CSR Talk over Television

THIRD PHASE
CSR Talk over Television

manusher jonno
promoting human rights and good governance

MRDI
This publication of the third phase of the TV Talkshow on Corporate Social Responsibility (CSR) highlights the key points of observations made by the esteemed participants on the state of CSR activities in Bangladesh.

Management and Resources Development Initiative (MRDI) produced and televised the Talkshow as part of its sensitisation and awareness campaign about the importance of CSR for community development and social uplift on a sustained basis, in the context of the realities of Bangladesh.

The views that the valued participants from different professional background, expressed in the Talkshow that was televised in six episodes of the programme, have been illuminating, shedding light on the selected theme. The feedback that the MRDI received from the viewers on the Talkshow has been positive. This would only prove that there is now a better appreciation than before, of the role of CSR activities as a change-agent for achieving the goal of a caring society for ensuring inclusive and sustainable development.

The areas covered under the third phase of the TV Talkshow have included CSR: As it is seen, CSR efforts and achievement, Banks: The pioneering sector in CSR, Taking CSR forward, Experiences of CSR advocacy, CSR management and operations, CSR and HR: Complementing each other and Potentials and challenges of CSR. This publication is meant for presentation, in a print form, of the views of the discussants.
This is only the summarised presentation of such views and comments that are accommodated in this publication. This is not a direct transcription of the episodes of the TV Talkshow.

The MRDI believes that readers will get from this publication a useful insight into the interrelated aspects of CSR activities in the circumstances, now prevailing in the country. It is worthwhile to note here that more and more business entities in the country have continued to embrace CSR as an operational strategy for winning their wider stakeholders' support, promoting ethical goals, building social value and upholding the interests of the broader community.

More expanded CSR activities, with a clear understanding about their conceptual and contextual relevance to the specifics of the situation, can help balance the interest of their investors or shareholders of businesses with those of the community. For this to happen, the government has been demonstrating its pro-active stance while expressing furthermore its intent to be flexible enough in its fiscal and other policies to encourage the business on a wider scale to embrace CSR.

All the afore-mentioned issues have rightly been highlighted by the participants in their discussions during the course of the TV Talkshow in its third phase, at the initiative of the MRDI under its project Mainstreaming CSR to Address Poverty (MCAP).

We hope that the readers will find this publication useful. The MRDI will consider its efforts for this publication amply rewarding if it is considered by them relevant to their purpose.

Moazzem Hossain
Project Anchor
Episodes & Discussants
Recent progress in CSR: Concept and practice

Aired on 21 December 2011 at 6.00pm

Discusants

Shitangshu Kumar Sur Chowdhury
Executive Director, Bangladesh Bank

K Mahmood Sattar
Chairman, Association of Bankers, Bangladesh Limited and Managing Director & CEO, City Bank

Sarwar Ahmed
Managing Director, Syngenta Bangladesh Limited
Creating an enabling environment for CSR

Aired on 28 December 2011 at 6.00pm

DISCUSSANTS

Amir Khasru Mahmud Chowdhury
Former Commerce Minister

Dr. Mirza Azizul Islam
Former Finance Advisor to the Caretaker Government

Asif Ibrahim
President, Dhaka Chamber of Commerce and Industry
CSR and development: Corporate - civil society partnership

Aired on 4 January 2011 at 6.00pm

DISCUSSANTS

Waliur Rahman Bhuiyan
Former President
Foreign Investors Chamber of Commerce and Industry

Dr. Ananya Raihan
Executive Director, D.Net and Board member CSR centre

Korvi Rakshand
Founder Chairman
Jaago Foundation
Episode 4

CSR: Involving SMEs and the grassroots

Aired on 11 January 2011 at 6.00pm

Discussants

Rokia Afzal Rahman
Former Advisor to the Caretaker Government

Shitangshu Kumar Sur Chowdhury
Executive Director, Bangladesh Bank

Aftab ul Islam
Chairperson, Small & Medium Enterprise Foundation
CSR and HRD: A win-win situation

Aired on 18 January 2011 at 6.00pm

DISCUSSANTS

Dr. Ahmed Al Kabir
Chairman
Rupali Bank Limited

Mamun Rashid
Banker & Economic Analyst

Fazlul Hoque
Immediate Past President
Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)
Episode 6

Looking forward:
Potentials and challenges of CSR

Aired on 25 January 2011 at 6.00pm

Discussants

Moazzem Hossain
Editor, The Financial Express

Anis A. Khan
Managing Director & CEO
Mutual Trust Bank Limited

Hasibur Rahman Mukur
Executive Director, MRDI
Issues & Discussions
MRDI in its third phase of the TV Talk show on CSR produced and televised six episodes of the programme. This booklet includes the views and observations of the discussants. This is not a direct transcription of the episodes.

The views of the discussants have been placed in this publication under the following issue heads:

1. CSR: As it is seen
2. CSR efforts and achievements
3. Banks: The pioneering sector in CSR
4. Taking CSR forward
5. Experiences of CSR advocacy
6. CSR management and operations
7. CSR and HR: Complementing each other
8. Potentials and challenges of CSR
The first line in CSR is that businesses, out of their social responsibility, should give back a portion of what they earn from the society.

CSR is not a paramount economic activity. It may rather supplement or support the areas of development that need such support.

CSR should be perceived as a voluntary act. It is not mandatory. Corporate organisations will do it out of their sense of responsibility to the society.
- CSR does not contribute to building up immediate profitability of the company. But it has long term positive effect. It expands the market for business through socio-economic development, improvement of human resources quality and inclusive growth of the society. These factors benefit both the society and the corporate sector.

- In addition to social responsibilities, corporate sector needs to comply with other crosscutting responsibilities like economic, humanistic and environmental responsibilities.
Issue 2

 CSR efforts and achievements

- Awareness created on CSR over the last few years has helped tremendously in bringing all the stakeholders together. This awareness building is a journey and we are on the right track.

- Conceptual confusion between CSR and philanthropic activities has reduced through academic discussions, debates and interactions.

- Banks have now progressed substantially in operating CSR activities in a structured form. Bangladesh Bank is supporting and encouraging the banks in doing so.

Sarwar Ahmed
- Tax break on CSR is a good initiative. This will encourage corporate sector further to spend on CSR.

- Many corporate houses and chamber bodies have formed foundations of their own to operate CSR activities in a specific approach.

- For better results of CSR, different sectors should concentrate in different specific areas of development rather than working sporadically in many areas.
Banks in our country have long been involved in welfare activities even before the concept of CSR had come up.

Bangladesh Bank as the central bank of the country issued a guideline for the banks clarifying the concept of CSR. Broad based financial inclusion of poor and marginalised people has been recognised as an important component of CSR.

K Mahmood Sattar
CSR review reports of Bangladesh Bank show 34% increase in CSR activities of the banks in 2009 compared to those of the year 2008. It is expected to increase by 50 to 60% in 2010.

Extending support to the families of the victims of BDR carnage for ten years by different banks is a good example of CSR.

17 out of 57 banks in Bangladesh are operating CSR through their own foundations. A total of 43 banks are investing on CSR.
Banking sector is much advanced in CSR compared to other sectors. Banks give priority on education and healthcare services.

The governor of Bangladesh Bank has asked all the banks to set up a separate CSR desk. Appointment of a full-time CSR desk-in-charge will facilitate formulating a CSR policy and earmarking a budget for the purpose.

Anis A. Khan
CSR is being discussed and debated much in recent years. Some policy support initiatives have been taken to encourage CSR. Progress of CSR has to continue.

To sustain the progress of CSR, incentives from both government and non-government sectors are required. Government has allowed 10% tax rebate on CSR expenses. But the corporate sector expects full waiver of tax on CSR investment, because CSR activities are reducing pressure of development expenses on the government.
Government has very little to do for CSR promotion. Ministers and high officials can motivate the corporate sector at best. Educational institutions have an important role to play. Universities can incorporate CSR in their curricula for economics and business administration. Other professional organisations like the institutes of chartered accountants, cost management can offer special training course on CSR. This role of the educational institutions will facilitate future progress of CSR in our country, because today's learners are tomorrow's managers.

We can learn about incentives for CSR from the experiences of other countries. Stock Exchange of Thailand and Prime Minister of Malaysia introduced CSR Awards in their respective countries for the best performing companies in this regard.
The first challenge that MRDI met in working with CSR was its definition. CSR is very often confused with charity, philanthropy and even company compliance. The issue has been discussed and debated in different forums.

Finding out a working definition of CSR is very important. Interactive discussions on this issue have taken place with experts, economists and the National Board of Revenue.

Finding the corporate sector pro-active, MRDI developed strategic partnership with business chambers and associations.
One question is raised from different quarters - why a non-government, non-profit organisation like MRDI is concerned about CSR. The answer is that we have tried to utilise our network with media and the journalists in reaching the grassroots, assessing their needs and linking the community with the corporate houses in addressing those needs. The whole process included screening media contents, interviewing corporate representatives, conducting social investigation and making presentations on potential interventions.

During the process MRDI found that corporate houses do not have sufficient issues for utilising their CSR funds properly.
A gap exists between corporate sector and the community based organisations regarding confidence and credibility. Corporate houses are not convinced about capacity of the local organisations to implement development initiatives properly.

An important experience is that the CSR fund for poverty reduction can be spent much more efficiently compared to donors’ fund. That means percentage of CSR money reaching the beneficiary is much higher than that of the donors' money.
For transparent operation of CSR, a separate foundation managed by a professional is useful. Managing body of the corporate house remains engaged in operating business and maintaining external relations. So it is better, the foundation operates CSR in a structured way and the management monitors progress of the activities.

Korvi Rakshand
Each corporate house needs to have its own strategy, a definite plan and earmarked budget for CSR.

While doing CSR, different corporate houses should focus on different specific areas. That will enable them to get into the depth of the problem.
There are small business units who want to take part in CSR activities, but they may not have sufficient capacity to do so. These units can be brought together through networking to develop a pool for doing CSR.

More innovation in networking, structure and policies will ensure better management and utilisation of CSR funds.
Human resources development (HRD) is one of the top two or three key factors for economic development. To sustain CSR as a voluntary effort, HRD can be the most useful and effective tool.

Dhaka Chamber of Commerce and Industry (DCCI) has initiated to establish a nursing training institute under the banner of DCCI Foundation. Many countries have huge demand for skilled nurses.
World Bank after an intensive study recommended that the most important barrier for Bangladesh to become a middle-income country is lack of skills of its workforce. For example, our garment sector is producing and exporting normal dresses for everyday use. If we can produce lifestyle and fashion dresses, we will earn more and pay more to our workers. If we can export skilled migrant workers, they will earn several times higher wage compared to their current income.

Increased earning by the skilled workers will increase our GDP. We aim to become a middle-income country in the year 2021. But if we can improve our skill and capacity, we can attain the target as early as in 2016.

A common notion is that we have plenty of workers to be employed. But according to a rough estimate, there is 25 to 30% shortage of skilled labourers in the garment industry only.
In most cases, unskilled workers join a garment factory and then earn skills by working there. But this procedure is not cost effective. Unskilled workers slow down the pace of production. So skills development training of the workers before their joining the factory is very important.

BKMEA is running a training institute in a northern district with two objectives—creating employment opportunity for the needy people and facilitating supply of skilled workers for the industry. It has been a real win-win situation.

Microcredit offered by the financial institutions can be utilised as training loan. This can be operated in coordination with training institutes. The loan will be repaid by the trainee within six months or one year of his/her getting job.

Training institutes of the government are not being utilised properly. Corporate houses and the government can work together to utilise these training institutes to develop skilled workforce. This has to be done through proper coordination and planning.
Issue 8

Potentials and challenges of CSR

- Awareness on CSR has increased. This is a process of social inclusion in which ultra-poor groups have an opportunity to take part in the mainstream development. Corporate sector is giving more focus on CSR activities.

- Scope of CSR is wide which includes improvement of health conditions, education, environment, human resource development and empowerment of the deprived and excluded section of people.

- Banks are now emphasising education and healthcare for the disadvantaged people of remote areas. A positive mindset has been created about CSR.
● Bangladesh Bank has published a report on CSR. Banks are developing their strategies and CSR is now an important indicator for the rating of banks. These initiatives will help expand CSR further.

● MRDI is trying to establish a linkage between corporate sector and the community. This will ensure right utilisation of CSR funds for poverty reduction in a sustainable manner.

● The main challenge is conceptualisation of CSR which is often confused with charity. CSR is a voluntary act, it needs a strategy and a sustainable approach.

● Another challenge is convincing the corporate sector about credibility of community based organisations and ensuring them about the value for money.

● Internal governance structure is not a part of CSR. This is rather compliance of the company. These compliant companies are eligible for operating CSR. Developing conceptual clarity in this regard among the stakeholders is also a challenge.

● Sustaining the awareness on CSR and mainstreaming it through proper strategies are two main challenges. Dramatic change will not take place. We have to proceed step by step.
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