

RAKUB and corporate social help

SYED NAQIB MUSLIM

TO DAY, corporate ethicists believe that responsibility is the central problem of corporate bodies, governments, and civil societies. Thus, the importance of redeeming responsibility has become a major concern for profiteering organizations, including financial institutions.

Accordingly, banks everywhere now understand that they have certain responsibilities to the community in and around which they operate. The principal goal of every business entity is to increase revenue as much as possible. However, the social environment impels organizations to adopt certain values, and these values shape the corporate attitude towards three Cs -- customers, constituencies, clients.

Gary Erickson, a cyclist, a world traveller, and a high-achieving US entrepreneur, reminds organizations that operate solely on profit motive that "Business has a purpose beyond money. We look for meaning in our lives. Business has a meaning too. If it has any meaning, it is public welfare."

These words of Erickson foreshadow the implications of corporate social responsibility (CSR). Richard George, a celebrated ethicist, clarifies the concept of corporate social responsibility in plain terms: "The social obligations that some people would like to have corporations undertake include taking care of the poor, rebuilding inner cities, fighting illicit drug trafficking, giving charity, endowing universities, and funding cultural programmes."

CSR demands that every corporate body nurtures a social conscience. According to Renee' Frengut, a New York-based psychologist, customers expect social

responsibility of business concerns because they "look upon entrepreneurs as their neighbours." Almost in similar tone, Sam Walton posits: "There is only one boss -- customers." The notion of CSR has been designed to preserve social equilibrium, in the absence of which unrest or chaos is likely to occur. In a democratic milieu, meeting the corporate social obligation is an unavoidable necessity.

In June 2008, Bangladesh Bank (BB) issued Circular no.DOS-1 requiring the financial institutions to adopt "voluntary" (not "mandatory") CSR practices as an "additional dimension" of their institutional performance. The circular was not a clear guide to the institutions to carry out CSR-related activities.

However, last year, the National Board of Revenue (NBR) took a pragmatic decision to allow 10 % income tax rebate to encourage institutions to take up CSR programmes to serve the disadvantaged sections of the community. But the response does not seem encouraging.

A recent survey on 18 companies suggests that 50% of the companies do not have any unit for CSR. They have no activity on health, education, women's empowerment, disaster assistance, poverty reduction and environment management. No company has spent more than Tk.80 lac per year on CSR.

WFP found these data in a survey: 33% of the companies have foundations to implement CSR programmes; 40% of the companies do not have any policy documents; 50% of the companies are wavering between charitable activities and CSR.

Rajshahi Krishi Unnayan Bank (RAKUB) is trying to institutionalise the concept of CSR. For example, high-achieving students who



IMAGEZOO

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secured GPS-5 at SSC and HSC examinations, and whose parents are loanees of RAKUB, are awarded Prize Bonds worth Tk.1,000 and Tk.1,500.

Accordingly, 125 students in 2006, and 106 students in 2007 were awarded prize bonds as reward for their academic excellence. In 2009, the prize bond amount was raised

from Tk.1,000 to Tk.2,000 and from Tk.1,500 to Tk.2,500, which was approved by the RAKUB Board of Directors in 2008. It has, of course, formulated a set of stringent rules and has formed a monitoring committee with a DGM to ensure that appropriate candidates are awarded the rewards.

In compliance with the BB circular, RAKUB provides loan at 2% to the people who will use it in agriculture-related activities. But, because it is difficult to recover loans, RAKUB find it risky to disburse loans in these areas.

RAKUB encourages investment in such areas as poverty alleviation, women's empowerment through income-generating activities, environment development, nursery development, etc., through its Small Enterprises Credit Programmes (SECP). It is providing loan for non-farm activities, and has made setting up of Effluent Treatment Plant (ETP) compulsory for industries that may cause pollution of the environment. RAKUB is also giving incentives to those who are keen on installing bio-gas plants in their poultry and dairy farms. It has special credit schemes for teachers of government primary schools.

Every year it donates to the Jafar Imam Tennis Complex. In February 2009, it donated Tk.45,000 to the Complex for arranging a dinner in honour of local and foreign guests visiting Rajshahi.

Like many other countries, Bangladesh is confronting unprecedented environmental threats. Our environment is being polluted because of human insensitivity. Fisheries are collapsing, forests are shrinking fast, lakes are drying up, crops are withering and species which have both utility and beauty are withering, top soil is eroding,

fossil fuels and minerals are being depleted -- all resulting in incapacitating illness.

RAKUB has chalked out special programmes in collaboration with BSCIC for alleviating poverty in the monga-prone areas of Rangpur. It must see that the project proposals submitted by its potential clients take care of increasing food production, production of organic fertilizers, and health hazards are looked into by investors in non-farm activities.

Henry Ford Sr., who became the symbol of affluence and benevolence in America and beyond, once said: "For a long time people believed that the only purpose of industry is to make a profit. They are wrong. Its purpose is to serve the general welfare."

Now the question is, should a losing entity continue to undertake social responsibility without having any concern for its own survival? In fact, a losing concern should not be become "window-dressing," it should rather be brought to a condition from which it can really exercise its social responsibility.

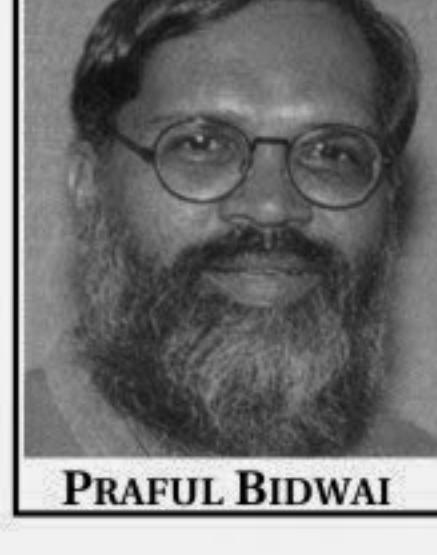
Milton Friedman, a Nobel Laureate in economics, cautioned the relevant people: "The social responsibility of business is to increase its profits. Because if profit is not earned, there will not be enough money to carry out social obligations."

Currently, RAKUB is operating with a lean workforce; in place of the sanctioned 4,236 employees, it is staffed with 3,428 employees. It should, therefore, launch its CSR-related programmes with caution so that it does not deviate from its prime institutional mandate and affect its own survival.

The writer is a former Secretary.

PRAFUL BIDWAI COLUMN

Nuclear trouble in Maharashtra



IMAGINE a beautiful ecosystem with virgin rainforests, great mountains and immense plant, animal and marine biodiversity, in which two great rivers (Krishna and Godavari) originate. Combine it

with a flourishing farming, fisheries and horticultural economy, which grows the world-famous Alphonso mango.

And you have the Jaitapur-Madban region in Maharashtra's Ratnagiri district, in the Konkan strip of the Western Ghats.

Now, suppose a monstrous force wanted to destroy this ecosystem. What better way than nuking it? That's precisely what Nuclear Power Corporation of India Ltd and the government are doing, by erecting six giant (1,650 MW) reactors designed by the French firm Areva.

Jaitapur will become the world's largest nuclear power station, generating 9,900 MW, or more than double India's current nuclear capacity (4,780 MW). It will also wreck 40,000 people's livelihoods and generate electricity that's three to five times costlier than power from other sources, thus magnifying the economic disaster called Enron, also located in Ratnagiri.

However, Jaitapur will be a nuclear Enron -- capable, like all commercial reactors, of undergoing a catastrophic accident like Chernobyl in 1986, which killed an estimated 65,000 to 110,000 people from radiation-induced cancers and other effects.

Such fears are not alarmist. Scientists and engineers who have designed, operated or licensed nuclear reactors warn that they are all susceptible to an accident in which the fission chain reaction goes out of control, leading to a loss of coolant (usually water, to rapidly remove heat from the reactor), eventually melting the core and releasing huge quantities of radioactivity.

This likelihood is low, but its consequences are wholly unacceptable.

The Jaitapur project could be riskier because it's in a seismically active zone and based on an untested reactor design -- Areva's European Pressurised Reactor. The EPR design hasn't been cleared by nuclear regulators anywhere. Yet, India wants to install six EPRs.

The government started acquiring 968 hectares (2,392 acres) for the Jaitapur project four years before an agreement with France was signed, an Environmental Impact

Assessment (EIA) report prepared, and environmental clearance granted.

It has treated the project's critics as ignorant anti-science, anti-development Luddites, although they're well-informed on nuclear and environmental issues.

The state has unleashed savage repression on Jaitapur's people. It routinely arrests and serves extermination notices to peaceful protesters, and promulgates prohibitory orders,

Nuclear power has exhausted its technological potential. India must scrap Jaitapur!

under which eminent citizens like former Navy chief L. Ramdas and former Supreme Court judge P.B. Sawant were barred from Jaitapur, and former Bombay High Court judge B.G. Kolsé-Patil was detained for five days without being produced before a magistrate within 24 hours.

Others have had false charges framed against them, including attempt to murder. The higher judiciary has refused them anticipatory bail. This unprecedented repression resembles the police raj in Maharashtra's Naxalite-affected areas.

In what has become a massive assault on democracy, the government lies to, ignores, or beats the local people at will.

The government is turning lower Konkan into a horrible collection of polluting projects involving mining, pesticides, steelmaking and power. Its power need is just 180 MW, but it's being made to produce over 4,500 MW, and eventually 20,000-plus MW.

The people oppose the project because it will destroy their livelihoods, just as the Tarapur reactors nearby have done.

They know of the hazards of radiation and the DAE's poor safety performance, including the exposure of hundreds in Tarapur to radiation exceeding permissible limits, genetic deformities from uranium mining in Jaduguda, and higher-than-normal incidence of cancers near reactors.

The villagers have launched a non-cooperation or civil disobedience movement. Over 95% have refused the Rs.10 lakhs-an-acre compensation for land; most of those who accepted it are absentee landowners living in Mumbai.

The villagers refuse to sell food and other goods to state functionaries. Ten villages

didn't hoist the Tricolour on Republic Day.

The government will be tempted to use diabolical divide-and-rule tactics in Jaitapur, including fomenting tensions between Muslims (30% of the population) and Hindus; violence by agents provocateurs; and branding all dissidents as Maoists/Naxalites -- the latest lie used to suppress popular movements.

These methods must be exposed and resisted.

The Jaitapur public should fear EPRs. Western Europe's first reactor after Chernobyl, an EPR, under construction in Finland, is delayed by four years and 90% over budget.

Finnish, French, British and US nuclear regulators have raised 3,000 safety issues about its design, including control and emergency-cooling systems. Given its size, the EPR will generate seven times more toxic iodine-129 than normal reactors, posing many other problems.

Any design changes will add to the EPR's capital costs, already two to five times higher than for power from other sources. Its unit power cost will be two to four times higher.

However, the greatest problem is safety. Nuclear power generation routinely exposes occupational workers and the public to radiation. There's no remedy for the effects, including cancer and genetic damage. Radiation is unsafe in all doses.

All reactors leave behind high-level wastes which remain hazardous for centuries. Plutonium-239's half-life is 24,400 years and uranium-235's is 710 million years. Science hasn't found a way of safely storing, leave alone neutralising, radioactive waste.

When a reactor exhausts its economic life (25 to 40 years), it must be "decommissioned," or entombed at a cost that's one-third to one-half of the construction cost.

All these hazards are unacceptable. The Jaitapur reactors pose an additional one: the coolant water discharged into the sea will be 5 °C hotter and destroy mangroves, corals and numerous marine species.

The EIA conducted by the ill-reputed National Environmental Engineering Research Institute hasn't analysed these effects, or the ecosystem's carrying capacity. And it doesn't even mention high-level wastes!

Yet, the MoEF cleared the project for political reasons only days before French President Nicolas Sarkozy's India visit last December, without properly going through the mandatory public hearing.

Globally, nuclear power has exhausted its technological potential. It has a bleak future. India must stop chasing the nuclear mirage -- and scrap Jaitapur!

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READERS' REACTIONS

Editorial: BNP to join parliament?

BNP/AL has to understand nationalism and national psyche in favour of tribunal against war criminals. Otherwise they might be designated as parasites of the society. Lawmakers, whether in position and opposition, are servants of this republic, not masters. TV channels should analyse all related matters in different angles because they are also run by taxpayers money.

Dr. Karim

"We want them punished" by Mohammad A. Sattar

All I wish is this time it won't be a failure. But while putting emphasis even I myself am not convinced because we have seen many such incidences in the past and most of them were vague and didn't pin-point the problem or the perpetrators.

Jabed Hasan

Editorial: Turmoil at Munshiganj Expect judicious decision from PM

It is not that the people have to be convinced about the necessity of an airport. It is the construction of an airport at the cost of the livelihood of the people that should be taken into account. The idea of constructing an airport which Bangladesh does not need at this time is ridiculous and should be abandoned completely. It is understandable why the government under Sheikh Hasina wants to build the airport.

Anonymous, US

Besides thinking about the technical, financial, and environmental effects of building an airport at arial bill, the incentive to carry on with this plan is a sign of imprudence on behalf of the government. Still it is not too late to walk away or rethink or negotiate with the locals as to how and where this kind of project is suitable. As support from the opposition party is not available, it would be a good idea now to sit with them and find a place suitable to build an airport with the full support of the local people.

Nodi

Sthamba project committee Members deserved respect

I think all ministers and MPs should be more active otherwise there will be an increase in these types of incidences hence damaging the country's image.

Dr. Rajashish Chakraborty