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Sustainability Watch

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Message from the Editor

I am happy to share with you the tenth issue of CSR E- Newsletter.

CSR-Corporate Social Responsibility Bangladesh is a social enterprise started with a vision to provide SR related services to public and private sector in Bangladesh. The objective of the newsletter is to provide corporate information and news specially focused on sustainability and development related issues. It aims to provide information to the stakeholders regarding social accountability and responsibility.

The sustainable development cannot be achieved without being socially responsible and having adequate understanding and knowledge about social aspect of business.



Member



AMDISA
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Upcoming CSR Bangladesh Publications

Expected date of Publication January 2010

Socially Responsible Booklet

1. Children's Edition
2. Teenager's Edition
3. Professional's Edition
4. Businessmen's Edition

Call for Contributors

CSR Case Book

We seek business case studies from different sectors in Bangladesh for upcoming CSR Case book publications. We welcome industry cooperation in this regard. Any individual or organizations interested to contribute are highly requested to contact the editor.

Please send your case studies to the following e-mail address by November 30:

editor@csrbangladesh.org

CSR Essentials Training

Program: Comprehensive Training
Target Group: Stakeholders, managers and interested person
Date: November 30, 2009
Time: 6:00 pm– 9:00 pm
Venue: House 20, Road 2

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- CSR News Corporate News available at the website
- Training on Trainers of CSR Professionals is coming....
- Introducing CSR Dhaka Forum
- Introducing CSR Master Class soon.....

Corporate Social Responsibility in Bangladesh

-Edward Probir Mondol

INTRODUCTION

'Corporate Social Responsibility' or CSR for short is a relatively new term that has suddenly gained currency. Hundreds, indeed thousands, of companies are adopting 'ethical policies' or 'codes of conduct' saying how they intend to behave. More and more companies are signing up to such initiatives as the United Nations Global Compact or the Fair Labor Association. They are joining bodies such as World Business Council for Sustainable Development and CSR Europe. On both sides of the Atlantic there are myriads of conferences and 'initiatives', where corporate 'CSR Executives', some even from companies with a long anti-union record, meet up with campaigns, NGOs and indeed trade unions. Take the example of McDonald's. In the 1990s, the hamburger corporation took two campaigners through a long and exhausting libel court case in London after they criticized its corporate practices. Then there was the 2004 film 'Super Size Me'. Its public image thoroughly dented, today McDonald's leaflets in the UK show happy local farmers producing organic crops for healthy meals. Or the oil company Unocal, which was severely criticized for knowingly using forced labour to construct a pipeline in Burma, a country run by a vicious regime and subject to an international boycott. Labour rights' groups in the US took Unocal through the courts. Unocal now has a huge area on its website devoted to CSR. In fact, CSR means different things to different people. However, certain ideas are becoming commonly accepted. One is that CSR is not about philanthropy or charitable work. It refers to something much more fundamental. It is about how companies take responsibility for their actions in the world at large. Conventional CSR Watchdogs include Labor Unions, Consumer Groups, Environmentalists, NGOs and all 'Stakeholders' watching over their interest as opposed to 'Stockholders' only.

The role of business worldwide and specifically in the developed economies has evolved over the last few decades from classical 'profit maximizing' approach to a social responsible approach, where businesses are not only responsible to its stockholders but also to all of its stakeholders in a broader inclusive sense. One can identify so many reasons for shifting the role of business from classical concept to a responsible business concept, but negative impression of stakeholders on the enterprise would get a higher priority among others. In one hand, enterprises create wealth and job opportunities for the society and on the other, they pollute and destroy environment and ecology with devastating impact on human health and bio-diversity worldwide. To address the social problems or the problems of the stakeholders, the business community evolved a new approach in their business strategies named CSR and through CSR enterprises are intent to strike a balance between economic and social goals, where resources are used in a rational manner and social needs are addressed responsibly. CSR can be viewed as a comprehensive set of policies, practices, and programs that are integrated into business operations, supply chains, and decision making processes throughout the company and include responsibilities for current and past actions as well as adequate attention to future impacts.

CSR focuses vary by business, by size, by sector and even by geographic region. The umbrella of CSR is quite big and it includes all the good practices that increase the business profitability and can preserve interest of all stakeholders. However, Lotus Holdings defines CSR as “The integration of the interests of the stakeholders – all those affected by a company’s conduct – into the company’s business policies and actions, with a focus on the social, environmental, and financial success of a company, the so-called triple bottom-line with the goal being to positively impact society while achieving business success.”

Thus, the whole range of stakeholders is considered as integral parts of CSR. One important aspect of CSR is that it is not legal obligation but rather voluntary social and environmental positive initiative to establish an image of environmentally and Socially Responsible Business (RSRB) that also encompasses MSMEs as well as giant corporations. The motivation and drive to pursue is chiefly a result of pressure from well organized Consumer Rights movement, specifically in developed world that acts as a watchdog and hardly hesitates to impose Consumer Boycott against a company that violated established CSR practices. An ideal example is the consumer boycott imposed on purchasing Bangladesh readymade garments on the ground that these are produced by under-aged child labor.

Despite the fact that in the not so distant past, CSR was more of a charity by affluent or socially responsible business organizations without expecting any financial return, today, it is very much a planned investment in creating positive image to enhance profitability. Under CSR concept, companies decide voluntarily to contribute to a better society and a more sustainable environment. As evolved primarily in the western world, most of the rising companies there practice CSR to enhance the image and acceptability in the community (Green Paper, 2001).

There are driving forces behind CSR that include; new concerns and expectations from citizens, consumers, public authorities and investors in the context of globalization. Social criteria are increasingly influencing the investment decisions of individuals and institutions both as consumers and as investors. Increased concern about the damages caused to the environment by economic activities; transparency of business activities brought about by the media and modern information and communication technologies are all contributing to the changing scenario regarding CSR. According to Green Paper, 2001, “Few trends could so thoroughly undermine the very foundations of our free society than the acceptance by corporate officials of a social responsibility other than to make as much money for the stockholders as possible.” (Friedman, 1962)

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ECONOMY OF BANGLADESH

Bangladesh lies in the north eastern part of South Asia having borders with India, Myanmar and the Bay of Bengal on the southern side. The area of the country is about 148,000 sq. K.M. with an estimated population of 140 million (2006) making it as one of the most densely populated country of the world. The economy of Bangladesh is mostly agro-based. Agriculture makes highest contribution to Gross Domestic Product (GDP) as can be deduced from the statistics on contributions of different sectors. Bangladesh witnessed on an average growth rate of little over 5% of GDP over the recent years and the projection for the present fiscal year is little over 6%. On the face of population growth of 1.47 per anum, this is a very low growth rate. This is also reflected in the low levels of savings and investment in the economy despite some improvement in recent years.

Despite sustained domestic and international efforts to improve economic and demographic prospects, Bangladesh remains a developing nation, in part due to its large population. Its per capita income in 2006 was US\$2300 compared to the world average of \$10,200. Yet, as the World Bank notes in its July 2005 Country Brief, the country has made significant progress in human development in the areas of literacy, gender parity in schooling, and reduction of population growth.

Jute, once the economic engine of the country, started to decline due to competition from substitutes. Bangladesh grows significant quantities of rice, tea and mustard. Although two-thirds of Bangladeshis are farmers, more than three quarters of Bangladesh's export earnings come from the garment industry, which began attracting foreign investors in the 1980s due to cheap labour and low conversion cost. In 2002, the industry exported US\$5 billion worth of products. The industry now employs more than 3 million workers, 90% of whom are women. A large part of foreign currency earnings also comes from the remittances sent by expatriates living in other countries.

Obstacles to growth include frequent cyclones and floods, inefficient state-owned enterprises, mismanaged port facilities, a growth in the labour force that has outpaced jobs, inefficient use of energy resources (such as natural gas), insufficient power supplies, slow implementation of economic reforms, political infighting and corruption.

Despite these hurdles, the country has achieved an average annual growth rate of 5% since 1990. Bangladesh has seen expansion of its middle class, and its consumer industry has also grown. In December 2005, four years after its report on the emerging "BRIC" economies (Brazil, Russia, India, and China), Goldman Sachs named Bangladesh one of the "Next Eleven, along with Egypt, Indonesia, Pakistan and seven other countries. Bangladesh has seen a dramatic increase in foreign direct investment. A number of multinational corporations, including Unocal Corporation and Tata, have made major investments, with the natural gas sector being a priority.

Government of Bangladesh has put in place a comprehensive array of policies aimed at bringing about significant socio-economic improvements to the people of Bangladesh. In recognition of the private sectors ability to contribute towards

achievement of these goals, the government has recently implemented a number of significant policy reforms. These are designed to create a more open and competitive climate for foreign investment.

In order to achieve the objective of accelerating industrial growth and to gain a greater share of industry in the GDP as well as to make the industrial policy responsive to the changes occurring in the global economy, the government formulated a new Industrial Policy-1999 with considerable incentives for industrial growth.

The role of the private sector has been recognized as a predominant one. Except limited reserved sectors, private sector investment has been kept open without any ceiling. Private investment both local and foreign or joint venture between local and foreign or with public sector is allowed.

Thus, Bangladesh is making steady preparation to develop its economy through private sector growth – be it local or foreign. In order to stimulate rapid economic growth of the country through industrialization, the Government of Bangladesh (GOB) has adopted an 'Open Door Policy' to attract foreign investment to Bangladesh. The Bangladesh Export Processing Zones Authority (BEPZA) is the official organ of the GOB to promote, attract and facilitate foreign investment in the Export Processing Zones. The primary objectives of an EPZ is to provide special areas where potential investors would find a congenial investment climate, free from cumbersome procedures. Bangladesh has 8 EPZs operated by BEPZA and 6 of these are operational and other two are in the implementation stage.

The economy is connected with world trade with considerable volume of import and exports. Significant volume of exports in terms of ready made garments, jute products, tea, shrimps etc are destined towards European Union and North America. Such exports are subjected to considerable vigilance by various rights groups which in turn makes CSR of particular concern to export oriented companies in Bangladesh.

CSR Bangladesh News Desk**Copenhagen Communiqué**

CSR Bangladesh signed the Copenhagen Communiqué on Climate Change.

AMDISA MEMBERSHIP

CSR Bangladesh received AMDISA – Association of Management Development Institutes in South Asia Corporate Membership.

Processing MoU with Global Gandhian Trusteeship and CSR Foundation, India.

CSR Bangladesh is processing toward MoU with CSR Foundation in India for joint research and training in CSR.

South Asian Network on CSR

A South Asian Network on CSR initiative is developing.....we expect full cooperation from the associated countries and organizations.

Interview with Pradeep Kashyap CEO, MART, India

Mr Edward Probir Mondol, Editor of CSR Bangladesh took an interview of Mr Pradeep Kashyap, CEO, MART, India.

CSR Bangladesh New Address

New Address will be posted later

CSR Bangladesh Registration

Registered under Societies Act XXI of 1860 by Registrar of Joint Stock Companies and Firms, Bangladesh.
Registration No. S-10122

International Research Fellowship Award

Mr. Edward Probir Mondol, Executive Director of CSR Bangladesh has received International Research Fellowship award to conduct a study on CSR in South Asia. The study is the joint publication of “CSR Handbook: A South Asian Context” by International Management Institute, New Delhi, India.

CSR Bangladesh Newsletter in Bangla Edition from the month of January 2010

CSR Bangladesh will publish Bangla Edition of CSR Newsletter from month of January 2010.

Corporate Advertisements

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Corporate Social Responsibility Bangladesh

[A partner for sustainable Growth and Development]

Corporate Social Responsibility of Bangladesh - CSR Bangladesh is being launched with a vision to facilitate, expand and encourage CSR practice in Bangladesh. The CSR Bangladesh's objectives are to become the source of information, resources and advisory services on SR in Bangladesh.

Scope of CSR

- Raise CSR Awareness among stakeholders
- Provide Strategic, structured and systematic tools for CSR practice and adoption
- Evaluate, implement and monitor CSR for profit maximization
- Good Governance Advisory Services
- Establish benchmark for CSR practices

Available!

First Social Responsibility Monthly E-Newsletter

www.csrbangladesh.org/newsletter/

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SERVICES:


Education	Research
<ul style="list-style-type: none"> - Awareness Creation - Publications - Organizational Study - Project Development 	<ul style="list-style-type: none"> - Curriculum Development - CSR Benchmark Survey - Industry Research and advocacy - Industry focused CSR Research
Training	Consultancy
<ul style="list-style-type: none"> - Corporate Training - CSR Essentials - ISR Training - Corporate Accountability Training - Workshops - Debate - Roundtable Discussion 	<ul style="list-style-type: none"> - Industrial Consultancy - Management Consultancy - Marketing Consultancy - IT Consultancy - Sector Consultancy - Advertisement Services - CSR Implementation

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CSR Bangladesh Foundation

What is CSRB?

Corporate Social Responsibility of Bangladesh – CSR Bangladesh is being launched with private sector start up to facilitate, expand and encourage CSR practice in Bangladesh. Registered as a firm in 2008. Later registered as a Non Profit Organization under Societies Act XXI 1860 by Registrar of Joint Stock Companies and Firms, Bangladesh.

What does it do?

The CSR Bangladesh objective is to become the source of information, resources and advisory services on CSR and Sustainability in Bangladesh.

Scope/Area of CSRB

Raise CSR Awareness amongst CSR stakeholders

Provide Strategic, structured and systematic tools for CSR practice and adoption

Evaluate, implement and monitor CSR for profit maximization

Good Governance

Establish benchmark for CSR practices

Environment and Climate Change Issue

VISION

Our vision is to create awareness regarding CSR for the organization with its primary stakeholders and extended enterprise the benefits of social compliance and sustainability.

MISSION

To be a partner for sustainable growth and development in the country and the region.