 announced incentives for CSR and vowed to "rationalise and expand the scope of CSR."

The publication contains opinions of stakeholders and policymakers, including an interview with the Bangladesh Bank governor about expanding CSR.

Policy advocacy

MRDI has successfully argued that since CSR will complement the government's broader development strategies, the government should support and expand CSR through supportive policies and regulations.



Consultation with Bangladesh Bank and NBR

One of the major successes of MRDI was the involvement of Bangladesh Bank (BB) and the National Board of Revenue (NBR) in the MCAP activities. The positive response from BB and NBR resulted in the modification of Statutory Regulatory Order (SRO) on CSR tax rebate and opening of CSR desk in banks. Two senior officers of NBR and BB are now advising MRDI's CSR team.

Policy support of NBR

- The first SRO on CSR was issued in 2009 offering 10% tax rebate on expenditure in 15 areas of development and welfare.
- The SRO was revised in 2010 offering tax rebate on 22 areas of activities and modifying conditions and procedure of seeking the rebate.
- Further modification of the SRO in 2011 offered tax rebate for money spent on CSR in 20 areas up to Tk 8 crore subject to a limit of 20% of the company's income.

Policy support of Bangladesh Bank

- Bangladesh Bank introduced credit point for CSR in the CAMELS rating of banks.
- The central bank issued a circular to open CSR desk in each scheduled bank.
- Bangladesh Bank has been publishing annual report on CSR expenditure of the scheduled banks.

These policy incentives created interest in CSR, its concept, context and benefits among the business community. The publication highlights such successes of policy advocacy.

Community Interventions

Through the MCAP project, with support from Manusher Jonno Foundation, MRDI identified several local problems around the country that could be addressed through CSR interventions. MRDI then helped link local organizations with corporate houses so that these issues could be addressed.

The MCAP community interventions, for the most part, provide good examples of how CSR funds can be aligned with community needs in a way that also complements broader poverty reduction strategies.

This publication highlights this aspect of using CSR funds to create sustainable livelihood options.

Material has been painstakingly collected through field visits to the intervention locations: Skills development programme for women in Jessore; safe water and livelihood diversification facilities for the bawali and fishing communities in the Sundarbans and school infrastructure improvement in Bhola.



Fuel efficient oven distribution in the Sundarbans

The Big Picture

Chapter 3

Many core development issues are central to the CSR agenda, including human rights, education, health, child welfare, conflict and transparency in relation to government natural resource revenues. But new themes need to become more prominent in the agenda, say stakeholders.

Until recently, the business community has tended to shy away from tackling the poverty agenda head on. Where poverty has been addressed, the discussion has often been couched in terms of wealth creation, and the language of livelihoods has been adopted as a way to link business opportunities with the development agenda.

Dr. Atiur Rahman, the Governor of Bangladesh Bank, invoked the strong tradition of Bengali society taking care of its less fortunate members to find the spirit of CSR.

"There was a time when government was smaller and much less involved. If we look back at the time of the Zamindars, there were people like Rabindranath Tagore who looked after the poor and the needy. You can call that philanthropy, but I consider that to be the precursor of modern corporate social responsibility," said Dr. Rahman.

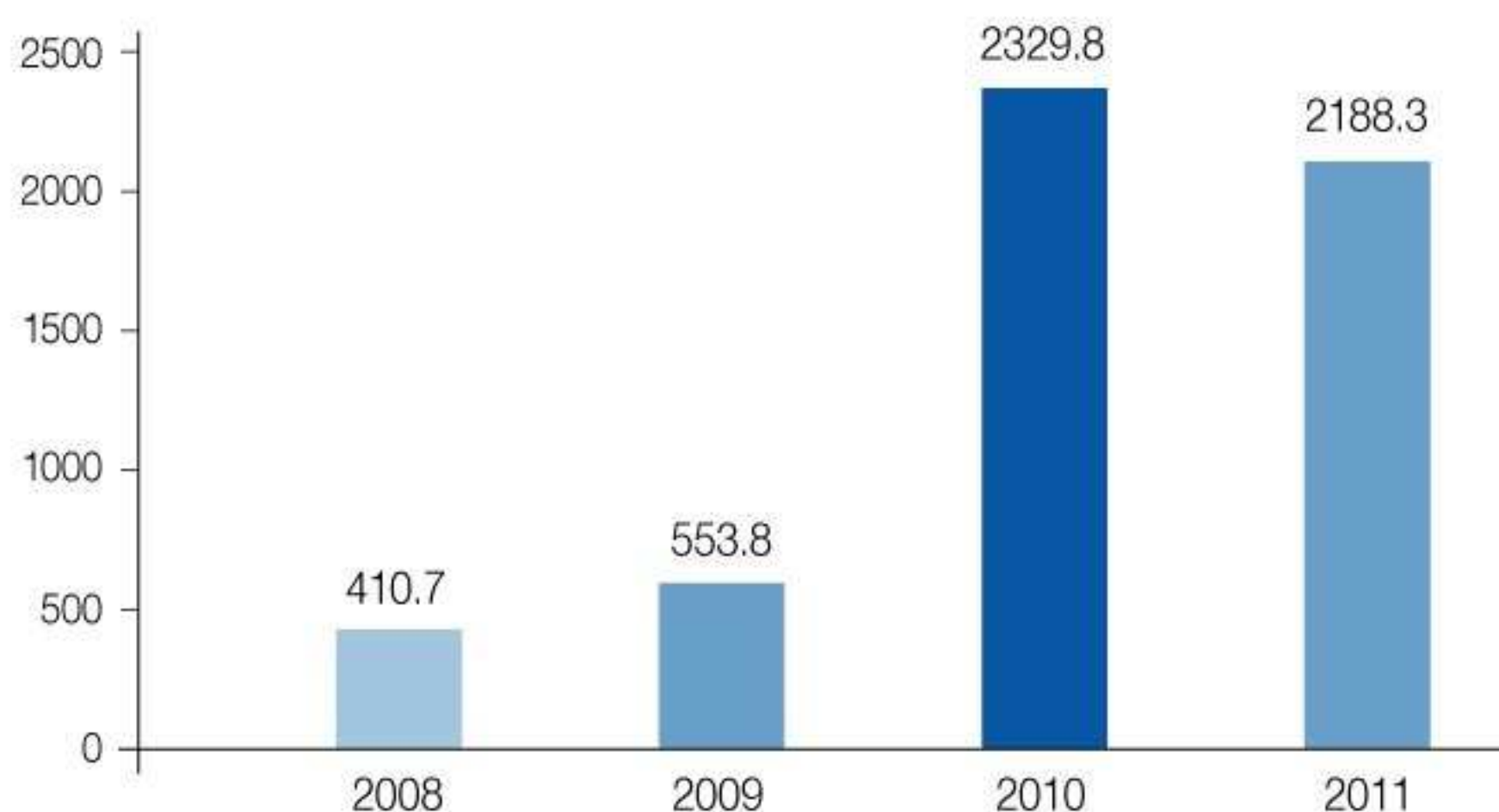
Casting banks in the role today's Zamindars, the Bangladesh Bank governor said they have an obligation to give back to society and help to solve social and economic problems in a way that is aligned with the government's poverty reduction strategy.

"I believe that is true CSR," said Dr Atiur Rahman. "Banks operate with capital from its depositors, so it's fair to say they draw their strength from society. Therefore, banks have a responsibility to work towards inclusive growth."

‘Banks operate with capital from its depositors, so it's fair to say they draw their strength from society. Therefore, banks have a responsibility to work towards inclusive growth.’

All banks reported implementation of ongoing CSR programs in 2011 adopted with decision at the highest (board of directors) level. For the first time thus far in our banking sector, four of these banks reported having held stakeholder consultations before drawing up of their CSR programs.

Trend of CSR Expenditure by banks (million taka)



Total annual direct CSR expenditure of banks in 2011 stood at 2188.33 million Taka - a massive increase compared to 410.70 million in 2008.

Non Bank Financial Institutions (NBFIs) in Bangladesh have started reporting their CSR practices in 2011. The reports reflect inadequate understanding of the CSR concepts on the part of NBFIs, indicating a need for BB to engage with them further in getting the CSR concepts across.

Dr. Mirza Azizul Islam, former adviser to the caretaker government, said the banking sector was one of the most structured and accountable sectors in Bangladesh and that it was also one of the most profitable.

"It's good that MRDI approached banks to practice CSR in a systematic way. A lot of progress has been made and now I hope other sectors will take up the torch," Dr Islam said.

Analysts like Dr. Islam point to the global trend where the United Nations has played an important role in promoting partnerships with corporations through arrangements such as the Global Compact, various global health partnerships, and numerous initiatives brokered or announced at the World Summit on Sustainable Development, held in Johannesburg in 2002.

Since Johannesburg, the UN Commission on the Private Sector and Development published recommendations for actions necessary to 'unleash entrepreneurship' and ensure that business works for the poor (Commission

‘It's good that MRDI approached banks to practice CSR in a systematic way. A lot of progress has been made and now I hope other sectors will take up the torch.’

on the Private Sector and Development, 2004). This was a timely, high-profile recognition of the role that the private sector needs to play in tackling poverty. It stressed the need to build an enabling environment for business activity, and the crucial role of SMEs as engines of job creation and development.

But experts caution that it brings with it a risk that the business and development agenda will increasingly focus solely on investment climate basics and narrow measures of economic growth, ignoring the progress made within the CSR agenda in terms of a more nuanced balance of economic, social and environmental outcomes.

As the business community starts to recognize the opportunities of doing business in low-income markets, advocates of the CSR agenda must seize the chance to ensure that this approach is genuinely supportive of broad-based development, rather than a smokescreen for increasing corporate dominance of as yet untapped markets, warn some economists.

Bangladesh Bank Governor Dr. Atiur Rahman, however, does not believe there is a fundamental conflict between profit and social work.

"There is definitely a need to balance the need to make profit and the need to foster inclusive social growth," he asserted. "Neither extreme will work. If you look at the communist bloc after the Second World War, their model collapsed because it ignored the profit motive that drives business. On the other hand, naked capitalism is also failing today. Therefore, giving back to society is very important if corporations consider their own long-term viability."

The debate among stakeholders in Bangladesh about the nature and direction that CSR should take has been fierce. The proponents of CSR generally hail voluntary initiatives as a pragmatic and innovative way of enhancing the contribution of the private sector to development. Many also regard such initiatives as an alternative to government regulation, which is often seen not only as unfriendly towards business but also as difficult to implement, particularly in a developing country like Bangladesh where democracy, some argue, has not been institutionalized.

Much of the criticism of CSR has centered on two main concerns: first, many CSR initiatives amount to "greenwash", or attempts to camouflage what is essentially business-as-usual; and second, that CSR is a genuine attempt on the part of big business to improve social, environmental and human rights conditions but the CSR agenda needs to be broadened and implementation strengthened. Both these critical positions recognise the crucial role of civil society and NGO activism in forcing or encouraging business along the CSR path.

Anis A. Khan, Managing Director & CEO of Mutual Trust Bank Limited, said: "Ours is a developing country. Our government is trying, but it's not possible for the government to do everything. To become a middle income country everyone - government, NGOs, private sector must join hands to tackle poverty."

A Tale of Two Villages

Chapter 4



The water crisis

Saleha Khatun, 27, faces an uncommon occupational hazard on her way to get water every morning - tigers on the prowl. Saleha's village, Madhyapara, in the Dakope Upazila of Khulna district, is at the edge of the Sundarbans - the largest mangrove forest in the world and home to the Royal Bengal Tiger.

Struggling for the water her family needs to live, Saleha hikes twice a day from her dirt-floor shack to a hand-pumped tubewell on the premises of the nearest school, roughly four kilometers away. Carrying her kolshi or local handmade pitcher, she has to run the gauntlet along a lonely path parallel to the river, with only the narrow stretch of water separating it from the great mangrove forest.

Like most people who live near the maze of swamp, islands and mangrove forests spanning three districts in southwest Bangladesh - Khulna, Bagerhat and Satkhira - Saleha is too terrified and superstitious to mention the tiger by name.

"It's most dangerous in the early morning," says Saleha. "I sometimes see tracks of 'Mama' (uncle) on the path. I try to take other women with me, but one or two companions will be of no use against the Big One."

In the Sundarbans, everyone watches for the tiger. But the tiger, they say, always sees you first.

"I feel the hair rising on my body," says Saleha. "I know if 'Mama' decides to kill me, it will take me. There is nothing I can do."

Tiger attacks kill up to a hundred people in the Sundarbans area every year. Two years ago, one of Saleha's cousins lost her life while collecting firewood. But despite the risk, Saleha has no choice but to make the long trek for water every day. Although their village is surrounded by water, Saleha and her neighbours don't have a drop to drink.

In May 2009, driven by the 120 km/h winds of cyclone Aila, a 12ft wall of sea water tore through the area, leaving nearly 1 million homeless and tainting the majority of ponds and wells in the area with salt. The region is a vast delta crisscrossed with rivers and creeks - but human beings and wildlife alike are struggling to find freshwater.

"The water in our village is too salty to drink, even though we are almost 20 km from the sea," says Saleha's husband Nurul Islam. "Since the men have to work in the farms or shrimp enclosures, it's up to the women to get water that is less salty."

In the coastal south, frequent cyclonic storms, tidal surges and the decreased flow from upriver have combined to contaminate ponds, wells and watercourses. Salt from the sea is slowly seeping into the groundwater, tainting drinking water and fields, steadily working its way further and further north. Approximately 20 million of the 37 million Bangladeshis living on the coast are susceptible to the problem of excessive salinity, according to a government study.

Research carried out jointly by a team from Imperial College London and the Bangladesh Center for Advanced Studies (BCAS), found expecting mothers in particular, becoming acutely susceptible to the diseases of hypertension and pre-eclampsia from this exposure to salinity.

"Our findings suggest that climate change is not only breaching our coasts, but is approaching the very shores of motherhood in the womb," said Dr Aneire Khan, lead author of the report, published in the Lancet (2008).

The daily struggle for water becomes a harsh barrier to women's equality and economic empowerment.

"It takes me more than five hours every day to collect water and wood," says Saleha. "Then I have to cook and clean. I have no time for anything else. My eldest daughter, now 8, will soon have to walk with me to get water. I need extra hands."

A group of women in the nearby village of Bon Laudab believe they have found a solution. Helped by the Management and Resources Development Initiative (MRDI), the villagers have installed a sand filter in three community-owned ponds to purify the water.

MRDI, in the course of its campaigns for better use of CSR funds, has convinced two financial institutions, Bank Al-falah and Midas Financing Ltd to use some of their corporate social responsibility funds to build a simple system: hand pumps lift water from the pond to let it slowly filter down through layers of sand and

‘ It takes me more than five hours every day to collect water and wood, then I have to cook and clean. I have no time for anything else. My eldest daughter, now 8, will soon have to walk with me to get water. I need extra hands.’



Story of fire and water

Fire and water - two essential factors of day-to-day life -- have not been comfortable for the people of Bon Laudob village of the Sundarbans for many years. Women of the village had to walk several kilometers everyday with pitchers and cans to fetch water from far away ponds for domestic use - washing, drinking, cooking and bathing. The unclean and contaminated pond water has been responsible for chronic physical ailments and putting people in a vulnerable health condition.

Another routine work of the women was collecting firewood from the forest across the river. This involved health risk of women and contributed to the process of deforestation, thus degrading the environment.

The fire and water picture of Bon Laudob is different now. Four ponds of the village have been re-excavated to find a better layer of water. A filtering device with a big plastic tank

has been installed by the side of each pond. Women now get safe water from nearby ponds.

The fire story is also encouraging. Each of the 355 families of the village has been provided with an eco-friendly, fuel-efficient oven. These ovens consume one third of fuel compared to the traditional ovens and hardly pollute the air because the smoke passes through a tall chimney.

All these have been possible due to the initiative taken by the MRDI in partnership with MJF to facilitate the use of CSR money for supporting sustainable development efforts.

Bank Alfalah and Midas Financing came up with financial support for safe water and improved oven for the village respectively. Green World Communication Limited, a development organization took the responsibility of implementing the project.

collect. This filtration, along with natural biological activity, renders the water clean and safe for drinking. The only maintenance needed is periodic cleaning of the filter bed, which is the responsibility of the village women's committee.

The effects of having a good supply of drinking water at hand are far-reaching, says Swapan Kumar Das, a local school teacher in Bon Laudob: diseases have diminished, children can go to school and women, freed from the burden of traveling to collect water, have more time to spend on other economic activities.

Das says the government should view this as a crucial development and public health challenge. "We are losing something that is a human right, a source of life - water for drinking, for food, for the animals, for health."

The women of Bon Laudob are putting their time to good use. After receiving training to make handicrafts products as part of the CSR initiative, the women have begun producing items that are being marketed under the brand name "Gaon Swapna" (Village Dreams).

The brand is the result of a joint Corporate Social Responsibility initiative of Bank Al-Falah Ltd., Midas Financing Ltd., The City Bank Ltd., Manusher Jonno Foundation (MJF), Green World Communication Ltd. and Management and Resources Development Initiative (MRDI).

"Our lives have changed," said Sulekha Roy, who has learned stitching and embroidery under the project. The Bon Laudob pond filter has attracted the attention of women all around the Sundarbans. Saleha Khatun hopes someone will teach them to build and maintain a similar filter in her village, so that she may get relief from the dangerous and exhausting daily struggle for water. "I won't have to look over my shoulder anymore," she said.

In Basatpur, a village near Benapole border in Jessore district, irregular migration of women who walk across the border without valid travel documents and go to work in the nightclubs of Mumbai, has long been seen as a big problem.

Selim Reza, a researcher with the Refugee and Migratory Movements Research Unit (RMMRU), an affiliate of the University of Dhaka, said. "The lack of livelihood options in the border areas encourages what we call irregular migration. Many Bangladeshi women who go to work illegally find themselves in situations close to slavery. They can't get legal status and often they don't have the means to come back home."

As part of its corporate social responsibility (CSR), The City Bank funded an MRDI initiative to liberate the women of Basatpur, from insecurity and hardcore poverty. The initiative to set up a sewing training centre for women, who are often victims of violence and abuse, is expected to benefit tens of thousands of people in the village.

Development organisation Banchte Shekha and the Daily Gramer Kagoj are jointly implementing the project under the supervision of MRDI.

K Mahmood Sattar, the Managing Director of The City Bank said the initiative would empower a group of poor women and protect them from risks of vulnerability and insecurity. Over the next three years, the project will not only train about 200 vulnerable women, but also create market access for them.



"I don't think any girl from Basatpur will try to sneak across the border from now on," said Hosne Ara, 26, who has learnt sewing and embroidery at the training centre. "We can support our families with our head held high."

Such interventions signal a paradigm shift in how CSR funds have been used in Bangladesh and are a far cry from the practice of doling out sarees or lungis.

Dr. Philip Kotler, one of the world's foremost voices in marketing and business, said in an interview with CSR Review that the 21st century Corporation must embrace a new definition of CSR.

Dr. Kotler said: "CSR should be more than just handouts. A company can take up one cause among a number of social issues such as water, environment, education, health and nutritious food as part of corporate social responsibility. For example, a beverage company could focus on improving the water quality in Bangladesh by carrying out innovative campaigns to create awareness among people about the need for safe drinking water and so on."

Dr. Kotler added: "One of the main areas of improvement would be for companies to be result-oriented and choose their CSR focus carefully. Ultimately, spending small amounts of money for various different causes will fail to produce a lasting impact. A smart company wanting to be a good citizen should really choose one or two causes and champion them. It is not bad to spend money for different causes, but it has to have a focus in order to have an impact on society."

In order for such a shift to take place, say experts, key characteristics of the contemporary debate must be challenged and overcome. First, the debate is hampered by the dogma that CSR is by definition voluntary, referring only to activities that go beyond compliance with legal requirements, adopted in response to a variety of market-based drivers.

This is sometimes contrasted with calls to strengthen 'corporate accountability' through mandatory legislation. But this dividing line is unhelpful, according to Dr. Mirza ABM Azizul Islam, a leading economist and former adviser of the caretaker government.

Dr. Islam, who as adviser to the ministry of finance during the caretaker administration oversaw a statutory regulatory order (SRO) to offer a 10% tax rebate on CSR funds, believes that voluntary and regulatory approaches have too often been treated as exclusive to each other, rather than as options within a balanced approach to eradicating bad (socially irresponsible) behaviour while encouraging responsible activities.

Indeed, experts like Dr. Islam assert that CSR practice is often embedded within the legal and regulatory environment, particularly when adherence to (often unenforced) legal obligation is treated as a baseline for good practice. It is therefore more helpful to consider CSR as the enterprise's overall contribution to sustainable development, as reflected in the World Bank's working definition:

Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development.

The Good Citizen

Chapter 5

"Nobody used to talk about CSR ten years ago," said Anis A. Khan, Managing Director and CEO of Mutual Trust Bank Limited. "Today we understand that to be good corporate citizens, we must contribute to social development in a sustainable way. That realization has come in the last few years."

"The work MRDI and its partners have done has pushed the issue of CSR up the development agenda. The Bangladesh Bank governor Dr. Atiur Rahman has also been central to this," he added.

MRDI, whose main focus is media capacity building, had started out to understand the relationship between the media and the corporate sector. The CSR focus grew out of that initiative, according to Hasibur Rahman, Executive Director of MRDI.

"We became interested in finding out whether media could in some way facilitate good governance," said Mr. Rahman. "As part of that, we made an assessment of around 48 corporate houses in various sectors and held a series of consultations involving editors and corporate CEOs."

One of the themes that came out of that national consultation was the idea that media could play a positive role in highlighting CSR initiatives undertaken by corporations. MRDI quickly spotted a gap there: there was no formal framework for CSR, and quite often these interventions lacked focus.

MRDI strategists realized there was potential if this fund could be harnessed. They saw synergy between MRDI's work as a media capacity builder and the attempt to promote CSR. Corporations want their CSR activities to have a positive reflection on their brand, and they realized social interventions could help with this. For example, the positive publicity that Bank Al-Falah got with a Tk.4.5 lakh intervention in the Sundarbans has prompted HSBC to give Tk.42 lakh in scaling up similar interventions.

"Today City Bank Ltd. is talking about approving funds for 10 years of interventions at a time - this is happening because corporations have become convinced that this helps brand differentiation," explained Hasibur Rahman.

He added: "We have used the multiplier effect and our rapport with the media to attract attention of corporations. In return, we have convinced them to buy into our philosophy of using CSR funds in a planned way for sustainable development. We highlighted the word sustainability and made the case for better use of corporate funds."

Anis A. Khan explained that the thinking on CSR has evolved and matured and now corporations understand that CSR interventions have to be focused and sustainable.

"Our policy is not to scatter money here and there - we are targeting focused interventions in the education sector where we believe we can make a difference," said Mr. Khan.

But there were challenges galore initially which MRDI faced with its partners. There was skepticism in the beginning on whether the private sector could be involved in development work at all, how those interventions would be implemented and who would manage the funds.

"We promoted our model of sustainable intervention. We were never going to accept a golf tournament as CSR," said Hasibur Rahman. "We leveraged our relationship with the media to convince corporations that aligning their CSR funds with a development strategy would yield better results and get them better publicity."

MRDI's rapport with the media helped it in choosing appropriate interventions. MRDI's CSR team picked stories from the media about social and economic problems - from Jessore to Bhola to the Sundarbans - and encouraged teams of reporters to study those problems in-depth. After Hasibur Rahman and his executives had gained enough knowledge about the problems, they identified solutions and then asked corporations to fund them as a sustainable effort.

The initial challenge was to convince the corporate world that CSR money could or should be used as an alternative development fund. As part of MRDI's attempt to popularize its model, the organisation started advocacy; it started CSR Review and TV Talk shows.

"We succeeded in convincing not only corporations but also regulators like NBR and Bangladesh Bank that this was the way forward," said Mr. Rahman. "We won policy reforms that helped the cause. Now Bangladesh Bank requires banks to have CSR

“We leveraged our relationship with the media to convince corporations that aligning their CSR funds with a development strategy would yield better results and get them better publicity.”





New School house at Sharifpara, Char Fashion

desks. The banks have also developed their thinking - now they want to associate their brand name with specific areas of development - education, health, livelihood diversification and so on. This was an important breakthrough."

The governor of Bangladesh Bank, Dr. Atiur Rahman, threw his weight behind the initiative to popularize CSR as a development fund.

"He was one of the few academics who understood this concept before he was appointed governor," said Hasibur Rahman.

One of the main operational challenges was to find grassroots implementing agencies that could do the job while maintaining financial and administrative discipline, according to Mr. Rahman. "We had to increase our own fiscal and administrative capacity to oversee these projects and to maintain accountability."

Another challenge was to convince the beneficiary communities that MRDI and its partners were not looking for a quid pro quo. It was a gradual process of building trust.

"CSR money actually has better efficacy than aid money," explained Hasibur Rahman. "A much bigger percentage of the fund reaches the end user."

A challenge for MRDI is to find funding to continue working with CSR. Development projects are time-limited. "We believe we have a lot to show in terms of success in the MCAP project. We have succeeded in mainstreaming CSR, at least in a part of the corporate sector and among policymakers. Today, the government is giving incentives for CSR. Bangladesh Bank and NBR are taking steps to encourage CSR. Banks have come forward with sustainable interventions. CSR is now acknowledged as an alternative development fund."

Dr. Atiur Rahman, the governor of Bangladesh Bank and a leading economist, acknowledged the work of MRDI in mainstreaming CSR. "MRDI and its partners have made important progress in popularizing the concept of CSR and then they have helped corporations to practice CSR in a sustainable way. If there were more such organizations, I think we would see a real boom in CSR activity in Bangladesh."

The Lens of Sustainability

Chapter 6

"Corporate social responsibility is charitable in spirit, but the modern concept of CSR shows it to be a tool for sustainable development," said Dr. Atiur Rahman in summing up the CSR agenda. "For example, if a company spends money for the treatment of a cancer patient, that's charity. But if that same company builds a cancer hospital, that's a sustainable social intervention."

True CSR produces sustainable benefits for both the corporation and the end beneficiary.

It all started with The City Bank Limited believing to the idea of spending its CSR fund to this noble venture which was a part of MRDI's CSR advocacy initiative.

Women of Basatpur have set up an association to work together to make the change for themselves. The association - Basatpur Mohila O Shishu Unnayan Sangstha - (Basatpur Women and Children Development Association) is registered with the Department of Women and Children Affairs. Once the initial financials and managerial supports are exhausted, the members of this association should be able to run the show - creating yet another example of sustainability

Hedaitul Islam Helal, Team Leader of Green World Communication Limited, said: "The crucial difference basically comes from the implementing process, how we implement, what is the objective to achieve. Proper planning and implementation is the key to sustainability."

Stakeholders agree that businesses can use CSR and corporate sustainability to produce direct benefits for the bottom line. For example, operational efficiencies can be achieved through reducing energy and materials as input factors for production. Wastes can also be reduced and materials can be recycled. These sorts of actions from eco-efficiency can produce concurrent environmental and economic benefits for the company and thereby contribute to stronger financial performance and more positive profitability.

Operational efficiencies can be achieved in other facets of CSR such as streamlining the way that information is provided to the investment community as well as to other stakeholders that demand increased transparency. Managing potential risks and liabilities more effectively through CSR tools and perspectives can also reduce costs. Using corporate responsibility and sustainability approaches within business decision-making can result not only in reduced costs but can also lead to recognizing new market



A Stitch in Time ...

Destiny would have sealed their fate otherwise, as has been the case for many of their peer. Not anymore. Time has changed. And it's a welcome change. A change takes place for good.

Even in recent past many young women of Jessore's sprawling regions alongside the Indo-Bangla border used to fall easy prey to human traffickers. In desperate bid to avail a better livelihood abroad those women, many of whom of tender age, used to return home tormented, devastated both physically and mentally. Those dejected young lives with their dreams shattered would carry on that agony throughout rest of their life.

Thanks to establishment of a training centre at remote bordering village of Basatpur that many of these vulnerable women are now finding some alternate ways of leading a better life. By graduating themselves in the skills of tailoring and stitching from this training centre, the brave women of Basatpur now give shape to their respective fates.

Through this training centre not only they learn the skills but also have started applying the just-learnt skills in making apparels and knick-knacks that have also found some market linkage and access courtesy some external supports.

opportunities such as when new manufacturing processes are developed that can be expanded to other plants, regions or markets.

"A company can give money to CSR only after it has paid its dues to its shareholders and the state," said K. Mahmood Sattar, Managing Director and CEO of The City Bank Ltd.. "Otherwise, it will not be sustainable. But if it is done in a prudent way, CSR will not only benefit society, but benefit the brand also."

A key feature of CSR involves the way that a company engages, involves, and collaborates with its stakeholders including shareholders, employees, debt holders, suppliers, customers, communities, non-governmental organizations, and governments. To the extent that stakeholder engagement and collaboration involve maintaining an open dialogue, being prepared to form effective partnerships, and demonstrating

‘Businesses are focused on their commercial activities. It's tough for a bank, for example, to go and identify effective and sustainable interventions in remote areas. This is where the partnership with organizations like MRDI becomes so important.’

transparency (through measuring, accounting, and reporting practices), the relationship between the business and the community in which it operates is likely to be more credible and trustworthy.

This is a potentially important benefit for companies because it increases their "license to operate", enhances their prospects to be supported over the longer term by the community, and improves their capacity to be more sustainable. Companies can use stakeholder engagement to internalize society's needs, hopes, circumstances into their corporate views and decision-making. While there are many questions about how far a company's responsibilities extend into communities relative to the roles of governments and individual citizens, there is a strong argument that CSR can effectively improve a company's relations with communities and thereby produce some key features that will improve business prospects for its future.

Dr. Atiur Rahman believes that in order to make their CSR interventions sustainable, corporate businesses must collaborate with development agencies, NGOs and multilateral bodies.



Inauguration of the women's centre

"I think this is very important. Businesses are focused on their commercial activities. It's tough for a bank, for example, to go and identify effective and sustainable interventions in remote areas. This is where the partnership with organizations like MRDI becomes so important."

Most stakeholders agree that a potential benefit of CSR is that it can improve a company's reputation and branding and this in turn improves the prospects for the company to be more effective in the way that it manages communications and marketing in efforts to attract new customers and increase market share. CSR as a concept with various tools can help a company to position itself in the marketplace as a company that is more responsible and more sustainable than its competitors.

A company's most valuable asset is its ability to convert brand power into customer buying decisions. The company that has trusted information it can share with stakeholders at any time can be a trustworthy "partner in sustainability" for customers who are ready to buy.

The bottom line is that a prudent business may tend to regard CSR in the same way it treats most investment decisions. It would be inclined to use the same systematic approach to assess the anticipated benefits and related revenues relative to the costs that it employs for investment proposals. A rigorous and systematic approach to CSR investment is likely to yield the most positive results for both the business and society as it is likely to demonstrate the most efficient allocation of resources from the perspective of both the firm and society.



Developing skills—women at the training centre

"When we talk about sustainability, we often forget that it is not just the mindset of the CSR practitioner, but also the mindset of the beneficiary that is important," said Hedaitul Islam Helal. "Sometimes the end beneficiary does not see sustainable benefits for the long term. Looking for short term benefits, they grab whatever they can."

Many stakeholders also blame an "aid culture" where many people expect handouts and are reluctant to engage with projects where there are no instant cash benefits.

Green World, which handled parts of the intervention in Bon Laudob in the Sunderbans, said it was difficult to wean villagers, who had become used to relief aid after Cyclone Aila, to start using their hands to earn money again.

"The whole idea of mainstreaming CSR for development was to teach people to fish, not to give them fish," said Hasibur Rahman of MRDI.

Social License to Operate

Chapter 7

"Corporations make money and that money comes from the people who use its services. Corporations have a responsibility to give back to the people they serve and from whom they make their earnings," said K. Mahmood Sattar, Managing Director and CEO of The City Bank Ltd.

This is a global trend and a worldwide realization. From Warren Buffet to Bill Gates, the biggest businessmen in the world are trailblazing in social and development contributions. It is no longer just accepted that corporations do well by doing good - it is expected.

With increasing pressures to improve the bottom line as well as to be good corporate citizens, business leaders face tough decisions. What social issues should we support? What charities will make strong partners? What initiatives should we develop that will do the most good for the company as well as the cause? Do we just write a check, incorporate social messages in our advertising, encourage our employees to volunteer, or do we also alter our business practices? How do we integrate a new initiative into current strategies? How do we implement a successful program? How do we measure success?

"We are a developing nation and as a bank operating in Bangladesh, we want to give back to society. We are funding interventions that our Board, led by business leader Syed Manzur Elahi, believes to be effective and sustainable," said Anis A. Khan, Managing Director & CEO of Mutual Trust Bank Limited.



TV Talkshow



CSR in **Budget Speech**

‘Restructuring the fields of Corporate Social Responsibility (CSR) has been proposed to encourage CSR compliance. Moreover, company taxpayers' will be eligible to get 10 percent tax rebate for CSR donation up to Tk. 8 crores subject to a limit of 20 per cent of their income. I also propose to raise the limit for expenditure for tax rebate to Tk. 1 crore to encourage individual investment. I also propose to rationalise and expand the scope of CSR.’

Honorable Finance Minister Abul Maal Abdul Muhith in his budget speech in the Parliament on June 9, 2011

"We have chosen education as our focus - more specifically providing educational opportunities to those who are bereft of opportunities. The school we have funded in Bhola as a prime example of our approach."

Business guru Dr. Philip Kotler pointed to the need for a framework for sustainable CSR activities during a trip to Dhaka. "My aim is to produce a framework that companies can use to determine what kind of social "caring" to give, at what level and with what expected results on their own business performance and on social welfare."

Many stakeholders felt that the policy framework in Bangladesh needs to become more favourable for CSR. Following advocacy by MRDI, Bangladesh Bank and NBR responded positively and this resulted in the modification of the SRO on CSR tax rebate and opening of CSR desk in banks. The government has given a 10% tax rebate for money spent on CSR up to Tk 8 crore subject to a limit of 20% of their income.

But there were mixed feelings among stakeholders about the government moves. While calling the moves positive, most CSR practitioners felt that policy support should be widened to facilitate CSR initiatives.

"It's very complicated to get the tax rebate," said K. Mahmood Sattar. "There is no obvious process of certification by which CSR initiatives can be judged."

Dr. Atiur Rahman, Governor of Bangladesh Bank, said corporations should look beyond tax cuts when they engage in CSR. "The tax net is already weak, with many loopholes. Therefore I tell bankers not to depend on tax breaks for their social work. CSR should really move beyond this mentality. Taxes are a responsibility. CSR is another. If you get a tax rebate - like the 10% rule we have now - that's a bonus."

But Anis A. Khan said that it would be unfair to tax CSR funds. "We're paying tax on our income. When we use part of our income to fund CSR activities, that part should be tax free. More so, since our CSR interventions are augmenting government poverty reduction efforts."

There is also debate about whether CSR obligations should be voluntary, self-regulatory or legally binding.

Company CEOs were unanimous in calling for CSR to remain voluntary. More regulation was not the answer, according to them. But others felt that there should be regulatory requirements within which companies could decide the extent of their involvement.

"CSR should be legally required for large corporations," said Mobinul Islam Mobin, Editor of The Gramer Kagoj, who is helping to implement the livelihood and skills development intervention in Basatpur, Jessore. "Unless there is some kind of a regulatory carrot and stick approach, few companies will be interested."

His opinion was shared by Hedaitul Islam Helal, of Green World Communication Limited. "In Bangladesh we still depend on individuals who are on the top of the pyramid. The banks have come forward in part because of the enthusiasm of the central bank governor. Hypothetically, if Bangladesh Telecom Regulatory Commission chairman was as proactive as the Governor, then telecoms companies would be scrambling to do CSR too.

"Similarly if the Bangladesh Road Transport Authority chairman had that kind of mindset, then we could see good training, spiritual motivation programmes for the drivers to minimize road accidents which might be funded by the bus or truck owners. Since we can't always have individuals with the right mindset, the system should force corporations down the CSR path."

Mr. Helal asserted that the SEC should have a legally binding provision for listed companies where the authorities would not approve annual dividend without a CSR report.

"There should be a slab of profit making — once the company's profit crosses the slab then they have to do CSR with a certain percentage."

Most stakeholders argued that the government should be more proactive to support CSR since the contemporary CSR agenda is founded on the premise that businesses are part of society, their relationship with society is interdependent, and they have the potential to make a positive contribution to societal goals and aspirations.



‘ ... the role of CSR has been put forward as both a mechanism to address welfare deficits, and a means of promoting sustainable development.’

This role of business in promoting positive social progress is well recognized by governments in many developed and developing countries and they have begun to adopt this type of CSR agenda and encourage business in taking initiatives toward positive social development. At the national level, the role of CSR has been put forward as both a mechanism to address welfare deficits, and a means of promoting sustainable development.

From the interviews conducted in the course of writing this book, at least four essential reasons have emerged as to why the Bangladesh government should take a CSR agenda seriously, along with implementing the necessary measures to support companies in practicing responsible conduct.

Firstly, the government is under pressure facing the challenge of poverty alleviation, in conjunction with the need for a fairer and more sustainable society. CSR is widely accepted by many governments around the world as the business sector's contribution to inclusive and sustainable development. Thus, government can utilize a CSR agenda in pursuit of this goal.

Secondly, CSR is considered to play an important role in contributing to the competitiveness of a country. The European Commission stresses the need to link CSR with the competitiveness of companies and national and regional economies, which in turn has been described as fundamental for a nation's sustainability.

Thirdly, the private sector taking an active role in addressing some social causes is seen as a solution to current government financial limitations. This allows CSR to present a new governance framework which government can use to create an enabling environment wherein the private sector is encouraged to be more engaged in social mission. CSR therefore becomes a way of promoting good company practices complementing other public efforts for societal progress. Since the government has attempted to promote the idea of public-private partnership, the concept of CSR as an alternative or auxiliary development fund should be eminently acceptable to government policymakers.

Finally, although CSR is widely viewed as voluntary actions that companies take above and beyond regulatory requirements to improve their ethical, social and economic performance, there is growing recognition that governments can and should contribute to shaping enabling conditions in order to see CSR more widely conducted.

Many stakeholders feel that the societal benefits of corporate responsibility practices will remain limited unless they can be incorporated into broader strategies, and public policies certainly have a role to play in this respect.

The Way Forward

Chapter 8

The debate surrounding the potential of CSR to contribute positively to development will not end with the Mainstreaming CSR to Address Poverty project. But the project can claim as one of its major successes the promotion of CSR to the development agenda. The debate has started and CSR has attracted the attention that it deserves.

Commentators on the issue are distinctly divided into the optimists and the pessimists. The optimists believe that business does indeed have great potential to contribute positively to the social and economic development of the regions they operate in. The pessimists on the other hand doubt this belief and assert that businesses cannot contribute to social development because they neither have the requisite authority - which lies with the state - nor the correct incentives.

The optimists believe that because businesses are so deeply embedded within the communities they operate, they have great potential to address the social and environmental problems of these communities.

In the case of the skill development centres in Jessore and the Sundarbans, and the school in Bhola, CSR funds reached marginalised communities where government or even NGOs had failed.

Through the interventions, it was proved that despite challenges, partnerships between corporate entities and grassroots organisations can work. It was also demonstrated that once they are given a helping hand, poor communities can rise and stand on their own feet. The very hands that were outstretched to receive relief goods are now creating handicrafts with real livelihood potential.

‘In the case of the skill development centres in Jessore and the Sundarbans, and the school in Bhola, CSR funds reached marginalised communities where government or even NGOs had failed.’

‘... there is a significant opportunity to harness current enthusiasm for CSR among enterprises and assist businesses in taking on a bigger role in social development, particularly under the global demands for responsible business practice.’

Through such actions, optimists believe, CSR has great potential to bring about substantial social improvements.

On the other hand, pessimists believe that CSR does not have the potential to solve social problems. This is mainly due to two reasons. Firstly, they believe that firms cannot escape their primary goal of making profits. CSR activities will only be followed until they can provide tangible gains to the firm. Although the social environment may improve in the process, the improvement is likely to be short lived. Secondly, they believe that social provision should be solely the job of the state. The state is the elected representative of the people entrusted with the task of improving social conditions. It has the required expertise and resources to be able to understand and address the needs of the people. Businesses lack this expertise and knowledge and should therefore not aim to fulfil the state's obligations.

Yet, the vast majority of stakeholders interviewed by this writer expressed optimism. The progress was slow but steady, they said, and with robust advocacy and policy support from the government, CSR could transform the country's development landscape.

From the discussions and debates, several themes emerged.

- Stakeholders agreed that government actions are essential to creating an enabling environment for private sector development that diminishes risks, lowers costs and barriers of operation, and raises rewards and opportunities for competitive and responsible private enterprises. It would be too much to ask private sector companies to sacrifice financially, if they did not get an enabling environment.

The challenge for governmental agencies in promoting a CSR agenda is to identify priorities, raise awareness, create incentives and support, and mobilize resources from cross-sectoral cooperation that are meaningful in the national context, as well as building on existing initiatives and capacities.

- For Bangladesh, there is a significant opportunity to harness current enthusiasm for CSR among enterprises and assist businesses in taking on a bigger role in social development, particularly under the global demands for responsible business practice.
- The garment industry, which accounts for the bulk of Bangladesh's exports, has been on the receiving end of negative publicity following the Tazreen Fashions fire and the death of a labour activist. Well planned CSR interventions by apparel manufacturing companies could allow the industry to recover its image. The government should promote CSR as a tool for brightening the "Made in Bangladesh" brand image.
- While CSR is normally seen as voluntarily going beyond local requirements, the government can "raise the bar" through stricter regulation and well-aimed incentives.

- Through facilitation, the government can enable or incentivize companies to engage in CSR to drive social and environmental improvements. In many of the approaches reflected under this role, government plays a catalytic, secondary, or supporting role.

For example, government may provide tax incentives and penalties to promote responsible business; ensure business can access information needed; facilitate understanding of minimum legal requirements for issues relating to responsible business practice; include CSR elements in related policy areas (such as industrial policy, trade policy, environmental policy, and labour policy); offer capacity building, business advisory services and technical assistance to business when needed; or, support supply chain initiatives and voluntary certification. CSR criteria could be included when judging state recognition such as CIP status.

- Both the government and civil society organizations can play a role establishing CSR value and knowledge among the business and the general public through recognition for CSR achievement and spreading CSR information. Initiative can come in the form of publicity, awarding success, campaigning for awareness, networking opportunities, and funding.
- Most stakeholders wanted to see publication of the CSR Review to be continued since it is the only newsletter of its kind in the country.

Dr. Atiur Rahman, the Governor of Bangladesh Bank said: "The national 5-year-plan is built around the idea of inclusive growth. Today our growth is led by the private sector. Therefore involving the private sector in development is crucial for our country."

Dr. Rahman continued: "The business ethos of our country should include a model of giving back to society. This idea has gained acceptance in the banking sector and we have made progress in implementation and monitoring. Now other regulatory bodies should step up. The SEC should make sure all listed companies practice CSR in the true sense and that practice is sustainable and beneficial to both the company and society as a whole."

"I will request MRDI to be more aggressive in making the case to more and more corporate entities," said the governor. "We will provide as much help as we can from the central bank. This is a collaboration that has shown very good results."

Evidence shows that there is a strong link between CSR and inclusive and sustainable development. CSR provides a strategic and competitive opportunity that Bangladesh must utilize.

CSR cannot be imposed against the will of enterprises, but can only be promoted together with them with the involvement of their stakeholders. One of the first steps to promoting CSR further in the country would be to fill the knowledge gaps about the significance and contribution of CSR to business success and sustainability, as well to increase awareness and acceptance among stakeholders.

“ CSR cannot be imposed against the will of enterprises, but can only be promoted together with them with the involvement of their stakeholders.”



Gaon Swapna

Dream of touching the sky

Dream appears not only in sleep.

It does appear in conscious state of mind.

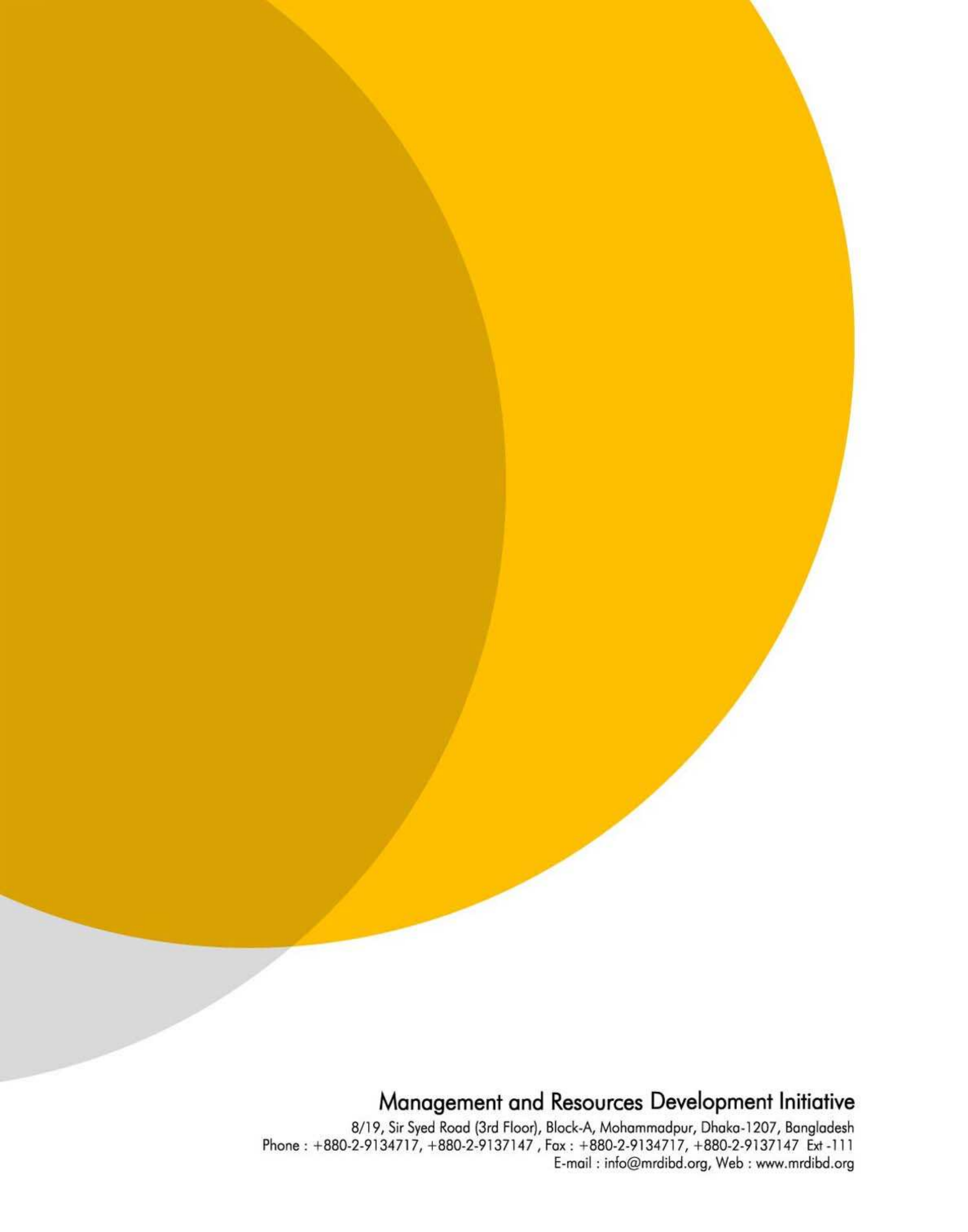
Dream appears in the journey, in the thoughts, in the eyes...

But such dream needs to be created - for people who would chase it.

**Dream makers and dream chasers join hands to
materialize a dream - Gaon Swapna - dream of the village.**

Gaon Swapna is the marketing outlet of disadvantaged women, beneficiaries of CSR intervention, aspiring for a better living.

Gaon Swapna is still a young plant which needs proper nourishing to mature. The venture — carrying the dreams of numerous marginalized women, will grow as a deep rooted tree with a healthy trunk, spreading its branches, producing leaves, flowers and fruits. By fulfilling the sky high aspirations of the women, Gaon Swapna will set an example of success — a success that will inspire others to unite and fight against poverty applying their own potentials and resources.



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