CSR Practice in Bangladesh: Exploring Workers’ Participations & Benefit.

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List of Contents

Preface .................................................................................................................. 05

List of Abbreviation ............................................................................................... 06

Chapter-One : Introduction
1.1 Background and Justification ........................................................................ 07
1.2 General Objectives ......................................................................................... 07
1.3 Research Methodology ................................................................................... 08
1.4 Limitations of the Study ................................................................................ 08

Chapter-Two : Review of Relevant Literature
2.1 Definition of CSR ......................................................................................... 11
2.2 CSR Prior Objectives ................................................................................... 12
2.3 Understanding of CSR in Bangladesh ............................................................. 14
2.4 CSR & Trade Union in Bangladesh: Understanding Role, Challenges and Potentials ........................................................................................... 15
2.5 CSR and Workers Participation ...................................................................... 16
2.6 International Instruments for Corporate Social Responsibility (CSR) .......... 17
   2.6.1 United Nations Global Compact (UNGC) ............................................... 17
   2.6.2 OECD Guidelines for Multinational Enterprises ..................................... 18
   2.6.3 ISO 26000 Guidance on Social Responsibility ......................................... 19
   2.6.4 International Labour Organization (ILO) ................................................... 19
2.7 National Level Understanding: Legal Framework and Way Forward of CSR ................................................................................................................. 20
   2.7.1 National CSR Policy for Children in Bangladesh ...................................... 20

Chapter-Three : Discussion of the Results; Status of CSR in Bangladesh
3.0 Discussion of the Results; Status of CSR in Bangladesh ................................ 23
3.1 Origin and Development of CSR in Bangladesh .......................................... 23
3.2 CSR and Owners Perception ......................................................................... 24
3.3 Dimensions of CSR ...................................................................................... 25
3.4 Existing CSR Activities in selected corporations .......................................... 25
3.5 Target Beneficiaries under CSR .................................................................. 27
3.6 CSR Activities in Workers’ Perspectives ..................................................... 28
3.7 Nature of Trade Union in the Corporations under study ............................. 29
   3.7.1 Views of Trade Union Leaders regarding CSR ...................................... 30
3.8. CSR and UNGC Affiliation .................................................................31
3.9 Organizational Strengths in CSR Practices .........................................32
3.10 Economic Perspectives of CSR .......................................................32

Chapter- Four : Introduction

Expert Opinion-One ...........................................................................33
Expert Opinion-Two .........................................................................34
Expert Opinion (Policy Maker) -Three ..............................................34
Expert Opinion-Four .........................................................................35
Expert Opinion-Five (05) ..................................................................35
Expert Opinion (Owner’s View) -Six (06) ............................................35
Expert Opinion (Owner’s View) -Seven (07) .......................................36

Chapter-Five

5.0 Major Challenges on the Way of CSR in Bangladesh .........................39
5.1 Some Recommended Suggestions for CSR .......................................40
5.2 Concrete Recommendations for Trade Union to Way Forward ............41

Chapter-Six

Concluding Remark ...........................................................................43
Reference ..........................................................................................44
Preface

BILS under its LO-FTF Project conducted a research aimed at understanding the CSR situation in Bangladesh for advocating on it. CSR is a new component of this project.

The concept of CSR is still new in our country, therefore, no clear guideline is found in case of practice of CSR. However, Bangladesh Bank has given direction to different banks and financial institutions to practice CSR for the wellbeing of the society.

International standard of CSR is present in different developed countries in Europe, America and even in South Asia. Various international instruments, agreements and guidelines are also available that can help form a CSR Policy in Bangladesh.

BILS under its CSR Unit conducted the research for understanding the practice of CSR in different employment sectors. The research team primarily selected 7 sectors i.e. RMG, Textile, Pharmaceutical, Bank, Construction, Multinational Companies and Service Sector to analyse its CSR practice conditions. The team interviewed union leaders and analysed situation as per their answers and drew recommendations for advocacy.

We hope this publication will be helpful to get primary idea of CSR practice in Bangladesh.

Finally we would like to acknowledge LO-FTF Council and interviewees of different organisations for their support to conduct and publish this research.

Nazrul Islam Khan
Secretary General

Md. Habibur Rahman Shiraz
Chairman
<table>
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>Corporate Social Responsibility</td>
<td>CSR</td>
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<tr>
<td>Bangladesh Institute of Labour Studies</td>
<td>BILS</td>
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<td>Readymade Garment Industry</td>
<td>RMG</td>
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<td>United Nations Global Compact</td>
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<td>Trade Union</td>
<td>TU</td>
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<td>Non-Government Organization</td>
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<td>Corporate Social Responsibility Bangladesh</td>
<td>CSRB</td>
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<tr>
<td>Small and Medium Enterprise</td>
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<td>Sustainable Responsible Business</td>
<td>SRB</td>
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<td>Corporate Citizenship</td>
<td>CC</td>
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<td>Metropolitan Police Service</td>
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<td>United Kingdom</td>
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<td>Sustainable Development</td>
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<td>Corporate Responsibility</td>
<td>CR</td>
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<td>Multi-Fibre Arrangement</td>
<td>MFA</td>
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<td>Chittagong Export Processing Zone</td>
<td>CEPZ</td>
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<td>Dhaka Export Processing Zone</td>
<td>DEPZ</td>
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<td>Bangladesh Export Processing Zones Authority</td>
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<td>International Labour Organization</td>
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<td>Millennium Development Goals</td>
<td>MDGs</td>
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<td>Multinational Enterprises</td>
<td>MNEs</td>
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<td>International Organization for Standardization</td>
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<td>Danish Standards</td>
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<td>Bangladesh Centre for Advanced Studies</td>
<td>BCAS</td>
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<td>Bangladesh Enterprise Institute</td>
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<td>Ministry of Labour and Employment</td>
<td>MOLE</td>
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<td>United Nations Child Rights and Business Principles</td>
<td>UN-CRBP</td>
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<td>Bangladesh Bank</td>
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<td>Corporate Social Responsibility Centre</td>
<td>CSRC</td>
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<tr>
<td>Shathee Samal Kallayan Samity</td>
<td>SSKS</td>
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<td>German Development Cooperation</td>
<td>GTZ</td>
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<td>Bangladesh Coordinating Committee</td>
<td>BNCC</td>
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<td>Bangladesh Knit Wear Manufacturers and Exporters Association</td>
<td>BKMEA</td>
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<tr>
<td>Organization for Economic Cooperation and Development</td>
<td>OECD</td>
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<tr>
<td>International Textile, Garment and Leather Workers Federation</td>
<td>ITGLWF</td>
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<td>Management and Resource Development Initiative</td>
<td>MRDI</td>
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Chapter One

Introduction

1.1 Background and Justification

Bangladesh is a developing country of the third world. But it has a very strong and wide range of foreign revenue earning sector which is Readymade Garment Industry locally known as RMG among many other incoming sources like corporate sector, national and multinational companies, non-government organizations, private entrepreneurs and banking sectors and so on. The existing working condition in different productive sectors especially in the garment sector has yet to touch the height of global standard that have recently drawn universal attention from multinational companies investing and doing business in Bangladesh. Most of foreign investors or business tycoons in all kinds of trading areas have been putting priority on Corporate Social Responsibility (CSR) as effective means of sustainable business, positive social image of the corporations and job benefits as well as healthy working environment for the employees. However, the present international attention on CSR and comparatively on the prevailing poor working environment in Bangladesh might be the optimal opportunities for addressing workers’ rights through effective implementation of CSR as platform for promoting responsible business behavior in the Labour market in general. During this project phase, Bangladesh Institute of Labour Studies (BILS) intends to dig into the ways and scope of functional attachment of trade unions with CSR towards ensuring workers rights and enhancing their participation. BILS emphasizes on the workers’ integration in CSR as well as advocacy for a national framework in accordance with concern international instruments in particular of the United Nations Global Compact (UNGC) guiding principles regarding business and human rights as well as other relevant tools of CSR.

Moreover, the existing nature of CSR activities done by the corporate bodies still remains vague. It has recently become one of the cherished buzzwords and matter of expectation among the modern business globally. The voluntary prototype of the corporate responsibilities has also created tension between entrepreneurial responsibility and entrepreneurial charity for promoting workers’ rights. Whereas a common realization on CSR is widely absent among the investors, trade unions (TU), consumers and the employees truly in Bangladesh. Without having a common understanding on CSR, many of the corporate good intentions to promote workers’ welfare are being undervalued. Thus, there is an immense necessity to reinforce the organizational and legal position of national trade unions in terms of workers’ rights and CSR issues of the corporations that will obviously enhance the way of responsibility of the employers and the state government to promote sound industrial relations and decent working environment in every business and productive sectors.

1.2 General Objectives

The Core objective of the study is to identify the issues concern of workers’ rights in the existing CSR activities and find out how best to promote workers rights and decent work through the CSR actions by conducting an analysis of the current practices of CSR and scope of trade unions’ involvement in such schemes.

Specific Objectives;

i. To understand the existing policies and practices of CSR through analyzing the legal instruments at national level;

ii. To know about the pattern and policies adopted by the corporations and the prior obstacles encountered by the organizational authority to conduct the CSR activities;
iii. To find out the ways of reflection of United Nations Global Compact guiding principles regarding CSR activities by the concerned corporate bodies;

iv. To explore the existing level of awareness or knowledge about CSR among the policy makers, civil society, concern employers and workers;

v. To know the present status and future role of trade union in CSR activities;

1.3 Research Methodology

This study was conducted implying both qualitative and quantitative research methods and techniques. In this study, data were collected from both primary and secondary sources. To elicit information regarding the existing practices of CSR in Bangladesh total Seven (07) organizations of different categories were purposively selected for data collection. As area of the study that we have considered Mohammadia Group from RMG sector, Unilever from Multinational companies, Janata Bank from banking sector, Square Group from Pharmaceuticals and Navana Real Estate from Building & Construction, Sopura Silk Mills Rajshahi from textile sector and Rahimafroze from Production and Service for empirical data. Mainly ‘Sample Survey’ and ‘Case Study’ were used as research methods; and ‘Interview’, ‘Observation’ and ‘Key Informant Interview’ was applied as data collection techniques to collect more authentic data from the respondents. As KII of the study, the researchers had interviewed some social elites, owners and investors of different corporations, think tanks, trade union leaders and chief executives of the relevant research organizations of Bangladesh who are thought to be very influential and right persons in terms of policy implication in national level of CSR. The researcher had to communicate with the selected respondents for appointment and then interviewed them either ‘Face to Face’ or ‘Over phone’ in some cases due to time constraints. As data collection tools, a semi-structured open ended checklist and guidelines were followed during interview. Moreover, journals, magazines, newspaper, research papers and few other written documents relevant to the study topic were reviewed as secondary sources of data.

1.4 Limitations of the Study

In every research, there are some sorts of pains and pleasures in different phases such as topic and area selection, fixing up goals and objectives, tabulation and preparation of questionnaire, data collection as well as report preparation. Sometimes the researcher becomes bound to encounter various problems and go through several limitations because of nature of the respondents. In spite of all positive initiatives taken by the researcher or research organization experience the hard time and seem to be biased while conducting survey research. The present study is thought to conduct on CSR status and activities performed by the corporations, national and international companies, banks, NGOs and RMGs in relation to workers participation in such activities and benefits. It is commonly known to us that CSR assumes the organizational interests in terms of sustainable growth and development of the company images and workers benefits. But CSR has yet to be well recognized and understood by the company owners and investors as well as by the workers who are the main parties of CSR concern because of their improper knowledge and interest. The research team had to face so many difficulties and hassles as the respondents were not aware and well known regarding the issue. Most of them understand CSR as any kind of charity or welfare activities rather realizing its social value and significance. Some prior limitations of the study are presented here;

- The researchers really had faced hard time to get appointment with the respondents such as investors, employees, stakeholders, trade union leaders, social elite and policy makers for interview on CSR issues, which was the foremost limitation of the study.

- Most of the corporations’ authorities are very reluctant to respond on this issue because of their insufficient knowledge and improper CSR practices.

- Since the research carries no direct benefit for the respondents, which discourages them to spontaneous response during data collection.
• The area of the study is comparatively a new phenomenon among the respondents because of its conceptual drawbacks that impedes smooth functioning of the researchers.

• In most of the cases, the owners of the corporations considered as respondents were found unwilling to speak on CSR as it widely indicates huge financial inclusion of their business.

• It was bit difficult to interview the respondents as CSR is still not well established as an academic word or even a business term because of insufficient application and lack of professional practice.

• The researchers had faced time constraints as the study was designed to accomplish within a very short and certain time frame.
Chapter-Two

2.0 Review of Relevant Literature
In this segment we attempt to present the outcomes of the literature review emphasizing on few core areas for instance Workers’ perspective definition of CSR and its Purposes, Patterns of CSR in practices, Involvement of Workers and Trade Unions in CSR activities and Status of United Nations Global Compact (UNGC) CSR guidelines that followed in Bangladesh.

2.1 Definition of CSR
Corporate Social Responsibility (CSR) generally refers to social and ethical responsibilities that corporations should perform in their business activities beyond legal requirements. The term CSR is widely recognized and accepted currently across the global corporations as a social and ethical dimension of business. As a concept it is ‘a talk of the town in corporate circles these days’ (Mess and Bolman 2004).

CSR is generally meant to be a long term essential sustainability of a company. The core focus of CSR is on sustainability and responsibility towards ensuring growth, expansion and profit maximization of the companies in a long term basis being socially accountable. CSR Bangladesh was established in 2008 to facilitate, expand and encourage CSR practice in Bangladesh. The CSR Bangladesh is a non-profit organization and its objective is to become the source of information, resources and advisory services on CSR in Bangladesh (http://www.csrbangladesh.org/index.php). There is no unified definition of CSR available in the global academia. As stated by Mr. Shitangshu Kumar Sur Chowdhury, Deputy Governor of Bangladesh Bank (BB) in his address at the MRDI’s lessons learnt document launching ceremony “Corporate Social Responsibility (CSR) is mainly about the awareness of and actions in support of environmentally sustainable societal development. CSR actions aim at mitigating the diverse environmental impacts of the activities of the business and at reducing inequalities and alleviating deprivation and poverty in the communities across the country”.

In another definition CSR is mentioned as concepts of Corporate Social Responsibility (CSR) and its practices in Bangladesh have a long history of philanthropic activities from time immemorial. Such philanthropic activities included donations to different charitable organizations, poor people and religious institutions. Until now, most businesses in Bangladesh are family owned and first generation ones. They are involved in community development work in the form of charity without having any definite policy regarding the expenses or any concrete motive regarding financial gains in many instances. Moreover, most of the small and medium enterprises (SMEs) fall under the informal sector having low management structure and resources to address the social and environmental issues. These limitations drive the top management of local companies to think only about the profit maximization rather than doing business considering the triple bottom line: profit, planet and people (CSR definition of Lotus Holdings).

Professor M Alimullah Miyan wrote that CSR concentrates on benefits of all stakeholders rather than just the stockholders. Awareness and sense of necessity for practicing CSR is becoming more and more pronounced as the country has to adapt itself to the process of globalization. But the overall status of CSR in Bangladesh is still very merge. However, Corporate Social Responsibility (CSR), which is also known as Corporate Citizenship (CC) or Sustainable Responsible Business (SRB).

The present condition of CSR in Bangladesh is still far behind compared to the developed countries. There should be a unique opinion for CSR in Bangladesh to be perfectly practiced.

In this regard, BILS defines CSR as
“Corporate Social Responsibility (CSR) terms to be the dynamic process of mutual collaboration through rapport on the basis of some professional norms, ethics and principles practised or nurtured by the company owners, authoritative bodies or investors as their business responsibility for the stakeholders, consumers or workers in connection to their social, financial and environmental benefits in a sustainable manner”.

2.2 CSR Prior Objectives

In the sectors like banks, both national and multinational companies and RMG; CSR activities are expected to be in a good range over the recent few years in Bangladesh. There could be found a number of specific objectives in general with some set prior goals towards the change and development in the entire business affiliated beneficiaries even the companies themselves through a strategic manner, which are outlined in a few;

- To establish a strong base of motivation, substantiated by an equally effective cultural mindset in the corporate world that will certainly lead to making decisions as part of long term sustainable business strategies by the owners or investors themselves through practice CSR effectively.

- To recognize the all sorts of charity, voluntary and corporate philanthropic activities currently done by the concern corporate as more sustainable, equitable and socially balanced ways in terms of stakeholders, consumers and company benefits through a long term basis.

- To reintroduce a set of moral and ethical guidelines of the corporate bodies to follow during conducting welfare activities through the label of CSR.

- To introduce CSR as effective tool to development widely in the four significant phases of the company such as economic, legal, ethical and philanthropic.

- To widen the scope of financial benefits and access to economically disadvantaged regions and vulnerable group of people through properly stepping up to ensure easy access to appropriate financial products and services in a fair and transparent manner by effective practice of CSR.

- To create positive and productive relationships with internal and external stakeholders of the companies especially of the RMGs owners with their workers.

Besides the above general objectives, for further prospects of CSR activities and services by the companies, the first Corporate Social Responsibility (CSR) Strategic objectives taken for the Metropolitan Police Service (MPS) for 2010 to 2013 United Kingdom (UK) may be followed; According to the first Corporate Social Responsibility (CSR) Strategic objectives taken for the Metropolitan Police Service for 2010 to 2013 UK; to turn their CSR mission into reality, they believe the need to focus on four priority areas: Our People, Our Services and Engagement with Communities, Our Environmental Impact and Climate Change, and Our Organization.

**PRIORITY-01**

**Our people**

Developing a talented and diverse workforce that enhances our ability to serve London effectively and respectfully.

**Objectives:**

A. Recruit based on the highest standards of merit, integrity, honesty and respect for diversity.

B. Develop a workforce and working culture that demonstrates respect, openness and fairness, and encourages diversity and equality.

C. Ensure high standards of health, safety and wellbeing for our people.
D. Build and foster an environment where our people can excel in their performance and can learn and develop in order to deliver a high quality of service to colleagues and the community.

**PRIORITY-02**

**Our services and engagement with communities**

Making a positive social, environmental, and economic difference to London’s diverse communities through effective community engagement, delivery of policing activities and improving partnership working at all levels.

**Objectives:**

A. Build public confidence in the policing of London through improving engagement with our diverse communities.

B. Increase public safety by improving our service delivery in identified critical performance areas.

C. Work with partners to support and contribute to community projects that benefit Londoners – particularly around crime reduction and prevention – led by individuals, statutory, voluntary or third sector organizations.

D. Support vulnerable groups in our communities, such as young people, both to keep them safe from harm and to reduce the risk that they become involved in crime.

E. Realize a positive impact upon local and national economies through the disbursement of proceeds of crime and our service delivery/crime prevention activities.

F. Provide sustainable employment opportunities and support local/national economies through our procurement spend and supply chain.

**PRIORITY-03**

**Our environmental impact and climate change**

Minimize the negative impacts of our activities on the environment and reduce the effects of climate change whilst furthering our positive impacts.

**Objectives:**

A. Manage our direct and indirect carbon emissions to reduce our impact upon climate change.

B. Manage waste sustainably by adopting the waste hierarchy (reducing, reusing and recycling waste prior to disposal) through our policing operations and management of our estate.

C. Support and enhance biodiversity and local environmental quality by tackling environmental crime and anti-social behavior, enforcing wildlife legislation and delivering initiatives to prevent wildlife crime.

D. Purchase sustainable products and services, and where appropriate develop and actively encourage our suppliers and their supply chains to do the same

**PRIORITY-04**

**Our Organization**

Delivering an open and efficient service, demonstrating accountability, transparency, value for money and sustainability to the public.
Objectives:

A. Deliver a policing service that treats all members of the public fairly and with dignity and respect.

B. Ensure Londoners have a representative voice in setting policing priorities and feeding back on their service experience.

C. Drive and maintain the highest standards of accountability, scrutiny, transparency and reporting, to assure the public on the quality of our organizational management.

D. Discharge our fiduciary duty through the efficient, ethical and transparent management and use of all resources entrusted to us, delivering value for money to the public.

E. Plan, deliver and operate a sustainable, adaptable estate that meets the needs of our people, communities and the environment.

F. Positively influence suppliers to demonstrate high social and ethical standards and where appropriate, require the same from their supply chains.

G. Support London’s vision to deliver “the first sustainable Olympic and Paralympic Games” by implementing a sustainability management system (in line with BS 8901) for MPS activities that support the delivery of the 2012 Games.

2.3 Understanding CSR and its standards in Bangladesh

In Bangladesh, CSR is such a phenomenon which is all about a longitudinal sustainability of an organization or company with a direct focus on its tri-dimensional baseline such as financial or economic, environment and social. CSR basically indicates what the concern companies perform voluntarily reaching ahead of their organizational agreement with existing laws and regulations of the country where they are conducting their business in. There are no generalized or patented types or categories of CSR available in banking sectors, national or international organizations, and small or medium, and broad range national or multinational companies, and even in RMG sectors around the world with no exception to Bangladesh.

Generally speaking Corporate Social Responsibility is the act of an organization ensuring it is sustainable and responsible. The European Commission recognizes CSR as the “voluntary social and environmental practices of business, linked to their core activities, which go beyond companies’ existing legal obligations”.

There is no unique dimension or approach of CSR. It indeed focuses on two way dimensions such as Internal Dimension and External Dimension.

- In its internal dimension, CSR includes human resources management and development practices; health, safety and environmental practices at work place; assessing, increasing and adapting the social and environmental impact of a company; maintaining business ethics and codes; initiate employee skill development programmed and keeping product standard and responsibility.

- The external dimensions incorporate local communities through development programmers; donations and contributions to Civil Society Organizations; Supply Chain management; Educational programmers at various levels; Cluster Development; business, partners, suppliers and consumers, human rights and global environmental concerns etc.

Moreover, CSR may be as simple as contribution or sponsorship to any social service oriented entertainment events.

Furthermore, CSR can be positively integrated to the business through three prior approaches; Economic Approach, Social Approach and Environmental Approach. Here, Economic Approach
includes Consumer Confidence, Interest Rates and Exchange Rates. Social Approach includes Human Rights, Labour or Workplace, Communities and Corruption. And the Environmental Approach incorporates Governance, Regulation or Policy, Resource use, Waste, Climate change and Biodiversity etc (http://www.cscentre-bd.org/).

According to the opinion of Dr. Atiur Rahman, Governor, Bangladesh Bank, in wider aspects, CSR is not only about doing philanthropy/charity or protecting the environment; it also aims at eradicating poverty and reducing deprivation amongst the poor/underprivileged segment of the society. Enhancing CSR as a means for poverty reduction and achieving sustainable development requires combined initiatives by all stakeholder groups involved: governmental bodies, non-governmental organizations (NGOs), and private corporations.

In our country, besides government and NGOs, banking community is playing the most important role to make use of CSR as a link between business and development, and their CSR programmers are their significant contribution to development.

2.4 CSR & Trade Union in Bangladesh: Understanding Role, Challenges and Potentials
The Readymade Garment (RMG) sector, the single biggest foreign exchange earner in Bangladesh has come a long way in last two decades. The industry has crossed many hurdles to stay competitive. It has proved many predictions futile and wrong and competes fiercely even after the abolition of quotas under Multi-Fibre Arrangement (MFA) in the North American market and special market entry to European markets. (Khan, 2007).

Basically readymade garment industry seems to be the base of trade union around the world. It is an association or formal congregation of the Labour or worker representatives responsible for ensuring good relationship between both the owners or authorities and the workers in terms to their requirements and creating good working environment within company through a continuous effort. Trade union is thought to deal with the issues that aroused or may arise some internal unrest among the workers for their demands or mitigate other sorts of formal or informal issues through motivating the workers for them and the welfare of the company. But the scenario is bit different in the readymade garments sector of Bangladesh because to form and continue the functions of trade union require consciousness among the worker participants who are supposed to be benefitted and the representatives because of their lack of sufficient knowledge and proper education whereas much more better situation is existed in Europe, USA, UK, Canada and the other developed countries of the world. Trade Union is an organization of workers who congregate together to achieve common goals in key areas such as wages, working hours, and working conditions, forming a cartel of Labour. Labour union was banned from EPZ units until 2008. For the first time in the country, 69 industrial units in Dhaka and Chittagong Export Processing Zones (EPZ) have introduced workers’ associations on the basis of referendums by workers. At the same time, workers of 22 industrial units have voted for not having any trade union body for themselves for yet another year. The referendums on having workers’ associations were held from January to the middle of this month. There are 124 more “eligible” industrial units in these two EPZs which will have to hold their referendums by 2010 as per a decision of Bangladesh Export Processing Zones Authority (BEPZA) on the basis of a 2004 act on allowing trade union activities (Tamanna 2010).

The trade union, through its leadership, bargains with the employer on behalf of union members and negotiates Labour contracts with employers. This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies. In deed these all above areas are closely related to the welfare and job security of the workers those are currently not in satisfactory level mostly applicable to the RMGs rather than the banking sectors in Bangladesh. Trade Union movement in garments sector is very weak. Even it is weaker than the other sectors. Main reasons of the weakness of trade union movement of garment sector in Bangladesh are:

1. Disunity and division of organizations. 2. Unlimited and long working hours. 3. Absence of Job
security. 4. Migration from factory to factory. 5. Absence of weekly holiday and other holidays. 6. Majority of women. 7. State policy. 8. Elite class ownership. 9. Low wage. 10. Unemployment of the country (Tamanna, 2010).

According to BKMEA regarding Corporate Social Responsibility; CSR is such an effort that can contribute a lot to community development. The corporate house can develop the community by creating employment, providing primary education, contribution to infrastructure development like road and high-ways and addressing environmental concerns. By now, many CSR dimensions are practiced in Bangladesh. Companies are now facing the challenges of adapting effectively to the changing environment in the context of globalization and in particular in the export sector. In the corporate world of the knitwear industry in Bangladesh, companies have gradually been attaching more importance to CSR in the local markets as well. They are increasingly aware that CSR can be of direct economic value. Companies can contribute to social and environmental objectives, through integrating CSR as a strategic investment into their core business strategy, management instruments and operations.

In the context of Bangladesh towards sustainable business, the joint and collaborative initiatives and actions spontaneously performed by both trade unions and concern authority of CSR in the companies or RMGs can rigorously influence on the more economic and social value of the business.

2.5 CSR and Workers Participation

CSR has been defined in general terms as ‘the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large and improving the welfare of society at large independent of direct gains of the company’ (Weile et al., 2001: 288). Some commentators have pointed out that only multi-national companies and a few of the leading national companies in Bangladesh have the resources to implement CSR. Some others argue that CSR is primarily a political and strategic agenda pushed by policy makers, NGOs and big business.

Furthermore, it is argued that only export-oriented companies whose customers are in Europe or North America need CSR to comply with the ‘Overseas’ CSR requirements of their buyers. As mentioned earlier, there are many evidences of corporate philanthropy in Bangladesh, which is different in character from fully developed CSR practice by a company, however small, medium or large in size – local or multinational. In true sense, there is a very meticulous relation between the workers benefit through their participatory contribution and performances for the company, and the activities conducted by the company labeled as CSR towards ensuring entire wellbeing of the company and the workers as well.

There is a well recognized contribution of participation and belongingness towards any possession by its stakeholders behind every success and progress. In any production or service laid organizations, participation either in decision making, production policy or further prior discussion of the workers are the main source of their motivation and praiseworthy outcomes of the company. Participation tends to improve motivation because employees feel more accepted and involved in the situation (Newstrom & Davis, 2004).

As the broad objectives of both trade union and CSR are very close in connection which focus on the company sustainable growth and long term benefits in one hand, and the workers motivation through ensuring sufficient facilities in other. Moreover the extreme goals of the trade union and CSR realize the significance of the needs and necessity of the workers if the company is production based such as readymade garments, workers participation is a must to properly implement the functions of CSR and trade union as they are prior beneficiary. But it is obviously a matter of concern that the participation of the workers in CSR activities as well as benefits and in trade union is still very frustrating compared to other developing or neighboring countries.
2.6 International Instruments for Corporate Social Responsibility (CSR)

Corporate sustainability starts with a company’s value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, Labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the international guidelines for CSR into strategies, policies and procedures, and establishing a culture of integrity, corporations are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success in their business in modern era. There some international organizations are continuously producing guidelines and principles for smooth functioning of CSR activities around the world with no exception to Bangladesh. The following organizations are playing a very significant role amongst many in the field of CSR;

2.6.1 United Nations Global Compact (UNGC)

2.6.2 OECD Guidelines for Multinational Enterprises

2.6.3 ISO 26000 Guidance on Social Responsibility

2.6.4 International Labour Organization (ILO)

2.6.1 United Nations Global Compact (UNGC)

The UN Global Compact’s Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption (United Nations, 2010)[https://www.unglobalcompact.org/what-is-gc/mission/principles accessed on 29/07/2015 at 16.54pm]. In summary, The Global Compact is a UN initiative designed to encourage companies to act as socially responsible members of the international community by committing to the following principles (United Nations, 2010):

The UN Global Compact has two broad goals. These are to mainstream ten core principles relating to human rights, labour standards, the environment, and anticorruption in business activities around the world; and to catalyze actions in support of broader UN goals, such as the Millennium Development Goals (MDGs). A voluntary initiative, it is not a code of conduct. It offers “a policy framework for organizing and developing corporate sustainability strategies while offering a platform – based on universal principles – to encourage innovative initiatives and partnerships with civil society, governments and other stakeholders”. The UN Global Compact invites companies to embrace, support and enact, within their sphere of influence, the following ten principles:

**Human Rights**

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

**Labour Standards**

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.
**Environment**

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

**2.6.2 OECD Guidelines for Multinational Enterprises**

The Organization for Economic Cooperation and Development (OECD) Guidelines, adopted in 1976 and revised in 2000, are recommendations addressed by governments to multinational enterprises. They set out voluntary principles and standards for responsible business conduct consistent with applicable laws. The OECD Guidelines are aimed at:

- Ensuring that the operations of multinational enterprises are in harmony with government policies;
- Strengthening the basis of mutual confidence between enterprises and the societies in which they operate;
- Helping improve the foreign investment climate;
- Enhancing the contribution to sustainable development made by multinational enterprises.

The OECD Guidelines are part of a broader instrument – the OECD Declaration on International Investment and Multinational Enterprises – which promotes a comprehensive, interlinked and balanced approach for governments’ treatment of foreign direct investment and for enterprises’ activities in adhering countries. Today, the OECD has 30 member countries. OECD activities include data collection and harmonization; undertaking research and studies; providing a forum where governments of member countries can discuss and develop economic and social policies; defining common principles to ensure better coordination of national and international policies; and adopting various kinds of international instruments such as agreements, decisions and recommendations.

The MNE Declaration, the Global Compact, and the OECD Guidelines are the three main international frames of reference in the area of CSR. While the Global Compact provides a way for companies to be directly involved, the other two are instruments that provide more detailed recommendations on the desirable behaviour of companies on employment, training, conditions of work and life, general policies and industrial relations. The specific aspect that distinguishes the OECD Guidelines is that although their observance is voluntary for enterprises, they are binding for adhering governments, which are requested to promote their application not only by enterprises that operate in their territories but also by those which are based in their countries and operate in non-adhering countries. The Multinational Enterprises (MNEs) Declaration, on the other hand, is the only instrument that has been adopted by governments, employers and workers. The three instruments:

- Are based on universal principles;
- Include the four fundamental principles and rights at work;
- Encourage enterprises to establish dialogue with workers’ representatives, trade unions and those other parties that are directly or indirectly affected by their operations;
- Encourage enterprises to contribute to sustainable development and a fair globalization,
• To enhance the coverage and effectiveness of social protection for all;
• To strengthen tri-partism and social dialogue.

2.6.3 ISO 26000 Guidance on Corporate Social Responsibility
ISO 26000 Guidance on Social Responsibility is an initiative of the International Organization for Standardization (ISO). Among many other things, ISO 26000 includes definitions, background, principles and seven core subjects on social responsibility. The seven core subjects are: organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement and development. The core subjects have 37 related issues. ISO 26000 provides guidance on how a socially responsible enterprise or organization can and should work with implementation, stakeholder involvement, due diligence, and communication on its CSR performance. Someone can use ISO 26000 as source of inspiration, but if someone wants to be able to claim his enterprise socially responsible according to the guidance, actual efforts must be made within all seven core subjects. Certification to ISO 26000 is not possible. If your organization or enterprise wants a CSR Certification, a Danish certifiable standard based on ISO 26000 exists, prepared by Danish Standards under the title DS 49001 social responsibility management system recruitments, having status of a national standard.

2.6.4 International Labour Organization (ILO)
The ILO is unique in the UN system because of its tripartite structure in which employers’ and workers’ representatives have an equal voice with those of governments in all discussions and decision-making processes. Since its foundation in 1919, the ILO has adopted 187 Conventions and 198 Recommendations covering a broad range of subjects related to the world of work including human rights at work, occupational safety and health, employment policy and human resources development. (www.ilo.org/iollex/index.htm)

The main function of the ILO is to formulate international labour standards in the form of Conventions and Recommendations, and to supervise their application in member States. Conventions are international treaties subject to ratification by ILO member States. In contrast, Recommendations are non-binding instruments. The ILO can play an important role in CSR because labour standards and social dialogue are key aspects of CSR. Most CSR initiatives, including codes of conduct, refer to the principles deriving from international labour standards. Furthermore, the ILO’s unique tripartite structure and its efforts to promote social dialogue are key to facilitating the involvement of all relevant stakeholders in the dissemination of CSR.

The International Labour Organization (ILO) includes a very strong position in principle to enhance the global position of CSR. Recently ILO has defined CSR as "...a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law". The International Labour Organization (ILO) includes some other activities:

• Developing international policies and programmes to promote basic human rights, improve working and living conditions, and enhance employment opportunities;
• An extensive programme of international technical cooperation, formulated and implemented in an active partnership with constituents, to help countries in making these policies effective in practice;
• Training, education, research, and publishing activities to help advance all of these efforts.

ILO is establishing a helpdesk for companies, industry initiatives and employers, workers and governments to promote full and accurate inclusion of the principles of the MNE Declaration.

Summary:
• a voluntary global framework for responsible business conduct;
• developed and endorsed by government, business and workers organizations;
• based on agreed ILO conventions and recommendations;
• applies universally, regardless of ratification;
• key reference point for other initiatives in the area of labour;
• involves regular monitoring and review.

For more information: www.oecd.org/daf/investment/guidelines.

2.7 National Level Understanding: Legal Framework and Way Forward of CSR

In Bangladesh, it is commonly known that there are no mandatory laws or institutionalized principles to bring together the existing social-cultural and moral performance of the corporations into the legal framework. Still this country is striving to establish the concept of CSR among the corporations and the stakeholders through legal and organizational basis. The Bangladesh Centre for Advanced Studies (BCAS) is an independent, non-profit, non-government, policy, research, and implementation institute working on sustainable development (SD) at local, national, regional and global levels. Corporate Social Responsibility is one of the major areas of BCAS at present and therefore it is operating several projects under two working segments: Social Compliance and Environmental Compliance. It provides organizational assistance to compete with global market through improving working conditions, health and safety and environmental standards to ensure more productivity and the better quality of products.

In Bangladesh, it is commonly known that there are no mandatory laws or institutionalized principles to bring together the existing social-cultural and moral performance of the corporations into the legal framework. Still this country is striving to establish the concept of CSR among the corporations and the stakeholders through legal and organizational basis. Nevertheless, there are some laws in function to reach the objectives of CSR and facilitate a situation for corporations to perform CSR though these are not explicitly functional for CSR such as The Bangladesh Labour Act 2006 (Amendment 2013);The Bangladesh Environment Conservation Act 1995, The Bangladesh Labour Welfare Foundation Act 2006 and The Environmental Preservation Policy 1997 etc.

The Global Compact Network Bangladesh was launched on 26 January 2009 by the CSR Centre (CSRC) and the Bangladesh Enterprise Institute (BEI). BEI and CSRC have been designated as representatives of the Bangladesh Network. The Bangladesh Network is comprised of 43 signatories of the UN Global Compact that are committed to implementing the UN Global Compact principles and to achieving long-term corporate excellence while setting a standard for socially responsible business practices in Bangladesh (https://www.unglobalcompact.org/engage-locally/asia/bangladesh, accessed on 29/07/2015 at 17.26pm).

2.7.1 National CSR Policy for Children in Bangladesh

In joint collaboration of the Ministry of Labour and Employment (MOLE) and Save the Children, the National CSR Policy for Children in Bangladesh has been started to be drafted which is now in final stage. The framework of this Policy is based on the UN-CPBP–United Nations Child Rights and Business Principles that was signed by Bangladesh in 2009. Among various national policies relevant to the wellbeing of the working and vulnerable children of Bangladesh; The Child Labour Prohibition Act 2010, The National Skill Development Act 2011 and The National Law 2012 will play a directive role on the national CSR policy for the children. The Ministry of Labour and Employment (MOLE) will be held responsible for the implementation, observation, monitoring, coordination and direction of the policy. The following ministries such as The Ministry of Trade and Commerce, The Ministry of Women and Children Affairs, The Ministry of Education, The Ministry of Primary and Mass Education, Home Ministry, Finance Ministry, Ministry of Youth and Sports, Ministry of Health and Family Planning, Ministry of Communication and postal, Ministry of Local Government and Rural Development and
The Ministry of Social Welfare will act as associate to successfully enhance the implementation of the policy. This policy is thought to be the guidelines to extend helping facilities towards the children of below 18 years so that they could contribute to the entire national development. This policy aims at transforming the vulnerable group of people as human resources, create congenial atmosphere in the trade and industry and increase production and impact on the entire national development. A Continuous advocacy with relevant ministries and stakeholders are engaged with this process. Within summer 2015 this Policy will be enacted by the Government of Bangladesh.
Chapter Three

3.0 Discussion of the Major Findings
The term CSR has recently become a buzz word globally in the business field with no exception to Bangladesh. Over the last couple of years CSR has been thought to be the pioneering source of business in-terms of growth and development towards sustainability and workers welfare. Bangladesh is still behind of many developed countries on the basis of CSR institutional orientation and its activities. The current study was planned to justify the existing status of CSR, Scope of workers participation and justification of the involvment of Trade Unions in CSR activities. It is generally known to us that RMG sector is the main foreign exchange earning sector of Bangladesh. National economy and economic development of Bangladesh is largely dependent on the growth and improvement of this sector. In the previous chapter it is mentioned that the objective of this research is to know about the pattern and policies adopted by the corporations to conduct the CSR activities and reflection of United Nations Global Compact principles on CSR, level of awareness regarding CSR among the company authority and workers. The BILS research team has selected total seven (07) organizations like Mohammadia Group from RMG sector, Unilever from Multinational companies, Janata Bank from banking sector, Square Group from Pharmaceuticals and Navana Real Estate from Building & Construction, Sopura Silk Mills Rajshahi from textile sector and Rahimafroz from Production and Service sector for achieving the objectives. Through the baseline survey the research team could collect the following findings:

3.1 Origin and Development of CSR in Bangladesh
In Bangladesh, the concept of CSR and its practices have been seen for a long past. The CSR activities indeed refer to the kind donations, or different charitable and philanthropic effort and involvement towards some social organizations, poor people and religious institutions. It is well noticed that most of the businesses institutions in Bangladesh are family owned and first generation businesses. They have been in close connection with community development work in the form of charity without having any definite policy regarding the expenses or any concrete motive regarding financial gains in many instances. Bangladesh is a developing economy in South Asia where CSR has long been a practice in the traditional form of philanthropy. Company owners and managers motivated by religious and humanitarian spirit engaged in charitable donations, sponsored for social and community welfare programmes, assisted in building of religious and academic institutes and so on. This philanthropic attitude is still alive in the business sector, although changes are apparent in the present days in the face of globalization, deregulation and privatization (Nasrullah & Rahim 2014).

It is seen that there was no precise policies on CSR in Bangladesh prior to 2008. In 2008, Bangladesh Bank (BB) took initiatives for formalizing CSR in the banking sector of Bangladesh and issued a detailed directive entitled “Mainstreaming Corporate Social Responsibility (CSR) in bank and financial institutions in Bangladesh”. Bangladesh Bank issued circulars and guidelines on Green Banking and Environmental Risk Management. Through some reviews on CSR practices it is found that a quite good number of corporations are showing interests and commitment increasingly to CSR beyond profit making and compliance with regulation. For example, CARE Bangladesh, Katalyst (funded by DFID, SDC, SIDA and CIDA) and Bangladesh Enterprise Institute (BEI) are working at the forefront of CSR programs in Bangladesh.

Moreover, CSR—as the concept is understood today i.e. including health & safety, human rights, child labour, environmental and climate issues is relatively new but there are a number of signs that it is becoming increasingly important in Bangladesh—in all businesses but particularly companies with international business & export. CSR cannot be ignored because Bangladesh depends on its export i.e. a global market. Some of obvious signs are observed that continuously enhancing the existing position of CSR in Bangladesh:
• The newspapers are writing about CSR,
• training/studies are being offered both at university level and professional training,
• an increasing number of companies are signing up for Global Companies
• an increasing number of companies are being certified (CSR related certifications) for examples: SA8000, ISO26000

In August 2007, the CSR Centre of Bangladesh was registered as a Trust, under the Trust Act 1882 as an autonomous CSR Centre and a non-profit organization. The primary objective of the CSR Centre is to become the prime source of information, resources, and advisory services on CSR in Bangladesh. CSR Centre is the joint focal point for United Nations Global Compact (UNGC) in Bangladesh along with the Bangladesh Enterprise Institute (BEI). In the present time CSR Centre is playing a very vital role in providing authentic guidelines and conceptual ideas to the corporations and promoting the CSR concepts and activities through some researches in Bangladesh.

In further, The Global Compact Network Bangladesh was launched on 26 January 2009 by the CSR Centre (CSRC) and the Bangladesh Enterprise Institute (BEI). BEI and CSRC have been designated as representatives of the Bangladesh Network. So, one thing is very clear from the study findings that the conceptual and functional position of CSR in Bangladesh is in remarkably good position compared to the previous decades.

3.2 CSR and Owners Perception

The major findings of the study reflect that most of the owners of the companies are found bit unaware and reluctant regarding the CSR concepts and its functions as it really means. It is seen that the concept ‘Corporate Social Responsibility (CSR)’ varies with the variation of company management. It is becoming a key initiative and an essential tool in the development of third world countries throughout the world. It can be understood that there should have a universal definition of CSR that can be understood equally and performed by all.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Corporation</th>
<th>Perception on CSR as viewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals</td>
<td>SQUARE recognizes CSR as the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as local community and the society at large.</td>
</tr>
<tr>
<td>02</td>
<td>Navana Real Estate</td>
<td>Navana Real Estate considers CSR as a part of business and they also think that every business has some economic, environmental and social responsibilities that are met by CSR.</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>Mohammadi Group is bit different. They think any voluntary role of business in contributing to a better society is called CSR.</td>
</tr>
<tr>
<td>04</td>
<td>Rahima frooz Group</td>
<td>Rahimafrooz mainly focuses on Triple Bottom Lines such as People; Rahimafrooz is a value driven organization that inspires people with its values. Education as key to community emancipation (RSF School), Planet; Solarizing access to Energy and Profit; Achieving financial objectives with sustainable activities upholding the values.</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank</td>
<td>Janata Bank is well ahead in terms of CSR perception. They think Corporate Social Responsibility (CSR) is one of the most sophisticated, radical terms is being treated as the determinant of corporate outlook towards society with business activities of an organization.</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh Ltd</td>
<td>Unilever Bangladesh does so many activities for the welfare of their stakeholders and for entire society that they indirectly mention as CSR but they belong no specific definition of CSR was found from them.</td>
</tr>
<tr>
<td>07</td>
<td>Sopura Silk Mills Rajshahi</td>
<td>We work for humanity. On top of all the people, then everything, I see my workers like my child. The first is the safety of their lives and property. For the reason I am good when my children (Worker’s) is good. There are (Worker’s) my assets, so I take care of them.</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015
3.3 Dimensions of CSR

Dimension of CSR refers to the areas and scope of the application of CSR as a business tool. It is generally observed that CSR includes three dimensions such as social, economic, and environmental. The *European Commission Green Paper 2001* identifies two dimensions of CSR: (i) *Internal Dimension*; that includes human resource management, health and safety at work, management of environmental impacts, and natural resources. (ii) External dimension; that involves local communities, business partners, suppliers, consumers, human rights, and global environment.

On the basis of the analysis of 37 definitions of CSR developed in majority over the last 10 years, Alexandar Dahlsrud identifies five dimensions of CSR in a recent study. They are the voluntary dimension, stakeholder dimension, economic dimension, social dimension, and environmental dimension *(Dahlsrud 2008)*.

In terms of dimensions of CSR, Carroll’s view concerning the different components of CSR is relevant. He holds that CSR consists of four types of responsibilities. They are economic, legal, ethical, and philanthropic responsibilities. Ethical responsibility refers to doing what is right and just, fair and non-harmful; legal responsibility means to obey the law; economic responsibility means to make the company’s business profitable and philanthropic responsibility means that company should be a good citizen in the society *(Carroll 1991)*.

As far as the economic dimension of CSR is concerned, a company’s goal should be to contribute to economic improvement, preserving profitability, and conducting its business operation.

The best explanation of this can be found in Novak’s seven sets of economic responsibilities. *These include*: (1) to satisfy the customers with goods and services of good quality and real value; (2) to earn a fair return on the funds generated by the financiers and investors; (3) to create new wealth to ‘maximize social value’ and help the poor for their economic emancipation and also optimize efficiency by raising wages of the employees; (4) to create new jobs; (5) to defeat envy through generating increased mobility and giving people the sense that their economic conditions can improve; (6) to multiply the economic interests of the citizens; and (7) to promote innovation *(Lantons 2001)*.

Moreover, in the light of the above discussions the social contents of a company’s CSR agenda cover a range of issues that may be divided into three clusters: (1) *labour rights and practices*; (2) *human rights*; and (3) *other social issues*. Labour rights and practices include all core labour standards and working conditions as recognized by the ILO Tripartite Declaration concerning Multinational Enterprises and Social Policy and all other ILO Conventions and Recommendations. The core labour rights include the freedom of association, the right of collective bargaining, prohibition of forced and compulsory labour; abolition of child labour, and a guarantee of acceptable working conditions *(ILO 2000)*.

From the findings of the study, it is very clear that most of the corporations emphasize on these three areas of responsibility more or less. Though they are working separately in a scattered way but these dimensions are very clear from the reflection of their activities. It is observed that Square Pharmaceuticals is committed to the improvement of the society as a whole, whereas Unilever cherishes a very simple vision which just to make sustainable living commonplace for all by CSR activities. Similarly, the core visions of the other four organizations are found to be focused on the employee wellbeing and social development for better life and sustainable business of global standard.

3.4 Areas of CSR Activities in selected Corporations

All of the seven (07) organizations are performing various welfare and philanthropic activities differently but not being well defined as CSR activities. Basically the core focus of their welfare activities are reflected on the employees and companies benefits in one hand and in a large extent the sustainable wellbeing of the environment of the entire society. Some of their CSR related activities are presented below;
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Corporation</th>
<th>Prevailing CSR Activities of the Corporations</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals</td>
<td>SQUARE Pharma is doing so many CSR activities such health campaign, sponsoring of sporting, ensuring safe, healthy &amp; employee friendly workplace, loan facility, transports facilities, establishing school, roads safety campaign, medical campaign and donation to hospital, colleges, local community &amp; underprivileged people. They also contribute NGOs project for women empowerment. It is operating a fuel station named &quot;Eakub Filling Station&quot; in pabna which is run by the women. Square toiletries have already educated 1.5 million girls regarding adolescent health &amp; hygiene, ensuring a healthy future for 3.3 million babies and 1.6 million girls as part of CSR activities.</td>
</tr>
<tr>
<td>02</td>
<td>Nava Real Estate</td>
<td>Nava performs various activities for society development, orphaned development, Masque building, club establishment etc. Road mapping &amp; beatification initiative of Nava Real Estate is really appreciating. It ensures compensation for employees. Nava Real Estate always censuses of their workers. If any accident or injured to labour, then the company gives them financial support for treatment.</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>The Company undertakes various motivational activities to improve human Values, mutual understanding, interpersonal relationship and loyalty among the officers and Employees. It also facilitate education for older workers, entertainment and Sports for workers, Yearly Sports Event, Yearly Picnic, Milad Mahfil for workers and Sharaf’er Pathshala’s student. Prize Distribution Ceremony, Educational supplies and uniforms are provided free of cost. The Company had provided pure drinking water to the Mohammadi Group’s workers.Shara’er Pathshala of Mohammadi Group that has been running since 2005 for the children of the workers.</td>
</tr>
<tr>
<td>04</td>
<td>Rahimafroz Group</td>
<td>Rahimafroz Group is contributing in the following areas: Education, Poverty, Alleviation, Environment and Transport. Rahimafroz has a pioneer role in supporting people distressed by natural calamities and donations to helpless people on health and education ground– all are examples of the socially responsive manner of our business. Rural Service Foundation (RSF) also runs “Dhaka Project” which is home to some 500 urban underprivileged children, providing them with shelter, education, food, clothing, and care. Through inclusion of 40 children every year from families under the program, “Palli Karma Sahayak Foundation” (PKSF), RSF Model School &amp; College strives to expand in many areas of Bangladesh in near future.</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank</td>
<td>Janata Bank is putting importance on education, poverty alleviation, environment and transport facilities. Janata Bank is contributing in many more sectors towards entire national development with a mission to establish Digital Bangladesh 2021. Janata Bank Limited, with its 904 branches has also realized its responsibilities to the society and is contributing to the amelioration of the social life of the destitute people, infra-structure, environment etc. Not only that, it has stepped forward to introduce interest-free loans to the poor and marginal farmers in the Alla-Sidr-Monga unit areas.</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh Ltd</td>
<td>Unilever Bangladesh Ltd (UBL) would perform CSR as Lever Brothers Bangladesh in past keeping focus on Health-nutrition-hygiene, Education and Women Empowerment. They launched ‘Lifebuoy Friendship Hospital’ in 2002 and in 2006, they sponsored two months nursing training program with Ma O Shishu General Hospital in Chattagong. They observed different environment days like Pepsodent-Bangladesh Dental Society Oral Health Day’ and ‘Global Hand Washing Day’. They worked with Shathee Samal Kallayan Samity (SSKS) for giving education to Banani Slum children since 2005. In 2006, UBL jointly funded ‘Unilever Chevening Scholarship’ for Bangladeshi nationals to study in United Kindom universities. Over 10,000 people have cured by health camp out of which 5000 ailing mothers and children received treatment and immunization, 4000 people received diabetic medical assistance and free blood tests and 6000 patients received free eye treatment. Since 2001, 275000 people have been helped by Lifebuoy Friendship Hospital. UBL has been awarded from the Standard Chartered Financial Express joint CSR recognition initiative for its outstanding CSR contributions.</td>
</tr>
<tr>
<td>07</td>
<td>Sopura Silk Mills Rajshahi</td>
<td>We started CSR activities when the ‘Sopura Silk mills’ was started. We conduct CSR activities by our every people. We work with them on a daily basis. We want to improve the quality of their lives. We improve the quality of their life, we have and we will have.</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015
3.5 Target Beneficiaries and CSR Practices

The types of beneficiaries of most of the organizations were found approximately similar in natures that are business, employee and society in broad aspects. They mostly emphasize on their workers’ or employees benefits mainly identifying them as Internal Beneficiary and External Beneficiary. In wide aspects, the patterns of target group or beneficiaries are varied based on volume of work and range of financial inclusion. As found by the study, the nature of benefits both internal and external are presented below;

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Type of Beneficiary and Benefits</th>
<th>External Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Pharmaceuticals</td>
<td>Workers’ happiness &amp; Satisfaction, No Corruption, Handsome salary, On time salary and increment, Bonus, Good working environment, three times foods, and transport facilities, Pick up and drops services for school going children of factory employees, Prohibited child Labour and Female workers not allowed at night shifts, and employee skill development training etc.</td>
<td>Square Kindergarten &amp; High School, Award like Gold Medal for higher education ex. Students of Dhaka Medical College Hospital who secure first position, Housing &amp; Transportation facilities for employees; Support ICDDR,B for research on Childhood Diarrhea, Fund raising programs with Acid Survivors Foundation, Different rural women empowerment projects with NGOs, Road safety &amp;Road shade campaign, and Different health &amp; awareness campaign, and Square Herbal &amp; Nutraceuticals Ltd has been awarded the “Asia Responsible Entrepreneurship Awards 2014-South Asia” under Social Empowerment Award, etc.</td>
</tr>
<tr>
<td>Navana Real Estate</td>
<td>Workers’ benefits are the first priority in Navana Real Estate. They take various initiatives for the safety and security of the workers but they usually do not show. They maintain good working environment for workers, ensure safety and compensation during incident, skill development training etc.</td>
<td>As part of their external benefits, they donate orphanage, make Mosque, make club and donate different organizations, Road beautification and Road mapping etc.</td>
</tr>
<tr>
<td>Mohammadi Group</td>
<td>Their core importance is workers’ wellbeing. Free education for the workers’ children and provide night schooling for domestic workers by ‘Sharafer Pathshala’. Initiate various training for skill development, education, entertainment, sports and annual picnic for workers, free pure drinking water for employees &amp; workers, educational materials &amp; uniforms for students of Sharafer Pathshala free of costs, and it maintains a standard compensation policy in a role of law etc.</td>
<td>As external benefits, it conducts educational programmes at various level, ensures health facilities and welfare for employees through medical centre and day care centres, free transport facility for workers &amp; employees etc.</td>
</tr>
<tr>
<td>Rahimafroz Group</td>
<td>This is basically a private limited group of company strives to add value to the society, its economy and environment through intelligent efforts. Its CSR activities are more external than internal.</td>
<td>As CSR, it is contributing on Education, Poverty alleviation, Environment &amp; Transport areas. Rahimafroz has a pioneer role in supporting distressed people by natural calamities, it also runs “Dhaka Project” to provide home for 500 under privileged children through providing shelter, education, food, clothing and care. It also focuses on driver safety, passenger safety, road and pedestrian safety, and training of the road safety professionals. They celebrate different environment days and festivals, and provide awards to the intelligent students.</td>
</tr>
<tr>
<td>Janata Bank</td>
<td>As this is service oriented organization, it efforts to ensure service to its employees and shareholders in all aspects of their operations. The range volume of CSR is more external than internal view.</td>
<td>Janata Bank has realized its CSR as its responsibilities to the society and contributes to the amelioration of the social life of destitute people, infrastructure and environment development etc. Since its corporatization on 15th November 2007, it has started its philanthropic acts. According to the policy, CSR activities are performed in the following areas; Education &amp; Research, Health &amp; Treatment, Poverty Reduction &amp; Rehabilitation, Natural Calamity; History.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Unilever Bangladesh Ltd</td>
<td>As this is service oriented organization, it tries to ensure service to the employees and customers through their operations. Their CSR is more external than internal view.</td>
<td>Unilever Bangladesh conducted their CSR as Lever Brothers Bangladesh in past. They basically focus on Health-nutrition-hygiene, Education and Women Empowerment. They launched 'Lifebuoy Friendship Hospital' in 2002 and in 2006, they sponsored two months nursing training program with Ma O Shishu General Hospital in Chattagong. In November 16, 2007 Unilever announced ‘Pepsodent-Bangladesh Dental Society Oral Health Day’ and launched ‘Global Hand Washing Day’ on 15th October 2008. They worked with Shathee Samal Kallayan Samity (SSKS) for giving education to Banani Slum children since 2005. In 2006, UBL jointly funded ‘Unilever Chevening Scholarship’ for Bangladesh national to study in United Kindom universities. Over 10,000 people have cured by health camp out of which 5000 ailing mothers and children received treatment and immunization, 4000 people received diabetic medical assistance and free blood tests and 6000 patients received free eye treatment. Since 2001, 275000 people have been helped by Lifebuoy Friendship Hospital.</td>
</tr>
<tr>
<td>Sopura Silk Mills Rajshahi</td>
<td>Provide training and appropriate work of disabled people and women. We are stopping the begging and working for them. We motivated transgender and we promote opportunities and treatment for them. We give education costs for poor children. We have worked for women development unto the whole society. Our door is always open for employees. We are arranging monthly meeting for solving employee’s problem. Actually, we are very much cooperative and assist the employee in workplace so that they can do well. We ensure maternaty live. Workers enjoy 2 festival bonuses and eight days leave.</td>
<td>Child care, Spouse and elderly parent care, Training for workers and officers, Training - helpless women, venerable people, disabled people, beggars, transgender, Treatment, Primary education, higher education, Donation for treatment, education, and Financial help for family affairs.</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015

### 3.6 CSR Activities in Workers Perspectives

Though the concept CSR is a very recently familiar word in global business dictionary, its position in Bangladesh is relatively immature. With the passage of time, the scenario of CSR activities both in production sectors and in service sectors have become more popular and well known to the company owners and the workers or consumers. The position of CSR in the organizations under study is not frustrating as they are performing quite well though exactly not within the CSR identity. As stated, there
is a direct scope of participation of workers in Square Pharmaceuticals in terms of personal, social or environmental benefits and Sopura Silk Mills is very workers’ friendly for ensuring their every right within the limit. The other organizations are doing different activities keeping main focus on the workers benefits. They all more or less evaluate the workers benefits through CSR activities though it is found to be rare in reality. In recent times, it has been really increasing upward in terms of stakeholders’ participation in all types of CSR functions of the organizations that would be considered as the prior concern for sustainable growth and development of business, and enhancement of social image of the company in business world.

3.7 Nature of Trade Union in the Corporations under study

As reflected in the outcomes of the study, Trade Union is only existed in a good shape in Square Pharmaceuticals and Unilever Bangladesh Ltd among seven (07) organizations sampled for data collection. Though all the organizations have been performing so many activities closely similar with the functions of trade union, but they have not formed trade union as a separate entity. It obviously indicates the acute vulnerability of trade union in Bangladesh in terms of its existence. In every corporation of industry, the formation or emergence of trade union greatly depends on the number of workers or Labourers. An estimated figure of number of workers and prevailing condition of trade union of the six companies are presented below;

<table>
<thead>
<tr>
<th>Table:3.7-Existence of Trade Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Organization</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>Square Pharmaceutical</td>
</tr>
<tr>
<td>Rahim Afrooz Group</td>
</tr>
<tr>
<td>Mohammadi Group</td>
</tr>
<tr>
<td>Navana Real Estate</td>
</tr>
<tr>
<td>Janata Bank</td>
</tr>
<tr>
<td>Unilever Bangladesh</td>
</tr>
<tr>
<td>Sopura Silk Mills Rajshahi</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015
### 3.7.1. Views of Trade Union Leaders regarding CSR

The researchers tried to interview with some eminent leaders of trade unions held from different organizations aiming to know their views regarding existing nature of CSR activities performed their own or other organizations. The researchers also wanted to accumulate their feelings about CSR and recommendation on the way to strengthen existing situation CSR and scope of involvement of trade union leaders with the owners of the organizations. They put more emphasis to gather their responses on the range of responsibility of state government in terms of policy implication towards widening the CSR activities on a mandatory basis.

<table>
<thead>
<tr>
<th>Nature of Response regarding CSR</th>
<th>Name of Trade Union or Trade Union Leader</th>
<th>(1) Idea about CSR</th>
<th>(2) Involvement with CSR</th>
<th>(3) What does he or his organization treat as CSR?</th>
<th>(4) How does CSR happen in Organization?</th>
<th>(5) Answer about separate CSR division and Annual Budget of the Organization</th>
<th>(6) Response about volume of workers participation &amp; benefits</th>
<th>(7) Response regarding interdependency between CSR and Trade Union.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TU Leader: (Md. Akhtaruzzaman, President) Org.:Unilever BD, TU:Unilever Employees Union</td>
<td>TU Leader: (Md. S.M. Islam, General Secretary) Org.: Janata Bank Ltd, TU: Janata Bank’s Trade Union &amp; Workers Union</td>
<td>Yes, Moderate Idea</td>
<td>Yes, poor conception</td>
<td>Tree plantation, stipend, floating health camp and dental care, Road construction etc.</td>
<td>By management level decision, they never approach TU leaders to be involved or shared anything.</td>
<td>He replied very positive and emphasized on these two issues for better function of CSR.</td>
<td>As he responded, workers are not benefited by CSR and even their families. He said &quot;develop and train the workers, change the organization and country&quot; by CSR.</td>
<td>Currently no interrelation between CSR and Trade Union but it should have. CSR should be implemented through sharing with TU leaders by CBA. If management does alone, that would be donation or charity instead of CSR.</td>
</tr>
<tr>
<td>TU Leader: (Md. Delwar Hossen Khan, General Secretary) TU: Bangladesh Labour Federation</td>
<td>TU Leader: (Roy Romesh Chandra, President) TU: United Federation of Garment Workers</td>
<td>Idea not clear or well known</td>
<td>No involvement</td>
<td>Health campaign, stipend, and funding for freedom fighter family etc.</td>
<td>By 'Board of Directors' level decision, they never approach TU leaders to be involved.</td>
<td>He emphasized on separate CSR division so that they could function smoothly. He also said that there should have an annual budget for CSR sector.</td>
<td>As he responded, workers are not benefited by CSR during family needs like weeding, treatment and other emergencies. He also added that CSR may be signified through more contribution for the needy and poor people of the society.</td>
<td>Now there is no relation or rule between Trade Union and CSR but it should have. He said, the management level authority should approach them to involve in CSR activities but they will never propose.</td>
</tr>
<tr>
<td>TU Leader: (Md. Robiul Karim, President) Org.: Square Pharmaceuticals, TU: Square Employees Union</td>
<td></td>
<td>Yes, Very clear and vast idea</td>
<td>No involvement</td>
<td>CSR indicates Activities regarding education and health.</td>
<td>TU has no control or affiliation on CSR. But we want to work for CSR with organizations.</td>
<td>He said that CSR is still not workers friendly. It needs to be more functional and wide. The existing way of CSR is not perfectly effective for workers benefits.</td>
<td>He said that CSR should be more focused on workers’ interests. Every organization should ensure workers participation and good working environment.</td>
<td>No, CSR is not included with Trade Union. And even still no request sent to the authority from TU to include them in CSR activities. The TU leaders are not well conversant about CSR.</td>
</tr>
</tbody>
</table>

**Table:** 3.7.1-Views of Trade Union Leaders regarding CSR
(8) Their own recommendation for CSR future development

So far he could realize, CSR is a good venture of the organization. It should be more systematic.

He said that the concern authority of CSR needs to be more sincere, systematic and people friendly so that they could reach the target beneficiaries.

He is not satisfied with the existing CSR activities as only a few organizations are doing this. All of the organizations should perform this being part of their business. He also added that CSR activities should be held through the equal participation of the owners and workers coalition and trade union as well.

As he replied, he is not satisfied with the present status of CSR different organizations. He said that only a few organizations are doing CSR functions whereas they all should do. These are not CSR in fact what the organizations are doing except charity or philanthropy, he added. He told that we did not approach to the owners to be involved as CSR issue is not well known to us yet.

Not Applicable

(9) Opinion on Policy Implication

He said that “Everything is possible if government wants”. It is very easy for government to mandatory CSR activities for the organization with the association of TU by formulating a specific policy.

He was found unhappy with the present situation of CSR activities. He expressed that there should have a good policy for CSR that the organizations could abide by during function.

He said that it is more rational for TU to be involved with CSR functions as it relates workers. He also added that it should be prioritized to aware people regarding CSR through seminar, round table meeting, talk show, advertise in different media so that they could expect for its benefits.

He believes that CSR should existed within all organizations mandatory basis. There is a huge options for the TU leaders to smoothen CSR with the concern authority just to make it more workers friendly. He said that government should have some set policy so that the organizations could follow. He said that I claimed for the involvement of trade union in CSR activities nationwide through BILS.

Not Applicable

(10) Opinion about involvement of TU with CSR

He strongly emphasized on the TU involvement through a compromising process.

It needs to aware people and activate through communicating and implementing a policy. TU should be functional in CSR activities.

TU and CSR work for workers benefits. So, there should be a good relation between the two.

It needs to do more campaign to aware people about CSR. TU needs to be actively functional with CSR activities.

Not Applicable

Source: BILS Case Study, July-September 2015

3.8. CSR and UNGC Affiliation

In the study, there was an intention to know how the companies or organizations are being affiliated with national and international bodies of welfare activities or CSR concern such as United Nations Global Compact. So far it has been observed, the corporations or organizations are conducting various activities that are helpful for the workers, stakeholders and consumers or for the businesses in a long run. But most of them are doing these functions being compassionate or being kind sometimes rather professionally identifying as CSR activities. The current status of seven (07) organizations in terms of their professional affiliation with United Nations Global Compact (UNGC) as a signatory is presented below;

Table: 3.8-CSR and status with UNGC Affiliation

<table>
<thead>
<tr>
<th>SL.No</th>
<th>Name of Corporation</th>
<th>UNGC Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals</td>
<td>Yes</td>
</tr>
<tr>
<td>02</td>
<td>Rahimafroz Group</td>
<td>Yes</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>No</td>
</tr>
<tr>
<td>04</td>
<td>Navana Real Estate</td>
<td>No</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank</td>
<td>No</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh</td>
<td>No</td>
</tr>
<tr>
<td>07</td>
<td>Sopura Silk Mills Rajshahi</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015
3.9 Organizational Strengths in CSR Practices

It is well noted that to conduct CSR functions properly, every company should have a separate administrative wing or division. Major findings of the study reflect that there is a huge conceptual as well contextual gape about Corporate Social Responsibility (CSR) among the owners, investors and even in the formulators of the relevant legislations let alone the workers or employees in Bangladesh. It is seen that no autonomous administrative wing or separate division particularly responsible for CSR activities are found in the organizations under study, which is one of their top most drawbacks in terms of effective and professional performance of CSR.

Table: 3.9-Organizational Strengths in CSR Practices

<table>
<thead>
<tr>
<th>SL.No</th>
<th>Name of Corporation</th>
<th>Existence of Distinct CSR division</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Square Pharmaceuticals</td>
<td>YES</td>
</tr>
<tr>
<td>02</td>
<td>Rahimafroz Group</td>
<td>NO</td>
</tr>
<tr>
<td>03</td>
<td>Mohammadi Group</td>
<td>NO</td>
</tr>
<tr>
<td>04</td>
<td>Navana Real Estate</td>
<td>NO</td>
</tr>
<tr>
<td>05</td>
<td>Janata Bank Ltd</td>
<td>YES</td>
</tr>
<tr>
<td>06</td>
<td>Unilever Bangladesh</td>
<td>NO</td>
</tr>
<tr>
<td>07</td>
<td>Sopura Silk Mills Rajshahi</td>
<td>NO</td>
</tr>
</tbody>
</table>

Source: BILS Case Study, July-September 2015

3.10 Economic Perspectives of CSR

It is generally realized that most of the organizations are doing CSR activities simply from their charity or philanthropic view rather considering its worth in terms of Organizational Financial benefits or financial benefits of the Consumers; Financial benefits of Workers or Financial benefits of the Society. From the responses of the organizations, it is found that they are not still nicely planned on their CSR performances though they are doing a lot. They are trying to ensure the workers’ benefits through facilitating them good working environment, handsome salary timely, safety and security of job and so on. Similarly they are conducting various activities for social and environmental sustainability and development which reflect no organizational financial benefits shortly but it might have a long term business profit. Actually direct financial benefits from CSR for the organizations is not desired as this is considered as non-refundable investment of business but it provides the companies huge non material benefits such as enhancement of social image and global fame with sustainability. However, financial benefits of CSR for organization itself, consumers or workers and even for society are not apparently defined as the authority does this as their own wish. As found from the study, it is clear that the amount of investment for CSR activities of the companies is not fixed and pre-declared rather it depends on the wish of higher authority.

Figure: 3.10-Economic Paradigm of Bangladesh

Source: Janata Bank’s Five Years Corporate Social Responsibility (2009-2013)
Chapter-Four

4.0 Introduction
In this part of study, the CSR research team of BILS had put effort to interview some prominent persons who are well known about CSR scenario and way of practices in Bangladesh aiming to accumulate their thoughts regarding the issue. The researchers had discussed with social elites, owners and investors of different corporations, think tanks, trade union leaders and higher authority of the relevant research organizations of Bangladesh who are thought to be very influential and right persons in terms of policy implication in national level of CSR as ‘Expert Opinion’. For far more understanding on CSR, comments and ideas of the esteem scholars summarily presented below:

Expert Opinion-One
Name of the Respondent: Professor Dr. Abul Barakat
Designation: Eminent Economist and Ex-Chairman, Janata Bank Ltd, Bangladesh
The BILS CSR research team contacted with Professor Dr. Abul Barakat, Eminent Economist and Honorable Ex-Chairman of Janata Bank Ltd to get his opinion regarding current status and prospects of Corporate Social Responsibility (CSR) in Bangladesh during the study. In the inception of his talk he said that ‘There must have a National Level Policy for CSR’. Bangladesh Bank has a policy that is effective of the banks only. Prof. Barakat added that there should have a prior discussion with the investors and owners regarding the amount of their profit from business to spend in CSR sector. And the total CSR budget would be divided into sub sectors such as Workers benefits, Education, Health, Social and Environmental development etc. In fact, company owners consent is very important in case of formulating any policy or CSR Guideline.

He quoted the contribution in CSR sector of Janata Bank during his tenure very positively. The budgeted CSR amount of Janata Bank was increased up to BDT 30 Crore from BDT 1 Crore under his Chairmanship, which is now functioning after his departure as he said. The then authority had published a large volume of book on their CSR activities which is completely distinct and rare in similar field. He promptly noted that CSR should not be functional by any individual rather it should be by the corporation. Its activities will remain continuing in case of concern personnel changes within the fixed budget and sectors.

In response to a question about the inclusion of Trade Union in function of CSR, he said that “it would not be wise to include or merge trade union with CSR activities as our trade union leaders are mostly politically biased and always try to protect the interests of the owners and the government”. The trade union leaders need to change their ideology, control greediness and concentrate on the interests of the workers and be more transparent then they could be thought to involve with CSR functions of the corporations. In his last point, he said that BILS could take some measures to aware and motivates the workers, stakeholders, owners and the trade union representatives through a comprehensive manner.

One of his scholarly quotations needs to be mentioned here “Every business institution targets for profit and follow most effective and functional strategic policy to heighten profit. But this profit appears to be meaningless throughout the poverty and discrimination driven world if they fail to become its partial beneficiary. It has been already proved that percentile investment of the profit in the development of Education, Health, Science and Technology and Human Development impacts on the positive development and growth of the society. These types of financial distribution and redistribution process among the poor, deprived and vulnerable people for their socio-economic and cultural change and development are treated as Corporate Social Responsibility (CSR)”. 

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CSR Study Report
Expert Opinion-Two
Name of Respondent : Professor Anu Mohammad
Name of Position  : Economist
Name of organization : Jahangirnagar University, Member Secretary of the Committee of Oil, Gas, Electricity and Port to Protect Mineral Resources.

In the response he said “My opinion is so bad about Corporate Social Responsibility. Currently, the companies are doing CSR activities; just like an advertisements and simply a method of expand the business”. The existing CSR process is fully ridiculous to me. About the affiliation with international instruments, he mentioned that these are not followed in Bangladesh. CSR thinking basically rooted from corporate culture. There is only one class of people enjoy the benefits. I can say as an example, Chevron is multinational company; they have taken initiatives with Brac Bank 50 Million Dollars by CSR activities for the publicities in the nationally and internationally. Even then this is the company ‘Chevron’ that caused the environmental pollution of the Blue Out at the Magursora, here is a loss of thousands billions dollar. Who will give the fine? Only 50 Million Dollars expand by CSR activities they have published to scope. Nobody has seen it. They are economically crippled in Bangladesh; how can possible to develop? All this is just the named, he added.

Professor Mohammad stated that Yes, it’s possible to eradicate poverty by the CSR activities. The ground cause behind poverty of this country is poverty. So for ensuring the upward trend of economic growth and development of Bangladesh, it needs to address poverty through drastic attempt. The corporations may contribute significant areas of poverty eradication through fruitful and wide activation of CSR functions.

He also said that all of the organizations must need another separated wing and separate budget for CSR activities with accountability and transparency.

Lastly he quoted “If Trade Union works properly, they need to be more attentive. They should not see the interest of the owners or the government, and do not make in self profit. Trade Union will have a great role, the country and the welfare of the workers. They definitely should keep in mind the development of the working class and of the country”.

Expert Opinion (Policy Maker) -Three
Name of Respondent : Shirin Akter, MP
Name of the Tread Union  : Kormojibi Nari (Working women)
Position  : Founder President

The researcher took her appointment and approached regarding her comments on CSR issues of Bangladesh. Ms. Akter, honorable Member of Parliament, The People’s Republic of Bangladesh told the research team to explain her about CSR, simply mentioning that she had a very little idea on it. She moreover added that CSR is still a closely unfamiliar issue even in the business sector of Bangladesh. In the response to a question, she replied that she is not satisfied with the existing process of CSR. Most of the people specially, the organization’s owners think financial help to the poor people, make Masque; make Madrasah, help orphans is kind of CSR whereas these are social work. But when I say, ‘Corporate Responsibility’ then comes overall development of the society. Personally I think, firstly take an initiative to develop forceless people. It’s a very important need to develop, enable to underprivileged. In this case, need a long term events by CSR. There are programs, such as women empowerment, women’s training and development, to ensure the rights of the child, needs to elderly people, beautiful living arrangements, and youth employment opportunities, CSR can be seen through these, she added.

She also said that Trade Union is not included with CSR activities so far I know. Its need to be included everywhere not only with CSR but also business or workplace. When organization takes events need to
ensure workers representative. In the same way, ensure workers representative for CSR activities. CSR is still an unknown issue in mass people, so it needs to be published to general people. She quoted that “Any business cannot be above Social Responsibility”, just need to campaign it. They have to bind for responsibility. Trade Union look after this always. Trade Union could definitely play a pivotal role in terms of properly activating CSR functions with the owners ensuring more participation of workers.

**Expert Opinion-Four**
Name of the Respondent: Ms. Shahamin S Zaman
Designation: Chief Executive Officer (CEO)
Name of Organization: CSR Centre, Bangladesh

“CSR is about achieving organizational excellence in ways that honor ethical values and respect to People, Communities and the natural environment” replied while she was asked for her opinion about CSR at the beginning of interview. Ms. Zaman said this is basically a kind of voluntary work but we try to frame it out systematically. Since its inception in August 2007 as a Trust, under the Trust Act 1882 as an autonomous CSR Centre and a non-profit organization, the primary objective of the CSR Centre is to become the prime source of information, resources, and advisory services on CSR in Bangladesh. The primary operational principal is to contribute to achieving development targets set in the Millennium Development Goals (MDGs) in Bangladesh through private sector led growth. She also added that already we have made a guideline and sent to the Ministry. Regarding trade union involvement she said that the owners basically are bit scared of trade unions involvement as workers even do not want this, so how come trade union could get involved and monitor the CSR activities of the corporations. Since its inception, the CSR Centre has been conducting basically advocacy service on CSR both national and international levels.

**Expert Opinion-Five**
Name of the Respondent: Mr. Hasibur Rahman
Designation: Executive Director (ED)
Name of Organization: Management and Resources Development Initiative (MRDI), Dhaka, Bangladesh

In his views with the research team, Mr. Rahman said “the amount expensed by the company from its profit is treated as CSR. This is not mandatory. Companies do activities for human wellbeing as their own wish”. It would be more effective if it is possible to take steps for the livelihood development of the workers by CSR he added. He also submitted his proposition to BILS that “If a Training Centre could be opened by CSR for garment workers fully free of costs with residential facilities just to train up the interested persons, which will reduce the wastage of garment accessories during their novice period and would help them to get standard wages without any plea from the owners. And it will reduce the tendency to pay them minimum wages because of their lack of skills”. He emphasized on the workers benefits through CSR activation process.

**Expert Opinion (Owner’s View) - Six**
Name of the Respondent: Ms. Rubana Huq
Designation: Managing Director
Name of Organization: Mohammadi Group, Lotus Kamal Tower-One, 9th Floor, Nikunja-02, Dhaka-1229
Type of Organization: Readymade Garment

The research team had an appointment with Ms. Huq and requested for her kind consent and comment regarding CSR activities and relevant issues of their group performs. She filled up the questionnaire and
sent it to the research team due to time constraints. She stated that Mohammadi Group strives to support the development and betterment of the employees through various CSR activities. Currently they are doing the following activities: free education, awards and scholarships to the exceptional students, childcare, financial help to the workers for their family affairs, interest free loans, internal and external medical facilities, incentives and recognition to their old employees etc. Mohammadi Group conducts its CSR activities by nominating people within the factories that work on CSR activities on a daily basis. They always consider the workers as the target beneficiaries under CSR activities. Basically they provide two types of benefits under CSR such as Internal Benefits; Child Care, Loan without interest and Recruit disabled workers and as External Benefits; Free education and Medical Facilities etc. She importantly highlighted that they CSR activities for the development and safety of their worker s through safety, job security and endless opportunities to better livelihoods. It was found very clear that she is well convergent about the national legal framework and international CSR instruments like UNGS, ISO 26000, OECD Guidelines and ILO etc. Ms. Huq pioneers herself all CSR projects of her group with a separate administrative body for each factory. As aforementioned, Mohammadi Group is constantly trying to their CSR efforts with a broad plan following:

(a) *Low cost housing for workers; They have already bought the land in which they will provide low cost housing for workers. The land allocated for this project is in close to our new factory in Bangla Bazar.*

(b) *Low cost open market for employee.*

(c) *Clinic with Operation Theatre.*

(d) *Prayer Centre.*

She mentioned that workers’ participation is still not widely practiced in CSR activities in her group. She also said that it will take time to incorporate Trade Union with CSR. They utilized their allocated CSR funds fully to the development for workers. Finally she appreciated the effort rendered by BILS.

**Expert Opinion (Owner’s View) - Seven**

Name of Respondent : Alhaj Md. Sadar Ali  
Position : Managing Director  
Name of Company : Sopura Silk Mills Ltd  
Registered Address details : B-74, Bscic Industrial Estate, Sopure, Rajshahi, BD  
Type of organization : Silk Mills

In response to the various questions over phone Mr. Sadar Ali provided the following information with his comment regarding CSR. Sopura Silk Mills Rajshahi was established in the year 1986. They are the manufacturers of 100% Pure Silk Fabrics Made -Ups & Garments for both Men and Ladies with sophisticated advance technology. He said that employee management relationship is a process that companies use to effectively manage all interactions with employees, ultimately to achieve the goals of the organization under CSR functions. 

We started CSR activities when the ‘Sopura Silk mills’ was started. We conduct CSR activities by our every people. We work with there on a daily basis. We want to improve the quality of their lives. We improve the quality of their life, we have and we will have.

As he stated “We work for humanity. I see my workers like my child. The first is the safety of their lives and property. For the reason I am good when my children (Worker’s) is good. There are (Worker’s) my assets, so I take care of them”.

As Internal Benefits we provide training and appropriate work of disabled people and women. We are stopping the begging and working for them. We motivated transgender and we promote opportunities
and treatment for them. We give education costs for poor children. We have worked for women development unto the whole society. Our door is always open for employees. We are arranging monthly meeting for solving employee’s problem. Actually, we are very much cooperative and assist the employee in workplace so that they can do well. We ensure maternity life. Workers enjoy 2 festival bonuses and eight days leave. As External Benefits, Child care, Spouse and elderly parent care, Training for workers and officers, Training - helpless women, venerable people, disabled people, beggars, transgender, Treatment, Primary education, higher education, Donation for treatment, education, and Financial help for family affairs.

They ensure Flexible work schedules (flextime / telecommuting), Quality of work life programs, Ability to work from home, Compressed workweek, Job-Sharing (a special type of part time work), Child care and elder care support, Part time work, Reduced work load, Quality of work life programs, Employee/Management committees, Organization initiatives, Modern methods of training on the job, Modern methods of supervision, Drive out fear, so that everyone may work effectively for the company etc within the CSR conducts.

He also said that their prevention programs take many forms; they include redesigning jobs to diminish hazardous conditions, conducting safety training programs even offering pay bonuses for good safety records. There are three areas of protection level. Those are: a) Safety Hazard, b) Health Hazard and c) Co-Workers Hazard. They try to do many welfare activities for the workers but the CSR concept is still found malfunctioned in terms within the Sopura Silk Mills Rajshahi. Lastly, Mr. Sadar Ali said that we maintain The Ten Principles of the UN Global Compact, ILO guidelines, and Labour laws. Currently we do not have any separate wing or division for CSR, our management take care of CSR functions.
Chapter Five

5.0 Major Challenges on the Way of CSR in Bangladesh

Bangladesh still has ample of opportunities for social change and development through sustainable economic growth being one of the developing countries of the world. Similarly it has so many complexities and burdens in front to face towards the entire path of development. The fullest nationwide activation of CSR by the concern organizations like corporate houses both national and international, banks, RMGs and different well reputed companies could have been the pioneering step in terms of social and economic development of country whereas CSR is still in transition in Bangladesh. CSR in our country could not achieve its professional organizational status because of lack of willingness and insufficient knowledge among the owners and investors of various companies. Over the last couple of years the concept of CSR among the organizations’ authority has become familiar as matter of interest and responsibility of their business for the society in some cases. The overall performance of CSR activities in banking sector had flourished compared to the other corporate areas after the initiatives taken by Bangladesh Bank (BB) in 2008 due to formalize CSR in the country’s banking sectors through issuing a detailed directive titled “Mainstreaming Corporate Social Responsibility (CSR) in banks and financial institutions in Bangladesh”. Such drives is highly appreciated and anticipated in the rest of the corporate areas for the bets utilization of monetary budget of them present used as charity or welfare funds for the society. Some limitations are found on the way to out shining and perfect implementation of CSR activities are pointed out here;

• In Bangladesh, CSR is still not in the prior factors of social development because of weak status in policy implications in one hand and adversely of its good connection to corporate philanthropy and social compliance on the other.

• As known from the study, still many of the investors of the companies consider CSR simply as aiding society and there is no benefit to their organization bottom line. There are a lot of misconceptions and do not hold accurate on any proper scrutiny.

• There is no generally agreed definition of CSR in Bangladesh; this lack of clarity is a stumbling block to the way of starting monitor, measure and evaluates the effectiveness of CSR expenditures in social development in most of the cases.

• Among many limitations, lack of proper coordination within the concern authorities, strategic development and improper step to mainstreaming CSR into the corporate life of the companies are on the priority list.

• There is a huge crisis of efficient employees in the companies of proper understanding in both conceptual and contextual aspects of CSR and appreciation of its purposes, goals and objectives, application of appropriate skills, and demonstration of priorities etc by using organizational ability and business knowledge in Bangladesh.

• Though CSR is essentially about long term sustainability of a company but here it is all about what company authorities do on a voluntary basis, just simply going beyond their compliance with existing legislation.

• It is a well noted limitation that the trade unionism is relatively poor in the RMG sector of Bangladesh which partially causes from ineffective practice of CSR activities. In most of the garment factories, the owners were not seen to have positive attitude towards the culture of trade union in the RMG industries. Hence, the trade unionism should necessarily be upheld in the aforementioned sectors just to reduce the existing malpractice of the term CSR in Bangladesh. The acute shortage of the exercise of the trade union and CSR activities is the premier cause of the labour unrest within the RMG sector and imbalanced relationship with the owners.
5.1 Some Recommended Suggestions for CSR

The discourse on CSR practices in Bangladesh is relatively new but not as the concept itself. It is bit tricky to overlook CSR activities and its standard in particular to the export sector of our country. In generally true in Bangladesh, the existing practices of CSR, Trade Union and Labour Rights in term of sustainable environmental management and lucidity in corporate sectors are not satisfactory, because of low enforcement of present relevant legislations and insignificant pressure held from the social elite and interest groups like Consumer associations. Now in business trade the global focus is largely concentrated on CSR activities in connection with the benefits of companies themselves and the wellbeing of the stakeholders. A wide visionary and meticulous concentration on CSR might be very constructive and empirically useful for developing corporate good governance, labour rights, safety and security in workplace, just treatment of workers and other beneficiaries, community development and environmental management, and definitely contribute to industrialization and enhance global market access. Beside CSR, the importance of trade union in corporate sectors especially for readymade garments industry is in priority due to ensuring better working environment and creating good relationship between the workers and the owners. From the justification on the recent scenario of CSR and trade union activities and practices have been found much improved than previous couples of years, which definitely makes us dream of a sustainable and workers friendly business era.

In banks and financial institutions in Bangladesh, it would be opt, strategic, lasting competitive benefits to wrap up CSR in their organizational approaches and executions. Moreover, in case of incorporation of any practices that held to be socially and environmentally responsible in own internal activities, the financial institutions and banks both can make major CSR contribution through ensuring financial inclusion of the disadvantaged and vulnerable group of rural and urban people; provide them more reasonable and appropriate financial service packages and sponsoring programs planned to breed new employment opportunities, more output and earnings.

The following could be some priority areas of recommendations for upgrading the present scenario of CSR and trade unionism in the company in particular readymade garment industry mainly emphasizing on the more participation and involvement of the workers:

- At the inception of any activities in the name of CSR, there should have a precise and suitable sector wise definition of CSR by the state initiative which must have to be validated by regular state laws and properly circulated among the related concerns.

- The company or organization should pay attention to establish or form a completely autonomous authority body or working division for CSR activities with full responsibility which will produce anticipated outcomes related to the wellbeing of the company and even for the workers.

- In this regard, for accurate and effective practice of CSR, the concern companies or the readymade garment industry may recruit their required officers and staff for CSR division giving highest priority of merit, honesty and respect for diversity and previous experience.

- CSR activities may be well practiced through developing a dynamic workforce and working culture that demonstrates respect each other, openness and fairness, and encourages diversity and equality in terms of benefits of the stakeholders.

- Through CSR practices, workers’ sound health, safety and security in workplace and wellbeing for the surrounding people may be ensured.

- The companies can implement and utilizes CSR to improve participation and ownership of the workers that will obviously enhance the service and quality of outcome of the company.

- CSR of the different corporate houses, national and multinational companies, banks and
readymade garments may increase public safety and security through contributing social and environmental changes and development.

- Since Bangladesh is facing several problems such as acute vulnerability of disadvantaged group of children, aged, drug addicted and mentally retarded people in the nock and corners; the CSR activities may be well planned to establish baby home, old home, therapy and vocational training centers, preventive, curative and rehabilitation centre for the disadvantaged people in a organized and sustainable manner that will help to change and develop our national scenario.

- In all job sectors especially in the readymade garment sectors, the figure of female employee is big as they are thought to be low waged and work hard and sincerely. The female workers do really hard work leaving their family and small child in far for long time. Here CSR may be utilized to set up day care centres that will reduce the workers’ tension in one hand and benefit the company in the other hand.

- CSR may be used to human resources management and development practices; health, safety and environmental practices at work place; assessing, increasing and adapting the social and environmental impact of a company; maintaining business ethics and codes; initiate employee skill development programme and keeping product standard and responsibility as internal dimension of the organizations.

- Moreover, as external dimensions change, CSR may be contributed to incorporate local communities through development programmes; donations and contributions to Civil Society Organizations; Supply Chain management; Educational programmes at various levels; Cluster Development; business, partners, suppliers and consumers, human rights and global environmental concerns etc.

5.2 Concrete Recommendations for Trade Union to Way Forward

Over the last couple of decades, numerous trade unions have been developed into various forms through the influence of different political and economic regimes. It is thought that the trade union leaders do bargain with the employers in favor of union members and the workers. But still this process has not yet been established within the industry setting because of sufficient knowledge and willingness of the owners and the leaders. As this type of Labour associations are not widely recognized and well accepted respectively by the state and the companies, the functions of the trade unions existed in different companies or readymade garments rationally appears to be tough. Henceforth, there are a lot of functions for the trade union to perform such as negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies.

Some general recommendations may be approved for the recognition and effective functions of the trade unions associated by the workers especially in the garments sectors in Bangladesh which are following:

- For better working environment and congenial atmosphere, trade union needs to be established in a priority basis within the corporate particularly in the readymade garments sectors which will reduce the unrest situation of the industry through the continuous ventilation of the workers grievances.

- As trade union representatives act as the mediator of any problems or issues emerged between the both parties workers and the owners through necessary discussions in the well set companies in global business arena, so a drastic and comprehensive initiative on behalf of state to establish trade union in all companies mandatorily through the implementation of legislations.
• Some awareness campaign nationally compulsorily be conducted towards more familiarizing and spreading the ideas as well as significance of trade union highlighting its necessity in case of workers benefits and company wellbeing in long run, which will definitely increase the existing back warded situation of trade union.

• The generally known concept of trade union in Bangladesh is not comfortable to all because most of the trade unions naturally become politicized and biased by different interest groups that lessen the trustworthiness and importance of trade union among the public and even in the workers as well investors groups.

• As the workers are bound to do maximum hours in the work place because of the pressure and bindings from the authority, they do not have sufficient time to be gathered and form association for ensuring their rights that they suppose to get in case of unmet.

• Over lasts few years, there were so many Labour unrests happened in different readymade garments but role of trade union was seen all most invisible in terms of their influence over the owners, Labourers and government authorities. It happens because of their poor institutional recognition and formal power of attorney to play role actively. That is why the trade unions that are already existed and new formed trade unions should be established on the strong official base and recognized by the company owners and the workers as well.

• Trade Union is a platform to uphold the rights of the workers with the investors or the owners. But in the readymade garments industries, the scenario of trade union is mostly different and inactive. So it should be properly evaluated and monitored by the concern authority.

• The industry authority and the owners should be very positive to accept the emergence of trade union because of their company interest not for the workers benefit only, and then the activities of the trade union might be expanded rapidly.

• The trade union may extend the provision of professional training, legal advice and representation for its members and trade unions may promote legislation favorable to the interests of their members or workers as a whole.
Chapter-Six

6.0 Concluding Remark

In Bangladesh, there are so many problems in the corporations, banking sectors, national and multinational companies, within the NGOs and GOs, and prior to the readymade garment industries that continuously impede the regular functions of these organizations and hampers the national development in terms of financial, social, cultural and environmental and so on. The biggest revenue earners export sectors is readymade garments industry but it exists numerous internal and external crisis issues.

Moreover, there is a huge policy level and functional difference of our readymade garments industry in comparison to the same trade of Europe and USA on the basis of infrastructure, used machineries, and technologies as well as rights of workers as human rights. Bangladesh is still far behind of the developed countries in the area of readymade garments industry though it recently has been appeared to be the crucial income generating sectors of national revenue.

There are many opinions and suggestions made by both national and foreign initiators, investors and donors of these sectors to develop the infrastructure of the industry and enhance the workers facilities and benefits as human being they deserve for sustainable business by incorporating CSR and establishing trade unions. In recent time, these two concepts have been improved among the owners and stakeholders as the aftermath of some rampant incidents in garments industry collapse like Tajrin Fashion and Rana Plaza at Savar area near Dhaka City.

In the study, total seven (07) organizations from different trades were surveyed for clear understanding about workers participation in CSR activities and benefits. The results found from the organizations are not held satisfactory in case of their CSR performance and workers’ participation. Most of the organizations are conducting CSR activities as their own wish in lieu of any set rules or CSR policy that are simply happing as charity. The company owners and executive authorities should be aware and willing to establish and activate CSR for their own institutional long lasting benefits let alone the workers wellbeing. If they start thinking their own betterment first they will be more interested to effectively conduct CSR activities to increase their existing image of their business in business world. Similarly there is a huge responsibility of the government to improve CSR condition nationally in policy level. State government could definitely play a very vital role to motivate and pressurize the companies to implement CSR activities for ensuring the workers benefit and the benefits of the companies themselves through formulating policy and executing necessary legislations.

At the end, it is generously expressed that CSR activities should be considered and implemented as the prior concern of workers’ benefits firstly and which must be held through their active participation and belongingness rather doing all other social activities. CSR can perform a significant role to develop micro economic of this country whereas approximately 4% (40 lac) labour force involve in 40 % export readymade garment industries. The rest of the 96% people keep a marginal contribution in macro economic data where CSR has a scope to create job fields for them. It should be mandatorily happened especially in the readymade garment industry sectors as because there are working a huge number of workers who lead a very misery and vulnerable livelihood. Massive workers participation in both trade union and CSR activities can widely impact on the change and development of business image like the developed countries.
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