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## Fostering partnership through CSR

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Private sector in the country has a lot of grievances. On the surface it may be summed up as the outcome of unstable and insecure political environment, but there is more to it. Private businesses suffer from labor conflicts, non-compliance with existing rules and regulations, protesting customers and lack of transparency among others.

This discordance between businesses and their various stakeholders - consumers, employees, investors, suppliers, local communities, government and civil society -- has created conflicts which are in the interest of neither the business people nor other stakeholders. In this backdrop, Corporate Social Responsibility (CSR) can be the best strategy for businesses to improve their relationship with stakeholders, which will in turn ensure their sustainability.

"CSR is establishing mutually beneficial relationship between business people and stakeholders and helping find win-win

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solutions for both," said Catrin Froehlich, CSR expert at National Business Initiative.

Although businesses in Nepal have always been conducting phil-



anthropic activities, CSR concept was introduced among the business sector in 2003 following the first ever study on CSR in Nepal by Lotus Holding, ActionAid and Federation of Nepalese Chambers of Commerce and Industry (FNCCI), according to an article 'Country Profile of Nepal in the Sphere of Corporate Social Responsibility' by Socially Responsible Business Development Network (SRBDN). The study showed the poor awareness on CSR among businesses at that time.

Like in most developing countries, CSR in Nepal has often been confused with charity. Although community service is a good and welcome move, it does not have the benefits and impact of CSR for

businesses and their stakeholders. Majority of the activities currently carried out in the name of CSR are unsustainable because they are not carried out strategically and do not relate to the core business, where businesses have the largest impact. In addition, focusing only on community service leaves other stakehold-



ers like employees, consumers, suppliers and government out of the loop. Along with carrying out strategically sound CSR activities, businesses should also effectively market those activities.

Private sector in the country has taken some strides in CSR through initiatives like National Business Initiative (NBI) and FNCCI CSR Forum with the help of international organizations like GTZ and global initiatives like UN Global Compact. What we need today is a strong private sector that can protect its own interest, as well as the interest of its stakeholders. If businesses uphold their CSR, they are well on their way to be the most sustainable development partner for Nepal.