



# CSR EVENING: MEETING SOCIAL GOALS

[Organized by Management and Resources Development Initiative (MRDI)]

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October 24, 2009, 7:30-9:30 p.m., Ballroom, Dhaka Sheraton

Corporate Social Responsibility (CSR) is gaining fast global acceptance as a standard to assume environmentally sustainable and socially equitable business practices. The role of business worldwide and specifically in the developed economies has evolved from classical 'profit maximizing' approach to a 'socially responsible' approach, where business is not only responsible to its stockholders but also to all of its stakeholders in a broader inclusive sense.

With increased globalization, local businesses are being integrated with the global economy than ever before. Hence the pressure is mounting on local businesses to converge on international standards of socially responsible business. As a member of the global economy, Bangladesh is also aware of the need to take positive initiative to establish an image of environmentally and socially responsible businesses.

CSR as a concept is being gradually interwoven into the psyche of local business. This is both internal and external. Those corporate houses are leading change; obviously trying to integrate CSR within their own management structure. CSR certainly means how responsive they are to their work, how environment friendly their offices are, how employment generating they are. However, the process is still slow and only in its infancy. In most of the cases, CSR practices are not particularly framed in the context of seeing to it that the money being given as corporate donations have been part of a sustaining community development effort.

The banking sector of Bangladesh has been actively participating in various social activities. However, these efforts were hardly recognized and labeled as CSR activities since most of the financial institutions have not integrated CSR in their routine operation; rather these were in the form of occasional charity or promotional activities.

Bangladesh Bank has taken initiatives in respect of formalizing CSR in the banking sector of Bangladesh and issued an elaborate directive to the banks and financial institutions on June 1, 2008 in this regard. It defined the strategic objective for CSR engagement, provided some priority areas with a suggestion to foster CSR in their client businesses, and suggested a first time CSR program indicating some likely action plans. Bangladesh Bank has been monitoring CSR adoption and CSR

performance of banks and financial institutions, as an additional dimension of their management performance.

Bangladesh Bank also had the opportunity to provide a sense of direction to the CSR agenda of the banking sector when it suggested that, banks will be considered as more compliant of Corporate Social Responsibility who are taking measures for rehabilitating agriculture, fisheries, livestock, and protecting environment, besides providing relief to the people affected in natural calamities like 'Sidr' and 'Aila'.

The banking community has responded sensibly to the call for CSR and sustainable social development. We are trying hard in mainstreaming CSR in all of our financial institutions. In fact, some of our banks have responded so positively that they are often quoted as CSR brand leaders. We are also observing a gradual but qualitative change in the CSR action programs undertaken by banks. For example:

- Disaster relief and rehabilitation became the segment where the highest number of banks participated to help ease the sufferings of the affected people. In the current context, a desired move from the traditionally popular fields of education or health.
- Several banks introduced micro-finance for the target groups, such as poor farmers, landless peasants, women entrepreneurs, rootless slum people, handicapped people, etc.
- More and more banks have taken long-term or renewable scholarship programs for under-privileged but meritorious students for the persuasion of their studies instead of providing one time recognition awards to good performers.
- Some banks choose to provide continued financial support for maintaining operating costs of health care organizations.
- We hope to compile all these initiatives under a single cover and provide you with a comparative picture.
- We want to integrate human stories in this compilation so that we can learn from each other success stories.

Without a 'governance framework', businesses may face substantial difficulties in finding and maintaining appropriate boundaries for their CSR interventions, and they may find themselves pressure into activities that are beyond their core competence and represent a financial drain on business rather than a sensible CSR investment.

MRDI's initiative aiming at proper utilization of CSR funds by means of seeking commitment from the leaders of trade and industry to undertake target-oriented actions for sustainable social development is appreciable. MRDI has rightly pointed

out that as an alternative development funds, CSR can contribute to poverty reduction and supplement government's efforts towards achieving the millennium development goals. Their emphasis on skill development is particularly appreciable.

In a developing country like ours with modest resources, it is important that we deploy our resources most usefully, and hence, we should make an effort to have an overall 'national policy on CSR' that starts from building understanding of CSR incentives and pressure points and improving strategic interactions and alignment between public policy goals and the CSR-related activities of businesses.

Finally, may I remind all of our corporate friends and others present here that we need to be engaged in CSR activities for our self interest. We have to commit ourselves for an inclusive growth process which has not only an ethical dimension but also an element of self-interest. Let me therefore end this intervention by quoting a couple of lines from Geetanjali of Rabindranath Tagore:

“পশ্চাতে রেখেছ যারে  
সে তোমারে পশ্চাতে টানিছে।”

“Those you push down  
They will pull you down”.

So, let's move together to build more advanced society.