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The Nature of Corporate Social Responsibility Disclosures by Bangladeshi Commercial Banks

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Abstract

The Bangladesh Bank is now encouraging corporate social responsibility (CSR) disclosure by banks however the adoption of CSR remains voluntary and not mandatory. The aim in this paper is to determine the nature and extent of corporate social responsibility disclosure in the banking sector in Bangladesh, and to assess the need to improve corporate social responsibility by such organisations. We observe, from our content analysis of the annual reports of three cases studies within the banking industry of Bangladesh, that corporate social responsibility disclosures focus on initiatives undertaken to support two critical two sectors within Bangladesh’s economy: agriculture and the SME sector. Further disclosures address contributions and donations made by the banks to support underprivileged sections of Bangladesh society including destitute youth and women. Of the three cases examined in this study, two are relatively new entrants to the banking sector. We observed that the newest firm, incorporated in 1999, made no disclosures in regards to its corporate social responsibility and, as a consequence, conclude that the corporate governance mechanisms in this firm are likely to be unsophisticated.

Keywords: Corporate social responsibility; Disclosure; Agriculture sector; SME sector

JEL Classifications: G32; K32; M14; M41.

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1.0 Introduction

From 1990 Bangladesh commenced a move towards a free market economy. A floating exchange rate mechanism was introduced from 2003. Yet the capital market of the country has still not fully developed. Although the country is moving towards a free market economy neither government nor private initiatives have been sufficient to promote good corporate governance leading to an acceptable level of corporate social responsibility. However, the Bangladesh Bank as a regulatory body is trying to establish corporate social responsibility (CSR) in the country's banks. As such the Bangladesh bank issued two circulars on “Mainstreaming Corporate Social Responsibility (CSR) in Banks, and financial institutions in Bangladesh” in circular No. 01 (01.06.2008) and circular No.02 (02.06.09) (see Appendix- A) issued by the Department of off-site supervision of the Bangladesh Bank.

Rahman (2009) (Governor of the Bangladesh Bank) argued that the bank has taken initiatives in respect of formalising CSR in the banking sector of Bangladesh and issued a directive to the banks and, financial institutions on June 01, 2008 in this regard. It defined the strategic objective for CSR engagement, provided some priority areas with a suggestion to foster CSR in their client businesses, and suggested a first time CSR program indicating some likely action plans. The Bangladesh Bank will monitor CSR adoption and the CSR performance of banks and financial institutions as an additional dimension of their management performance. Rahman (2009) also commented that the bank had the opportunity to provide a sense of direction to the CSR agenda of the banking sector when it suggested that banks which are taking measures for rehabilitating, agriculture, fisheries, livestock, and protecting environment will be considered as more compliant of Corporate Social Responsibility through providing relief to the people affected in natural calamities such as 'Sidr' and 'Aila'.

As an under-developed economy, the banking sector in Bangladesh has a lot to do to improve the economy and create employment opportunities, such as through sanctioning loans and advances for productive investment with equitable growth criteria. The banks must be cautious to sanction loans and advances according to whether projects are following environmental reporting systems. Often this criterion is ignored: for instance, ship-breaking is funded yet it causes pollution of the environment and many deaths of workers occur in this industry. The News Today (February 25, 2010) indicated that of about 60,000 ocean-going ships around the world, 700-800 are decommissioned every year. Around half the world's scrap ships head to Bangladesh, being one of which meets the need for Sitakunda coast of Chittagong, the environment and for the workers in breaking yards since the garments industry which causes deaths. By example, in a fire at Gazipur, abc Dhaka. Locked exits in ti casualties. (Source: http://www.worldpro

One technique to corporate social responsi reporting. The TBL capa measuring organizational includes information on most companies in Bangladesh, companies, do not prov reports of three firms will the type of their corporate

The capital market provides little protection against listed companies Bangladesh securities market has its inception in 1954. This include, inter alia, the exist absence of active market investors, and a serious de-regulatory weaknesses are potential growth. Some in introduced some unrealist accomplished thus far con but nothing significant has argues that effective legal development of, and the securities market of Bangl
Bangladesh, being one of the most unregulated zones. The lucrative industry, which meets the need for raw steel in the country, is concentrated along the Sitakunda coast of Chittagong district and is flagged as highly hazardous for the environment and for the workers. A department of environment survey recorded 79 ship-breaking yards along the Sitakunda coast, of which 61 are in operation, employing around 30,000 workers. According to shipping ministry, around 500 workers have died and another 6,000 have been injured in the breaking yards since the industry began booming in the 1990s. Further the garments industry which is largely bank-financed also has instances of fires causing deaths. By example, 21 workers were killed and about 30 others injured in a fire at Gazipur, about 30 kilometers north of the Bangladeshi capital of Dhaka. Locked exits in the garments factory were the main reason for the high casualties.


One technique that has been mooted as a mechanism to measure corporate social responsibility of organisations is Triple-Bottom-Line (TBL) reporting. The TBL captures an expanded spectrum of values and criteria for measuring organizational (and societal) success (http://en.wikipedia) and includes information on social, environmental and sustainability matters. As most companies in Bangladesh, including both local and multinational companies, do not provide this form of disclosure we examine the annual reports of three firms within the banking sector of Bangladesh to determine the type of their corporate social responsibility disclosures.

The capital market in Bangladesh is underdeveloped. The market lacks appropriate laws, transparency and the corporate disclosure system is faulty. It provides little protection to minority shareholders' rights and often action against listed companies is difficult. Solaiman (2006) observed that the Bangladesh securities market has failed to achieve any significant growth since its inception in 1954. This stagnation is attributable to a number of factors that include, inter alia, the existence of weak legal and regulatory frameworks, the absence of active market professionals, the predominance of individual investors, and a serious dearth of foreign and institutional investors. Legal and regulatory weaknesses are considered to have critically hindered the market's potential growth. Some important laws are outdated, and the regulator has introduced some unrealistic reforms over the years. Most of the reforms accomplished thus far concentrate on incentives to investors and issuers alike, but nothing significant has been done for investor protection. Solaiman (2006) argues that effective legal protection to investors is indispensable for the development of, and the restoration of public confidence in the infant securities market of Bangladesh. Corporate governance initiatives, including
mandated disclosure practices, have the potential to redress some of these issues and lead to an improvement in conditions affecting these important market constituents.

According to the Bangladesh Enterprise Institute (2004) there are numerous potential benefits and rewards for Bangladesh by improving corporate social responsibility disclosure practices. The primary and most important benefit is likely to be felt at the national level with an improved global perception of business procedures including improved ethical business practices. In turn, this could lead to a process of revitalization of the Bangladeshi economy. If corporate social responsibility disclosures could be mandated in public corporations, joint stock companies, state owned enterprises, and non-governmental organizations, the reputation of Bangladesh as a destination for investment may be greatly enhanced.

This study has been undertaken with the following objectives. First, to identify and understand the nature and extent of corporate social responsibility reporting by banks in Bangladesh. Next, to consider the explanations of corporate social responsibility reporting and to assess the need to improve corporate social responsibility of banks in Bangladesh. The remainder of this paper proceeds as follows. In section two a review of relevant literature in the areas of corporate social responsibility disclosure is examined. In section three, an explanation of the research design is provided. The cases and results are discussed in section four. Lastly, a summary of the findings and potential areas for improvement in disclosure practice is provided.

2.0 Literature Review

We present a range of perspectives on corporate social responsibility frameworks in a search for explanations of corporate social responsibility disclosures in the annual reports of firms within the banking sector in Bangladesh.

Wartick and Cochran (1985) depicted the evolution of the corporate social performance model by focusing on three challenges to the concept of corporate social responsibility: economic responsibility, public responsibility, and social responsiveness. They also observed social issues governance as a dimension of corporate social performance. The corporate social performance model is valuable as it provides the beginnings of a paradigm for the field. It is of interest in our study to identify whether corporate social responsibility disclosures made in the Bangladesh banking sector focus on economic responsibility, public responsibility or social responsiveness. Further research

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Wood (1991) defined corporate social performance and formulated a model to build a coherent, integrative framework for business and society research. Principles of social responsibility are framed at the institutional, organizational, and individual levels. Processes of social responsiveness are shown to be environmental assessment, stakeholder governance, and issues governance; and outcomes of corporate social performance are posed as social impacts, programs, and policies. Following Wood, we expect that firms in the Bangladesh banking sector might make corporate social responsibility disclosures in broadly similar areas, that is, environmental, stakeholders, social impacts, programs and policies.

Hoffman, Frederick and Schwartz (2001) tried to address whether a corporation has a conscience and how ethical governance and managed care can coexist. They stressed the need for corporate morality. In our study we examine disclosures with a view to understanding whether the organisation is attempting to convey a sense of corporate conscience and ethical behaviour.

Karim (2004) observed that a significant improvement in mandatory disclosure without corresponding increase in voluntary disclosure would have allowed attributing additional disclosure to enactment of the Companies act 1994 of Bangladesh. He suggested that factors such as increase in users' awareness, market pressure for added disclosure, adoption of the majority of International Accounting Standards by the country's professional accounting body, and foreign portfolio investment in the country can be required to improve both mandatory and voluntary levels of disclosure of the country.

Islam, Hossain and Haque (2005) found that a significant statistical difference in sales revenue and in employee size between companies having environmental disclosure and companies not having environmental disclosure prevails in Bangladesh through using Wilcoxon rank sum test and Mann-Whitney U Test.

Batra, Kaur and Dangwal (2007) argue that in order to achieve high standards of corporate governance, internal pressures such as peers and market competition should be more effective than enforcement by regulating agencies. It is also imperative that the regulators should expand their role and take effective measures to propagate the concepts of best practices in ushering an era of good corporate governance. Corporate social responsibility disclosures
can be an attempt by an organisation to legitimise corporate actions. In our study we search for indications that corporate social responsibility disclosures are a result of peer and/or regulatory pressure.

Imam and Malik (2007) observed in Bangladesh that foreign holdings are increasing in those firms that have good governance. They observe a positive relationship between institutional ownership and firm performance suggesting that institutional shareholders have the incentive as well as the power to monitor and control the behavior of firms, and have played a significant role in corporate governance. The role of large institutions in corporate governance is particularly important in countries where legal protection of shareholders' interest is weak for historical and institutional reasons. This is a situation that exists in many transition economies.

Jongsureapart and Wise (2007) found that the roles and effectiveness of the board of directors of Thai listed companies were linked to the drive by the regulators to develop more independent boards. They commented that corporate governance in Thailand is generally regarded as having improved since the (1997) financial crisis and outside directors are identified as playing leading role in that process.

Shah and Haq (2007) undertook an empirical study and found that in the cement sector of Pakistan, corporate governance structure variables such as percentage block-holding by individual and family members, board size and firm size have a positive impact on firm performance. They concluded that the firms' performance is adversely affected if the Chief Executive Officer (CEO) also acts as chairperson of the board of directors; the percentage of block holdings by financial institutions has a negative relationship with performance; the size of the firm has a positive impact on firm performance and the expected leverage is an adverse signal for firm performance. In this study, we also examine the board of directors with a view to understanding typical composition. We are searching for the inclusion of women as directors as this may provide a useful indicator of a firm's attitude towards corporate social responsibility towards women.

According to the Bangladesh Bank Annual Report (2007-08) the bank issued a circular on mainstreaming CSR with a strategic guideline for banks and financial institutions in Bangladesh (see Appendix- A). To promote equitable and sustainable social development, banks and financial institutions can make a major CSR contribution by speeding-up financial inclusion of the socially disadvantaged large rural and urban population segments. The Bangladesh Bank has undertaken and financial institut performance.

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Bank has undertaken to monitor CSR adoption and CSR performance of banks and financial institutions as an additional dimension of their management performance.

Bendale and Agrawal (2009) argued that conventional balance sheets and profit and loss statements do not take into account the cost burden of social inequalities and ecological destruction. Unfortunately, such an approach has left a deferred cost burden to be borne by society and future generations, and that cost is today spiralling out of control, threatening future economic progress.

Musonera (2010) depicted that whenever organizations, companies, businesses contribute to the community they are giving back to the people. Companies express their corporate social responsibility by making environmental and socially vital commitments to use 100 percent clean energy and produce zero waste, while others have set aside a percentage of their revenues to be given to nonprofit organizations in education, health, human services, arts and cultures, civic life and environments.

Rahman (2010) commented that the Bangladesh Bank has also been exhorting banks and financial institutions to embrace financial inclusion as a corporate social responsibility (CSR) obligation. To mitigate risks in agricultural production (and hence also in agricultural financing), introduction of crop insurance policy has been included in the Bangladesh government’s food policy agenda.

3.0 Research design
The study is exploratory in nature. Three examples (cases) of corporate social responsibility disclosure in the banking sector in Bangladesh are provided and critiqued. The study also considers Bangladesh Bank’s circulars regarding the implementation of corporate social responsibility. Content analysis of the annual reports is used to identify whether the reports appeared to reflect a particular corporate social responsibility perspective or were of a particular nature (e.g. environmental, gender focused etc.). Content analysis was regarded as appropriate as it can be used to classify the disclosures into various social responsibility categories. Hackston and Milne (1996) used six categories: environment, energy, human resources, product and safety, community involvement, and other. A technique commonly used in social responsibility research to measure the significance of content is count the number of words used to describe a particular issue (Hackston and Milne 1996). As our study is
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- 'Corporate Leadership and Social Responsibility' (pp.19-20).

  'In line with the directives and guidelines of the Government and the Bangladesh Bank, our corporate leaders of tomorrow need to initiate and maintain a strong and effective corporate structure.

  We are very sensitive to the society that we operate within. We have a deep commitment, loyalty and a high sense of responsibility to our nation and its people. Our ethics are clear: not to earn excessive profits, but to operate in a rational and sensitive way. We conform to all of the stringent regulations issued by the Government and the Bangladesh Bank. As part of our corporate social responsibility, we contribute greatly to the nourishment of the country's arts, crafts, culture and sports. We share all sorts of values and sentiments, irrespective of caste, creed or colour. Moreover, we uphold the concept of avoiding gender bias. We have established for women a fair and just share in matters of delegated power, promotion and placement, commensurate with their male counterparts.

  As part of its strong commitment to upholding corporate social responsibility, the Bank distributed, like before, *Agrani Bank Shahi Subittaya Award* among the budding child competitors. In 2006, the Bank had set up a 500-bed cancer hospital in the capital. The Ahsania Mission will get from the Bank another Tk. 4.00 million in the next two years.'

Given these important statements, the content analysis was continued searching for corroborating disclosures. A number were found which are summarised as follows.

- The Agrani Bank reports (p.14) that it assisted in bringing a wide spectrum of people into the mainstream banking economy. Its customers are engaged in 'trade, commerce, industry and technology and include major business leaders, small and medium traders, marginal farmers, destitute women and unemployed youths.' The Bank reports that even hill-tribes and ethnic minorities have access to its institutional loan facilities.
Under a section entitled ‘Employee relations’ (p.19) the Agrani Bank reveals that it has been providing financial assistance to distressed employees. During 2006, a sum of Tk. 3.22 million was given to employees concerned and their spouses for medical treatment... A total number of 356 children of the employees were granted scholarship of Tk. 1.63 million in recognition of their outstanding results in S.S.C and H.S.C. examinations. The Bank also discloses various contributions it has made to sporting organisations.

The Bank has been active in supporting the Small/Medium Enterprise sector of the economy for many years and provides disclosures about its individual and collaborative efforts in this area.

'Beyond conventional banking, Agrani Bank, since 1977, has also been participating in several SME programmes through its own efforts and in collaboration with different national and international agencies like BMET, BRDB, BSCIC, NGOs (BRAC, ASA, Grameen Uddag), IFAD, USAID, ADB, NORAD, SIDA etc. These are aimed at reinforcing efforts of the Government to meet strategic objectives of alleviating poverty of the rural poor, supporting small and micro enterprises/entrepreneurs, increasing output, easing unemployment problem and strengthening the rural financial market.

So far, the beneficiaries under the 14 programmes implemented by the SME & Micro Credit Division include 506247 persons of different sectors.' (p.24)

The Agrani Bank is also active in supporting Bangladesh's Agricultural sector and reports its activities in the 2006 annual report.

'The Bank kept financing one of the country's priority sectors - agriculture. Since 1977, it started accommodating millions of the rural poor with the mainstream development activities in areas of livestock, fishery, poultry, nursery as well as many off-farm projects and their likes in line with the government policies. Poverty alleviation through income generating activities is one of the strategic priorities that the Bank has kept pursuing to make the institutional help available to marginal farmers, small entrepreneurs, distressed and destitute women as well as unemployed youths.'
The Nature of Corporate Social Responsibility Disclosures by Bangladeshi Commercial Banks

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'So far a number of targeted programmes with loan limits from Tk. 5000 to Tk. 50000 have been continued. In 2006, the Bank implemented 54 programmes among 3097759 borrowers, totalling Tk. 25.21 billion.' (p.24)

- Finally, the composition of the Board of Directors was reviewed. It was noted that of a board comprising eight members, none were women.

In the case of Agrani Bank the corporate social responsibility disclosures were clustered around the issues of community involvement and responsiveness; economic support for disadvantaged sectors specifically agriculture, and the SME sector including micro-financing; and support for working women. Environmental matters and issues related to sustainability were not mentioned. Issues related to child labour, an area where Bangladesh has experienced criticism at an international level, were not reported.

4.2 Case Study: 2 NCC Bank Ltd. – Annual Report 2007

The National Credit and Commerce Bank Ltd. (NCCBL) was incorporated in 1993. By the standards of most market economies, it is a relatively young bank. The Bank has 53 branches across Bangladesh, with its main office located in the capital, Dhaka.

The NCC Bank outlines its corporate vision as including 'serving the nation as a progressive and socially responsible financial institution by bringing credit and commerce together for profit and sustainable growth.' (p.3). It also discloses that its mission is to 'contribute to Agriculture, Industry and socio-economic development of the country ... ' (p.3).

Bangladesh’s economy has suffered many blows in recent years due to consecutive floods and cyclones. Many of its people have been left homeless and jobless as a result and improving the supply of food and the provision of shelter and employment are amongst the government’s priorities. NCCBL operates within this particularly difficult social and economic environment. Support of small businesses and the agricultural sector by the banking industry is vital in the revival of the economy and the social fabric of the country. These issues are identified in the Bank’s annual report and a number of initiatives in this regard are disclosed. For example:

'To help the Flood and Sidr (cyclone) victims, the Bank has donated Tk. 1.10 crore to the Chief Advisor’s Relief Fund and Relief Fund of the Chief of Army Staff.' (p.30)
Similar to the Agrani Bank, NCCBL includes in its annual report, separate sections addressing Corporate Social Responsibility, SME-Financing and Agri-Financing.

- Corporate Social Responsibility (pp.12-13)
Under this section the Bank discloses its donations to various charitable, sporting and educational organizations. It also provides details of educational scholarships it has provided to talented but distressed students.

'Besides, financial support were given to the children of our employees who obtained GPA-5.00 in S.S.C and H.S.C examinations of 2007 to encourage them and others.' (p.13).

The Bank 'distributed educational materials to poor students of Dahagram and Angorpata enclaves.' (p.30); and Books ... 'have been distributed to educational institutes of remote areas of the country on occasion.' (p.30)

- SME-Financing and Agri-Financing (pp.11-12)
The NCC Bank discloses that it has diversified into the SME and Agro-sector on a priority basis. Specific mention is made of various projects within the agriculture industry made as part of boosting its activities in this sector. For example:

'We have extended credit facility to fisheries project as a part of our agro-financing, which received satisfactory response from the target group.' (p.12)

'We have a separate SME wing to meet the demand of the small and medium entrepreneurs. Under this wing, we could disburse nearly Tk. 250.00 crore up to 2007. We are considering to extend credit facility under SME financing to cover a large number of potential borrowers to create new entrepreneurs.' (p.12)

In regards to the NCCBL's support of the agricultural industry, it also disclosed information about credit facilities it had extended to help people living in the northern part of the country. The Bank provided flexible terms in regard to finance supporting the cultivation of maize (p.29).

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4.4 Findings Triple-bottom-line by including infor This exploratory st and social respon disclosures contain was on social im
The annual report contains information about various other contributions the NCC Bank has made to destitute groups within society. These contributions occur through a foundation set up for such purposes, the NCC Foundation.

With a view to assist destitute people in treatment, the Bank, through the Foundation, extended subsidy to a City Hospital. Moreover, the Bank has distributed blankets to the destitute people of northern part of the country to help them in coping with severe cold wave. Besides, blankets were also distributed in Sidr hit areas through Bangladesh Navy, Chittagong.

- NCCBL has a directorate numbering 14 people. Of these, three are women.

In the case of NCCBL, corporate social responsibility disclosures were also focused on supporting economically disadvantaged sectors specifically agriculture and small business. NCCBL bank is also a strong supporter of disadvantaged constituents within its national community with a strong focus on programs providing assistance for destitute and underprivileged people. No mention in the annual report was made of environmental or sustainability issues, or of matters relating to the financing of industries utilising child labour.

4.3 Case Study: Trust Bank Limited – Annual Report 2006

The Trust Bank Limited is a very new organisation being incorporated as a public company in 1999. The annual reports used in our study are from the Bank’s 8th reporting year, 2006. The primary objective of the Trust Bank is the carrying out all kinds of banking businesses in and outside Bangladesh. Although the Trust Bank Limited’s 2006 annual report contains a discussion of the state of the Bangladesh economy, it is, startlingly, devoid of any corporate social responsibility disclosures.

- The Trust Bank has a directorate of nine corporate officers. Eight of these people hold titles associated with the armed forces, and none of these people are women.

4.4 Findings

Triple-bottom-line reporting expands traditional reporting of economic matters by including information on social, environmental and sustainability matters. This exploratory study found evidence of economic and public responsibility and social responsiveness emerging in the corporate social responsibility disclosures contained with the annual reports of Bangladesh’s banks. The focus was on social impacts, programs and policies. We found no evidence of
environmental disclosures - showing that, at least in the banking sector, Bangladesh organizations do not comply with the TBL disclosure approach. There was no direct evidence that corporate social responsibility disclosures occur in response to peer and/or regulatory pressure. If this was occurring, the pressure is arguably weak, as in one of the cases examined no disclosure at all occurred. More likely, the disclosures are an attempt by the firms to convey their corporate conscience. However, as Karim (2004) suggests for increasing users’ awareness, market pressure for added disclosure, adoption of the majority of International Accounting Standards by the country’s professional accounting body etc., factors may be required to improve both mandatory and voluntary levels of disclosure of the banking sector of the country.

It was clear that banking organisations in Bangladesh focused only on social issues and on the agricultural and SME sectors which are both large employer sectors in Bangladesh. However, the Bangladesh Bank is trying to establish CSR in the banking sector which is evident from not only from the issuing of circulars on the matter but also from the lecture of the Governor of the Bangladesh Bank (Rahman, 2010). According to the Bangladesh Bank Annual Report (2007-08) the adoption of CSR is voluntary and not mandatory, and the CSR program of banks and financial institutions would be likely to include action plans for economic, social and environmental impacts of a business, mitigating the negative impacts as well as bolstering the benign effects.

The content analysis was directed at a search for evidence of the inclusion of women within the boards of directors of the firms as an indicator of a firm’s attitude towards corporate social responsibility to women. Evidence of the inclusion of women at this level of corporate management was found within two firms - one being a long-established bank. In the newest bank examined (Trust Bank Ltd.) women were not represented at all on the board of directors.

5.0 Summary and Potential Future Research
Adequate corporate social responsibility disclosure has important implications for the credibility of the capital markets in transition economies. We see a role for the corporate regulators to promote the improvement of such disclosure in the annual reports of Bangladeshi banks. Mandating of corporate social responsibility disclosure would provide better transparency of corporate activity. This, in turn, will promote ethical business processes, which can have an important role to play in the mitigation of social obligations.

In this study we did not investigate the levels of institutional or large shareholdings in the cases examined. However, as Imam and Malik (2007) suggest, the role of important in transition economies.

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suggest, the role of large institutions in corporate governance is particularly important in transition economies. This is an area, which is likely to yield important information if examined in the context of the Bangladeshi banking sector.

Study may be undertaken in future to evaluate performance of corporate social responsibility of other types of Bangladeshi banks such as specialized banks and Islamic commercial banks. If CSR can be made as a mandatory then it will be more meaningful to do social justice and removing acute disparity among the richer section of the society and poorer section. Further, if CSR disclosure is made obligatory there is a strong case for it to follow international benchmarks. This would include the triple-bottom-line reporting method, which is increasingly being accepted as a useful method of conveying information on a firm’s social performance.

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Appendix-A

Bangladesh Bank's Circular on Mainstreaming Corporate Social Responsibility (CSR) in Banks and financial institutions in Bangladesh (Translated from Bengali to English)
(Source: Collected from Bangladesh Bank)
Website: www.bangladesh-bank.org  BANGLADESH BANK

Head Office
Department of off-site supervision
Post box no. 325
Dhaka.

DOS Circular no.02 Date: 19 Jaistha,1416Bangla/02 June, 2009
Chief Executive/Managing Director
All Banks/ Financial Institutions, Bangladesh.

Dear Sir,

Mainstreaming Corporate Social Responsibility (CSR) in Banks
And financial institutions in Bangladesh

Attention is drawn to all Banks and financial institutions to DOS circular no. 01 dated July 01, 2008 on the captioned subject.
2) The south-west coastal districts are seriously affected due to the recent cyclone "Aila". In respect of social responsibility, the banks and financial institutions of the affected area should operate assistance program for the rehabilitation of the lives and properties of the area.
3) Besides the relief program of the affected people for the natural disaster, the banks and financial institutions those are pioneering of adopting agriculture, fisheries, poultries and environmental rehabilitations will be considered to do more as a CSR performing institution. Therefore, it is requested to speed up the necessary programs to that area within their Bank's Corporate Social Responsibility (CSR).
4) Other directives of the DOS's circular no. 01 /2008 will remain unaltered.
5) Please acknowledge receipt.

Yours faithfully,
(S. K. Sur Chowdhury)
General Manager
Phone no. 7120376