ISSN 2072-3334
Development Compilation
Volume 16. Number 01. October 2020

EXPLORING CORPORATE SOCIAL RESPONSIBILITY (CSR) IN BANGLADESH: A COMPARATIVE STUDY OF PRIVATE COMMERCIAL & STATE-OWNED BANKS

Md Nazmul Haq*
Jannatul Ferdous**

Abstract: Banks operate commercial activities in the society. Therefore, they have certain duties to the well-being of the society. Corporate Social Responsibility (CSR) is an essential and devoted share of the long duration commercial and justifiable development and achievement that plays a vital role in encouraging principles. It is connected with the moral corporate process and corporate governance. This paper is a modest attempt inspects the performances of CSR by commercial and State-Owned banks in Bangladesh and to evaluate the necessity to develop in CSR by such societies. The objective of the study is to perceive the structure of CSR extents and influence to those spaces by the commercial &state-owned banks of Bangladesh. The study observed that the influence expanse by the commercial and State-Owned banks to CSR events is very trivial in quantity to their return amount. The paper has been focused with secondary data composed of the published reports of the one private commercial and one state-ownedbank of more than some years. Against this setting, this paper's arguments the condition prevalent applies of CSR in affirming banks. The paper offered at this point in the three pleat assessments the literature regarding CSR in the setting of the current sphere; examines the good performances and offers the data of CSR applies of the declared banks and finally offers the recommendations for improved CSR performs of the cited banks in Bangladesh.

Keywords: *CSR, Commercial Banks, State-Owned Banks, Bangladesh.*

Introduction

Business is a devoted and rooted portion of the society. The forces at work of business has spanned its borders set periods back and have hosted solid

* Lecturer, Department of Public Administration, Comilla University, Cumilla-3506, Bangladesh.
** Assistant Professor, Department of Public Administration, Comilla University, Cumilla-3506, Bangladesh.

treatments of social wellbeing in providing business and fiduciary responsibilities. Moreover directing commercial events and tracking financial advantages, corporate companies have as well numerous other roles and duties to society, for instance the societal and environmental duties and corporate influences that would advantage the people on the whole (Saha et al., 2013). CSR can play a vigorous role in the enlightening the inclusive appearance of business area. As previously the scholars said that CSR applies are initiated by the non-government, Government and corporate segments. The banking segment of Bangladesh contains of public commercial banks, private commercial banks and specialized banks. Wherever utmost of the banks is the profit-making banks and their prevailing to the monetary segment. For this reason, the researcher has accentuated on the matter “walk around Corporate Social Responsibility (CSR) in Bangladesh perspective, focusing on a comparative study on Private Commercial & State-Owned Banks” (Rana & Roy, 2016).

Banks add to the world as a CSR which is the deliberate speculation in their corporate world. This is a speculation, on the other hand not the worth enhances with the things just comparable to quality controlling. This is an investigative research with the purpose of defining the nature and magnitude of CSR reporting by the Private Commercial & State-Owned banking segment in Bangladesh, and to evaluate the necessity to progress CSR by such organizations. The paper presented at this instant in the three-fold valuations the literature concerning CSR in the background of the existing domain; inspects the worthy presentations and deals the facts of CSR relates to the professed banks and to end suggests the recommendations for better CSR performances of the mentioned banks in Bangladesh.

Objectives of the Study

- To obtain the facts about CSR events of private commercial & state-owned banks of Bangladesh.
- To detect the key extents where CSR events are executed by private commercial and state-owned banks.
- To equate and examine the influence of CSR events ofprivate commercial & state-owned banks.

Corporate Social Responsibility (CSR)

According to Crowther & Aras (2008) “Corporate Social Responsibility (CSR) is concentrated with what is- or must be- the association between international businesses, regime of states and distinct people”.

According to Hopkins (2008) “CSR is concerned with considering the stakeholders of the organizationethically or in a responsible way. ‘Ethically or responsible’ means contemplating stakeholders in a way assessed acceptable in progressive citizens.”

So, finally we can express that CSR is focused on the affiliation between a company and its stakeholders.

Literature Review

Bangladesh has a long history of benevolent deeds from age-old times. These accommodating events integrated aids, to disparate poor people; charitable societies and religious organizations. Most of the associations in Bangladesh are confidential and first generation enterprises till now. They are combined with the improvement of the community effort in the structure of donations without taking any positive policy concerning the amount or any material purpose about economic gains in many opportunities. Also, most of the SMEs drop under the informal section matters (Ferdous, 2015).

Khatun (2014) discloses that Engagement of the business associations to the society is of demanding importance. The current scenario of corporate social responsibility (CSR), is critically analyzed in this part in reference to the existing laws and regulations in Bangladesh which is an emerging issue in the developing countries. This report also measures the current position of CSR in off-the-shelf garment industries which are the most important and accessible industrial region in Bangladesh. It achieves that the major Bangladeshi laws relevant to corporate management and authority do not possess imminent features to advance a socially responsible collective culture in Bangladesh. The initiatives, however, have been taken to enhance the situation from the local government and international community.

Masud et al (2013) regulated to examine the real plot of present CSR methods by multinational companies of Bangladesh. Now in here, we have massed information from an eminent multinational company Hop lun (BD) as well as contrasting secondary origins. After investigating literature review and Hop lun (BD)'s materials we can understand that, today's CSR processes is not increasing properly. Some of the institutions trying their best, but in most of the cases the organizations are not informed about that. If society does not take care of appropriately, none of the business institutions can't go over their procedure for long term. That's why Hop Lun (BD) trusts in CSR. And they are very concerned and trying hard to do something better as for further development and betterment of employees as well as collaborators. We must insist that social attention can recover the situation of Bangladesh. Government action and collective organizations decisive thinking can stigmatize revolution undoubtedly in CSR.

Roy & Sarker (2017) discloses Corporate Social Responsibility (CSR) is elemental and indivisible part of the long term business and continual prosperity and success, which portrays a vital role in advertising values both narrowly and internationally and is generally recorded as a developed-country impression. Per se, a great amount of literature on social provision of organizations has come forward in the context of advanced states. CSR is an affirmation of the management to action properly and add to the commercial growth of the people while improving the credit of the life of the agents and the local public in general. All over the world, CSR is fundamental for the

institution to endorse its questionability. Though, CSR is an extensive argument and all organizations form it to some extent. In this paper, the writers made an assurance to clarify CSR and the relevant matter, and investigate the well-being, achievement of some State-Owned Commercial and Private Commercial Banks in Bangladesh. Bangladesh Bank, as the central bank of Bangladesh, has considered the commercial banks to portray an adequate part in the betterment of people. Thus, this piece of work is an endeavor to design the extent to which the mentioned banks in Bangladesh achieve their CSR exercises and to inquiry the level of epiphany for CSR in their yearly reports. The analysis has been conducted with trivial data collected from the yearly reports of the specified banks of more than a few years. Against this scenario, this paper's argument the situation predominant practices of CSR in above mentioned banks. The paper conferred here in the three fold continuingly analysis the literature regarding CSR in the background of the new world; audit the developing practices and declares the data of CSR methods of the above mentioned banks and finally presents the bindings and endorsement for a better CSR method of the above mentioned banks in Bangladesh.

Yeshmin (2012) discloses Modern employment is directed with the benefit escalation attended by social interests. This matter has given the initiative of the notion - Corporate Social Responsibility (CSR). Though the idea of CSR is not very modern in Bangladesh, but unfortunately, there is no eminently considerable analysis regarding Corporate Social Reporting of financial banks in Bangladesh. The main purpose of this application is to analyze CSR information in Private Commercial Banks (PCB). According to this, yearly reports of 30 PCBs for 2009 and 2010 are attended to study CSR information using content inquiry. Discoveries reveal that 36.67% of total CSR affair is related to regional development. Most of the CSR data are in approximate nature. But on average CSR information by preferred PCB is going forward. It is also quoted that Dutch Bangla Bank Limited (DBBL) is broadcasting compelling 60 CSR issues.

Wise & Ali (2009) contributed a preparatory paper with a view to determine the humor and extent of Corporate Social Responsibility reporting in the banking sector in Bangladesh, and to appraise the need to advance Corporate Social Responsibility by such enterprises. Corporate Social Responsibility is united with corporate administration and principled business agenda. Good corporate administration is predicted to build effective and capable Corporate Social Responsibility within enterprises. We examine from our subject analysis of the yearly reports of three case studies within the Bangladesh banking management, that the Corporate Social Responsibility acknowledgement focus on the actions undertaken to assist two decisive sectors within Bangladesh's economy: agriculture and the SME sector. More acknowledgements address improvements and donations made by the banks to support disadvantaged sections of Bangladesh society including indigent youth and women. Of the three cases studied in this matter, two are comparably new aspirant to the banking sector. We detected that the advanced firm, integrated in 1999, made no confession in according to its Corporate Social Responsibility and, as an aftereffect, determine that the collective administrative structures in this firm are expected to be naive.

In today's contemporary world, the Corporate Social Responsibility is an international interest. Nonetheless, it is a matter of concern that till now it is supported worldwide, but in Bangladesh it is underdeveloped behind compared to the advanced countries of the world. Continual advancement is not effective without the cooperation of the commercial world.

Research Methodology

The research was the secondary data sources like Bangladesh Bank's publications. In this research, one commercial bank named Bank Asia Limited (BAL) & state-owned bank named Janata Bank limited (JBL) purposively. Here, in this research information were gathered from banks' websites, periodicals, newspapers. A bunch of books and relevant articles from a few journals are also applied to develop the primary knowledge about the definite matter and various international assurances and productivities for raising and executing CSR ethics and guidance's were examined.

Results and Discussion

CSR is one of the most discussed topics by state owned, non government and business organizations in the present time.In keeping with global movement CSR is being seen as the source of new competition edge for the banking sector of Bangladesh.Bangladesh is a developing country,Because of global competitiveness and demand the CSR practices and standards are being implemented in Bangladesh but we are yet go long way. (Tanbir Ahmed,2015)

So, for the eradication of such stay behind situation in CSR practice in Bangladesh it is necessary to find out the gap and lacking of practices .In this regard two Bank of Bangladesh has taken for the study : one is 'Janata Bank Limited' (A state-owned Bank) another is 'Bank Asia limited' (A privet Commercial Bank).On the basis of two bank contribution ,expenditure, performing development activities level an attempt had been made to equate and examine the influence of CSR events ofprivate commercial & state-owned banks.

Janata Bank limited (JBL)

Janata Bank Limited is a state owned Bank. A renowned Bank in Bangladesh.Year and Category wise CSR of JBL,

Table 1: Some Contributing Sectors of Janata Bank as a Part of CSR Events

SL	Category	Year (Million BDT)		
		2018	2017	2016
1	Education and Research	.05	0.00	0.00
2	Health and Treatment	1.80	0.00	0.00
3	Poverty Reduction and Rehabilitation	0.00	0.00	0.00
4	Combat against Natural Calamity	9.00	6.95	7.90
5	Try to bring the Marginal, Farmers and Poor out of the Grip of Loan	0.00	0.00	0.00
6	Preservation of History, Tradition, Culture and Sports	0.00	0.00	0.00
7	Preservation of Environment	0.00	0.00	0.00
8	Expansion of Technology	0.00	0.00	0.00
9	Invention	0.00	0.00	0.00
10	Others	2.33	1.08	1.23
	Total	**13.18**	**8.03**	**9.13**

Source: Annual Report of JBL (2014-2016)

Above table -1 shows about some sectors that there have influenced of Janata Bank as a part of CSR events like education, health and treatment, natural calamity combating and such other some sectors.In this study a measurement was taken on last three Annual report on CSR of Janata Bank. Table 1revealsthat at 2018 the Bank's spending in 'education sector' was 0.5 million BDT at 2017 and 2016 it was almost nil in amount 0.00. So, the contribution of 2018 plied a little influence in Bangladesh Education sector as a result of itsCSR contribution part accomplishment.In 'health and treatment' sector JBL's expenditure role at 2018 was 1.80 millionBDT but there was no CSR events or expenditure in this sector at 2017 and 2016.So, an influence were held by JBL in Bangladesh health sector at 2018 but the service were not provided as a regular contribution part of CSR therefore at 2016 and 2017 no expenditure were held by the JBL authority to 'health and Treatment sector'.

At 'poverty reduction and rehabilitation' sector no events as CSR was accomplished by JBL within the three years. So,the expenditure inthis sector wastotally nil in those years.'Natural calamity combating' is a flourish sector which had been influenced each year by JBL's CSR contributions. At 2018 the expenditure was 9.00 million BDT, at 2017 it was 6.95 million and at 2016 it was 7.90 million. So,Bangladesh poverty reduction and rehabilitation sector have great an influenced by JBL's CSR part.

Try to bring the marginalfarmers and poor out of the grip of loan, preservation of history tradition culture and sports,preservation of environment,expansion of technology,Invention those are some sectors where JBL authority generally run their responsibility but within thosethree years 2018,2017,2016 no role was plied by JBL as a part of CSR

.Therefore,in those sectors within the previous three years the expenditure were totally nil.Beyond the above-mentioned regular sectors JBL provide services and ply role as a part of its CSR responsibility which is can be categorized as others sectors. In each year there were a number of expenditures provided by JBL. In 2018 it was 2.33 billion BDT, in 2017 it was 1.08 million and 1.23 million was at 2016.So, in many sector there have a regular help from JBL as a part of their CSR.

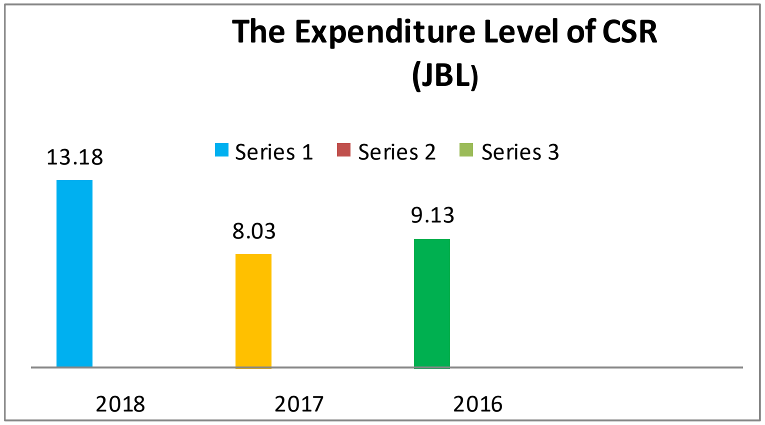

Figure 1: Graphical presentation of compare of the expenditure level as a part of CSR events within thethree years of JBL.

Bank Asia Limited (BAL)

Bank Asia always concentrate on issues that make the institution socially responsible and have given all out efforts towards sustainable balanced growth trough contributing to improve the livelihood opportunities, education facilities , health services ,protection of the environment ,encouraging in cultural and social activities rural as well as urban areas. (Ahmed,2015)

Bank Asia's Corporate Social Responsibility (CSR) in Bangladesh runs with the aforementioned philosophies which are framed by the Board of Directors of the Bank and the employees work with a greater mission.With motivation they contribute to the Bank's social responsibilities. (CSR Report of Bank Asia, 2018)

However an assessment on 2016-2018 CSR events of Bank Asia has conducted in this study.

Table 2: The CSR Events and Contributions at a Glance

SL	Categories	Years (Million BDT)		
		2018	2017	2016
1	Education	39.23	45.70	61.28
2	Health	1.28	13.18	3.88
3	Disaster Management	27.13	82.60	19.34
4	Environment	0.00	0.33	0.06
5	Sports	1.17	0.20	6.83
6	Arts and Culture	7.23	0.50	1.96
7	Other	51.33	41.32	15.70
Total		**126.91**	**183.83**	**109.06**

Source: Compilation of Annual Reports of Bank Asia (2016-2018)

The above table-2 shows the CSR events and contributions at a glance.After assessment it can be said that bank ply a regular basis contribution in many sectors in a great extent and play a great influence in social development through their CSR events.In Education Sector there was39.23 million BDT in 2018 expenditure. In 2017itwas 45.70 million and in 2016 it was 61.28 million BDT.In health sector there have also regular and well amount expenditure. In 2018 which was 1.28, in 2017 it was 13.18 million and in2016 the amount of expenditure was 3.88million BDT consecutively.In disaster management sector, there was 27.13 million in 2018, 82.60 million BDT at 2017 and 19.34 million at 2016.

To protect the environment and for environmental development there were also a number of expenditure. In 2016 it was 0.06 million, 0.33 million at 2017, in 2018 there were no expenditure in this sector.In developing sport, culture in rural and urban various areas in Bangladesh there are also have an influence from Bank Asia limited.In this way, in2018 the expenditure amount 1.17 million BDT were spend by the bankauthority in sport sector, 0.026 million was at 2017 and 6.83 million in 2016. In art and culture sector there were 7.23 million expenditure at 2018, expenditure amount 0.05was at 2017, expenditure amount 1. 96million BDT was at 2016.

Above mentioned sectors are the regular sectors of Bank Asia for providing help.Without those sectors there are a number of expenditure is held in various sector according to the demand of changing time, circumstance and for running development activities which was include as other sector in this study ,in those sectors at 2018 the expenditure was 51.33 million,41.32 million in 2017 and in 2016 the expenditure were 15.70 million BDT.

So, after analysis it can be said that Bank Asia is playing a very active rule in CSR events and making a well influence in social development in Bangladesh in many spheres.

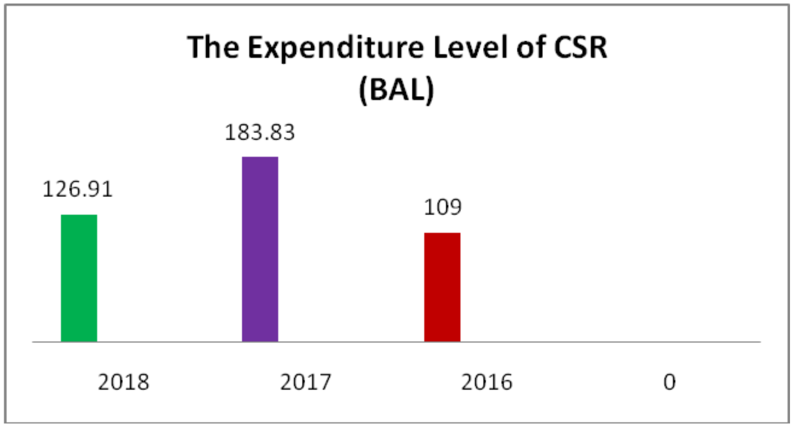

Figure 2: Graphical presentation of compare of the expenditure level as a part of CSR events within the three years of BAL.

AnAssessment and a Comparison Scenario on the Influence of CSR Events of JBL & BAL

In CSR events both state ownedand private commercial banks' contributions have focused in the above discussion. Now which sector of Bank either state owned or commercial play good and more influential role it is a question and measurement issue of the study .An assessment and comparison scenario between state owned and commercial bank can make clear about the idea which sector is more active and which have to be improved to ensure a balance development.

Education Sector

In education sector both the Janata Bank (JB) and Bank Asia Limited (BAL) in Bangladesh play contribution and impactful role in education sector of thecountry.

From the above assessmentit is seen that the contribution and influence level is comparatively very high from Bank Asia or the private commercial bank authority. The following diagram focus on the comparison at a glance.

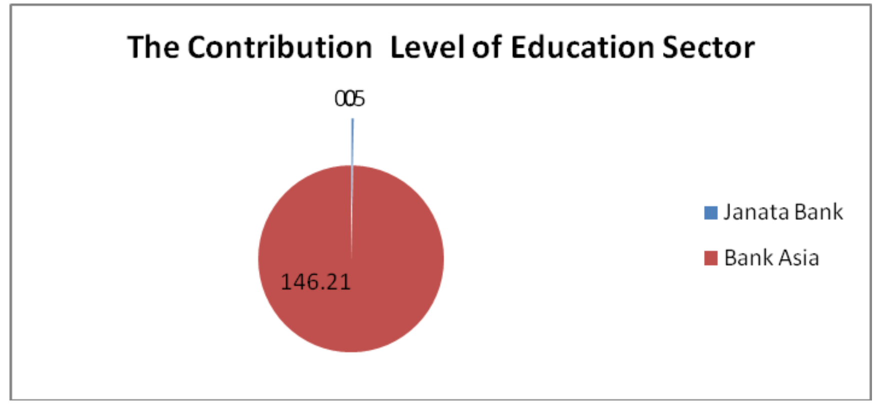

Figure 3: The contribution level of education sector

Above figure-3 shows the assessment of the Annual Report and expenditure list of those two banks it was seen that within three years 2016,2017,2018 Janata Bank spend 0.05,0.00 and 0.00 respectively and Bank Asia spend correspondingly 39.23,45.70 and 61.28 that result in total spend from Bank Asia 146.21 million BDT and 0.5 million from Janata Bank .

So, in this sector Bank Asia cooperatively very high in plying role compare to Janata Bank which contribution is very poorer than the Bank Asia .Therefor, ineducation sector private commercial bank is playing more active role.

Health Sector

In health sector both the two bank Janata and Bank Asia ply a great influence as a part of their CSR events .In this sector within last 3 years Janata Bank spend 1.80 million BDT in 2018 ,the spending was totally nil in 2016 and 2017 .On the other hand,Bank Asia contributed in this sector through spending 1.28,13.18,3.88 million respectively in 2018, 2017 and 2016 years.The total amount of spending stood at Janata Bank 1.80 million and at Bank Asia this amount was 18.34 million BDT.

So, in health sector more influence come from private commercial bank "Bank Asia" and has a large difference between those two expenditure levels of the two Banks.

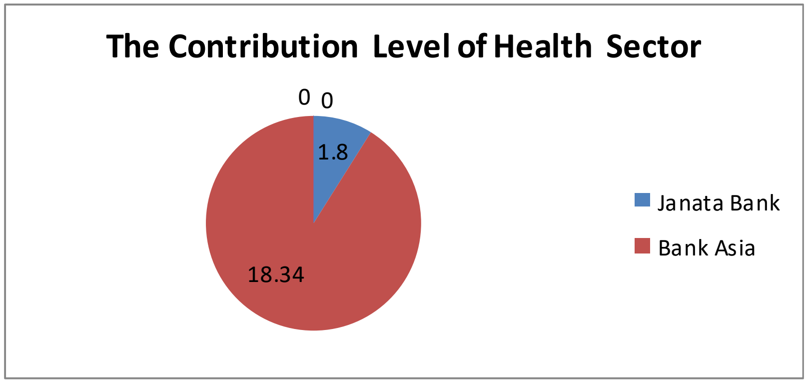

Figure 4: The contribution level of health sector

Protection of Environment and Natural Calamity

Protecting Environment and natural calamity related spending also held from Janata Bank and Bank Asia. The expenditure level of those two-bank authority has shown in the following diagram:

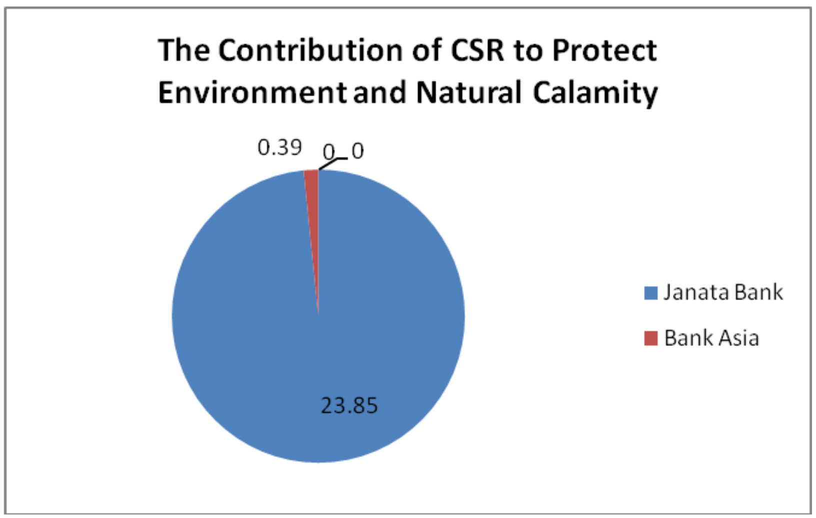

Figure 5: The contribution CSR to protect the environment and natural calamity

Above figure-5 shows the contribution andcomparison. In this sector in three years Janata Bank spending was 0.39 million and Janata Bank's spending was 9.00,6.95 and 7.90 million BDT infighting against natural calamity sector

in 2018,2017 and 2016 year respectively.Total contribution in spending stood about 23.85 million BDT.

So, the social responsibility and contribution is plied more actively by Janata Bank Limited which is a state owned bank in Bangladesh.Private commercial Bank "Bank Asia" is less contributed in this sector.

History, Culture, Arts and Sports

A country's cultural heritage, arts, sport and such other matters make a society more dynamic, charming and active. To promote this sector Bank Asia spend 9.69 million BDT in last three year 2018,2017 and 2016.On the other hand this spending amount was 1.2 million BDT from Janata Bank .So,in this sector alsohave more influence by the private commercial bank 'Bank Asia"

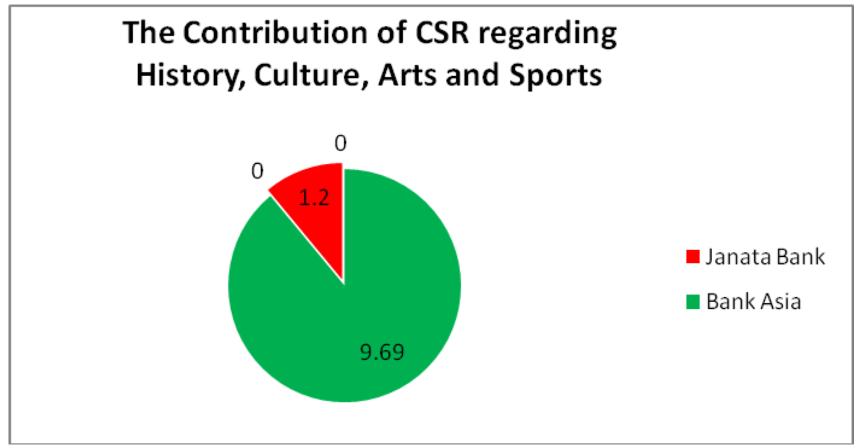

Figure 6: The contribution CSR regarding history, cultural heritage, arts and sport

Miscellaneous Sectors

Without the regular sectors there islots of spending and development activities are accomplished by the two-bank authority as part of CSR events. According to the Assessment the spending in this sector was 4.64 million BDT in Janata Bank. On the other hand the amount was 108.38 million BDT in Bank Asia.So, it is seen clearly that Bank Asia or the private commercial Bank played more extend influence then Janata Bank in Miscellaneous sector also.

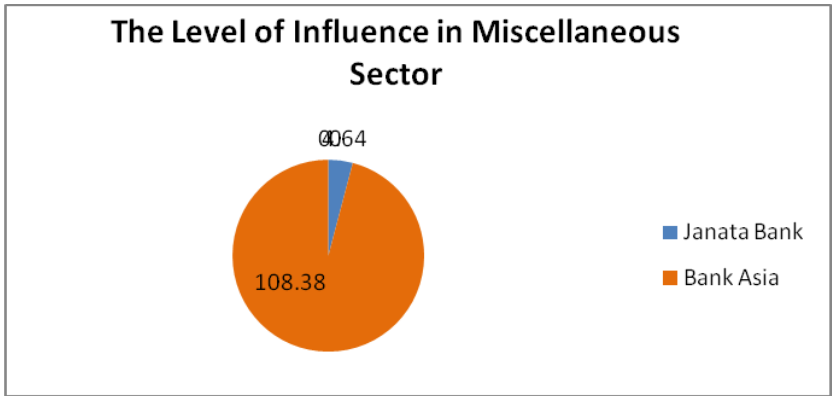

Figure 7: The level of influence in miscellaneous sector

Overall, the assessment scenario revels thatthe private commercial bank plays more extended and influential role through CSR events in many sectors in the country. The state owned bank's contribution is not well enough in the majority sectors. Besides, it has found that the performance and contribution is not held regularly by state owned bank for ensuring development of the country.The total expenditure level also highly comparable where Janata Bank's spending is very poor.

Recommendations

Some suggestions are given below:

- Create public appreciation regarding to CSR among the mass people, academics, managers, and other stakeholders so that they can take CSR equitably and get profit from it when the association practice it.
- CSR studies can be advanced in all stages of our educational system.
- Along with focusing on consumers, active dialogue with other collaborators is essential for the success of CSR.
- Escalating the community cooperation in CSR exercises by advertising a CSR amiable social dialogue.
- Well-formedwith clear cut guidance, including the stepwise CSR rules, regulations, and policies should be advanced as soon as possible.

Conclusion

Through CSR exercises, corporate institutions can carry out social and altruistic activities for encouraging equitable and continual social and economic advancement. This research has figured out that CSR actions so far are hardly realized for conducting business administration without actually maintaining social land benevolent objectives and social liability. The research explains the necessities of Corporate Social Responsibility as a gadget to achieve ambitious privilege, has a decisive picture in the society

and also established economic advancement which are conclusively effected decisively in the Country (Rana & Roy, 2016). The research has some limitations as well. Only two banks were taken for the analysis. The incorporation of a greater number of banks can be more representative one. They analyze only a few fields. The banks mustenlarge their CSR actions and preserved the other indispensableextents of the society, for example women empowerment, health improvementimplementations. This can confirm the inclusiveprogression of the state. For this determination, the Bangladesh Bank can monitor over the CSR endorsement of banks and also deliver some direction to the banks and stress some preference extents for CSR.

References

Ahmed T. (2015). Corporate Social Responsibilities (CSR) of Commercial Bank in Bangladesh: An Overview. Retrieved from https:// WWW.academia.edu.

Bank Asia Limited (2017). Annual Report 2016. Dhaka: BAL.

Bank Asia Limited (2018). Annual Report 2017. Dhaka: BAL.

Bank Asia Limited (2019). Annual Report 2018. Dhaka: BAL.

Crowther, D. & Aras, G. (2008). Corporate social responsibility. Bookboon.

Ferdous, J. (2015). Corporate Social Responsibility Practices in Bangladesh: An Assessment of Four State-Owned Commercial Banks (SoCBS). International Journal of Business, Economics and Law, 8 (2), pp. 36-41.

Hopkins, M. (2004). Corporate social responsibility: an issues paper. Geneva: International Labour Organization.

Janata Bank Limited (2015). Annual Report 2014. Dhaka: JBL.

Janata Bank Limited (2016). Annual Report 2015. Dhaka: JBL.

Janata Bank Limited (2017). Annual Report 2016. Dhaka: JBL.

Khatun, M. M. (2014). Corporate Social Responsibility in Bangladesh: The Law and Practices. Journal of Law, Policy and Globalization, vol 31, 10-17.

Masud, A. A., Hoque, A. A. M. A., Hossain, M. S. & Hoque, M. R. (2013). Corporate Social Responsibility Practices in Garments sector of Bangladesh, A Study of Multinational Garments, CSR view in Dhaka EPZ. Developing Country Studies, 3 (5), pp. 27-37.

Rana, M., & Roy, M. (2016). Corporate Social Responsibility Practices in Bangladesh: A Study on Commercial Banks.

Roy, I. & Sarker, A. K. (2017). Corporate Social Responsibility Practices in Bangladesh: A Statistical Analysis on State-Owned & Private Commercial Banks. Economics World, 5 (4), 322-332.

Saha, A., Dey, S., & Khan, A. (2013). Corporate social responsibility in Bangladesh: A Comparative study of Commercial Banks of Bangladesh.

Wise, V. & Ali, M. M. (2009). Corporate Governance and Corporate Social Responsibility in Bangladesh with special reference to Commercial Banks. AIUB Bus Econ Working Paper Series, No 2009-05, http://orp.aiub.edu/abewps-2009

Yeshmin, F. (2012). Visualization of Corporate Social Responsibility Information of Commercial Bank in Bangladesh. World Journal of Social Sciences, 2 (5), pp. 114 – 127.