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THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY IN HALAL-CERTIFIED BUSINESSES IN BANGLADESH

MOHAMMAD FARUK HOSSAIN

Universiti Utara Malaysia

DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
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THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY IN HALAL-CERTIFIED BUSINESSES IN BANGLADESH

MOHAMMAD FARUK HOSSAIN (901521)

Universiti Utara Malaysia

A thesis submitted to the Ghazali Shafie Graduate School of Government in fulfilment of the requirements for the Doctor of Philosophy Universiti Utara Malaysia

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CERTIFICATION OF THESIS WORK

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ABSTRACT

Corporate Social Responsibility (CSR) refers to corporate action that helps achieving a sustainable society through positive contributions. In Islam, the idea of CSR has been an integral part of business for nearly fourteen centuries. Unfortunately, the concept of CSR per Sharia has not been practised even in Sharia-based businesses due to the lack of practical discussion and concentration. This study, therefore, reconnoitres CSR per Sharia in Halal-certified businesses in Bangladesh to promote responsible and ethical business practices. The primary focus of this research is to analyse the law, policies, and guidelines relating to CSR that is applicable in Halal-certified businesses, also to assess their strengths and weaknesses, which may affect the implementation of CSR in Halal-certified businesses in Bangladesh. The study also analyses the practices of CSR in Halal-certified businesses so as to understand whether it fulfils the concept of CSR. This study proposes improvements to the current CSR practices in Halal-certified businesses in Bangladesh by considering Sharia principles, Sharia-based universal CSR reporting guidelines, and CSR practices in Malaysia. To achieve the described objectives, this study embarked on qualitative research using library research and interviews. This study concludes that the current practice of CSR in Halal-certified businesses in Bangladesh is weak. The existing laws are ineffective and cannot ensure CSR in Halal-certified businesses. Consequently, the researcher recommends Bangladesh to improve the laws, set up CSR surveillance, and expand initiatives to increase public awareness regarding the concept of CSR per Sharia. The findings of this study can be the basis for setting up an effective mechanism of CSR or becoming an entry point to initiate legal drafting on CSR in Halal-certified businesses.

Keywords: CSR, Halal-Certified Business, Sharia, Bangladesh.

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ABSTRAK

Tanggungjawab Sosial Korporat (CSR) merujuk kepada tindakan korporat yang membantu mencapai masyarakat yang mampan melalui sumbangan positif. Dalam Islam, idea CSR telah menjadi sebahagian daripada perniagaan selama hampir empat belas abad. Malangnya, konsep CSR menurut Syariah tidak diamalkan walaupun dalam perniagaan berasaskan Syariah kerana kekurangan perbincangan dan penumpuan yang praktikal. Kajian ini meneroka CSR dalam perniagaan yang diperakui halal di Bangladesh dari perspektif Syariah untuk mempromosikan amalan perniagaan yang bertanggungjawab dan beretika. Fokus utama kajian ini adalah untuk menganalisa undang-undang, dasar dan garis panduan yang berkaitan dengan CSR yang terpakai dalam perniagaan yang diperakui halal bagi menilai kekuatan dan kelemahan yang boleh menjejaskan pelaksanaan CSR di Bangladesh. Ia turut menganalisis amalan CSR dalam perniagaan yang disahkan halal di Bangladesh bagi melihat sama ada ia memenuhi konsep CSR. Kajian ini mencadangkan penambahbaikan kepada amalan CSR dalam perniagaan yang diperakui halal di Bangladesh dengan mempertimbangkan prinsip Syariah, garis panduan pelaporan CSR berasaskan Syariah, serta amalan CSR di Malaysia. Bagi mencapai objektif yang dinyatakan, kajian ini menggunakan metodologi kajian kualitatif dengan menggunakan kajian perpustakaan dan temu bual. Kajian ini merumuskan bahawa amalan CSR semasa bagi perniagaan yang diperakui halal di Bangladesh adalah lemah. Undang-undang sedia ada adalah tidak berkesan dan tidak dapat memastikan pelaksanaan CSR dalam perniagaan yang diperakui halal di Bangladesh. Untuk mempraktikkan CSR mengikut cara yang betul dalam perniagaan yang diperakui halal, penyelidik mencadangkan Bangladesh untuk menambah baik undang-undang, mengadakan pemantauan amalan CSR serta mengembangkan inisiatif untuk meningkatkan kesedaran orang ramai berkaitan konsep CSR mengikut Syariah. Penemuan kajian ini boleh digunakan sebagai asas untuk menubuhkan mekanisme CSR yang berkesan selain menjadi titik permulaan bagi penggubalan undang-undang tentang CSR dalam perniagaan yang diperakui halal.

Kata kunci: CSR, Perniagaan yang Diperakui Halal, Syariah, Bangladesh.

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If there are any mistakes or errors in this study, it is entirely mine. May Allah forgive me for the mistake and guide me to the right path ... Ameen.

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LIST OF ABBREVIATIONS

ADP : Annual Development Plan
BAS : Bangladesh Accounting Standard
BB : Bangladesh Bank
BDC Act : Companies Act (Bangladesh)
BDS : Bangladesh Standard
BDT : Bangladeshi Taka
BEC Act : Bangladesh Environment Conservation Act
BEC Rules : Bangladesh Environmental Conservation Rules
BEI : Bangladesh Enterprise Institute
BEN : Bangladesh Environmental Network
BFRS : Bangladesh Financial Reporting Standard
BFSA : Bangladesh Food Safety Authority
BL Act : Bangladesh Labour Act
BPJPH : Badan Penyelenggara Jaminan Produk Halal
BSEC : Bangladesh Securities and Exchange Commission
BSRM : Bangladesh Steel Re-Rolling Mills Ltd
BRAC : Bangladesh Rural Advancement Committee
BSTI : Bangladesh Standard and Testing Institute
CAB : Consumer Association of Bangladesh
CED : Committee for Economic Development
CEO : Chief Executive Officer
CFD : Corporate Finance Department
CGG : Corporate Good Governance
CPD : Centre for Policy Dialogue
CSD : Corporate Social Disclosure
CSE : Chittagong Stock Exchange
CSO : Civil Society Organisation
CSP : Corporate Social Performance
CSR : Corporate Social Responsibility

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CSV : Creating Shared Value

DBBL : Dutch-Bangla Bank Limited

DCC : Dhaka City Corporation

DEPZ : Dhaka Export Processing Zone

DG : Director General

DSE : Dhaka Stock Exchange

DIEDC : Dubai Islamic Economy Development Centre

EPZ : Export Processing Zone

ERM : Environmental Risk Management

ESMA : The Emirates Authority for Standardization and Metrology

EU : European Union

GCLN : Global Compact Local Network

GRI : Global Reporting Initiative

HAS : Halal Assurance System

HDC : Halal Industry Development Corporation

HIMP : Halal Industry Master Plan

IAS : International Accounting Standard

IASB : International Accounting Standard Board

IC : Investment Committee

ICAB : Institute of Chartered Accountants in Bangladesh

ICT : Information and Communication Technology

ID : Identification

IFB : Islamic Foundation Bangladesh

IFC : International Finance Corporation

IFRS : International Financial Reporting Standard

INHART : International Institute for Halal Research and Training

ILO : International Labour Organisation

IRI : Islamic Reporting Initiative

ISO : International Organisation for Standardisation

ITC : International Trade Centre

JAKIM : Jabatan Kemajuan Islam Malaysia

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MEKSI : Masterplan Ekonomi Syariah Indonesia

MNC : Multinational Company

MUI : Majelis Ulama Indonesia

NFSAC : National Food Safety Advisory Council

NBR : National Board of Revenue

NGO : Non-Governmental Organisation

OIC : Organisation of the Islamic Cooperation

PBEH : Prime Bank Eye Hospital

PHL : Public Health Laboratory

RMG : Readymade Garments

SDG : Sustainable Development Goals

SEC : Securities and Exchange Commission

SME : Small and Medium-Sized Entity

SWT : Subhanahu Wa Ta'ala

UAE : United Arab Emirates

UN : United Nations

UNDP : United Nations Development Programme

UNGC : United Nations Global Compact

WHS : World Halal Summit

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporate Social Responsibility (CSR) is the practice of businesses contributing to social and environmental improvement.[1] It incorporates environmental and social policies into a business's financial goals and operations.[2] It is based on the notion that by implementing enhanced features into their operations, businesses may decrease their negative effects on society and the environment. Hence, CSR refers to efforts taken to improve environmental and societal impact and adopt fair and ethical business practices.[3]

Businesses that practice CSR concentrate on operating in ways that benefit society and the environment rather than harm them.[4] CSR benefits the organisation and society by enhancing public relations, employee morale, and environmental protection. It is a business strategy that tries to boost a company's social influence while achieving economic objectives such as progression and earnings.[5]

[1] Marcel Van Marrewijk, "Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion," *Journal of Business Ethics* 44, no. 2 (2003): 95–105.
[2] Archie B. Carroll, "Carroll's Pyramid Of CSR: Taking Another Look," *International Journal of Corporate Social Responsibility* 1, no. 1 (2016): 1–8.
[3] Clarence Cyril Walton, *Corporate Social Responsibilities* (United States of America: Wadsworth Publishing Company, 1967).
[4] Social Responsibility Asia (SR Asia), *Responsible Business Conduct in Poverty Alleviation & Financial Inclusion through Green Banking & CSR* (Dhaka, Bangladesh, 2014).
[5] Wayne Visser, "Revisiting Carroll's CSR Pyramid: An African Perspective," *Corporate Citizenship in Developing Countries* (2006): 29–56.

CSR helps establish and maintain a good corporate reputation and brand equity.[6] Adopting a CSR strategy also enables businesses to forge stronger connections with all their stakeholders, such as workers, investors, and clients.[7] As part of corporate governance, it is a business approach that organisations use to make sure that their activities are ethical and advantageous to society.[8] In 1991, Archie B. Carroll developed the most popular concept of CSR, illustrated by a 'pyramid of CSR' that included four components of CSR: economic responsibility (profitability), legal responsibility (compliance), ethical responsibility (fairness) and philanthropic responsibility (volunteering).[9] These CSR components have evolved over time globally into businesses.

However, in Bangladesh, businesspeople, politicians, and civil society view CSR as merely charitable giving, especially in the areas of healthcare and education.[10] From time immemorial, Bangladesh has had a long history of philanthropic actions, including gifts to charity organisations, needy people, and religious institutions.[11] This emphasis stems from the nation's Islamic history of urging people with more wealth to assist those in need. Such religious motive also impacts Bangladesh's business sector, as a result of which businesses participate in philanthropic endeavours like donating money or offering

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[6] Bindu Sharma, *Contextualising CSR in Asia: Corporate Social Responsibility in Asian Economies* (Singapore: Lien Centre for Social Innovation, 2013).
[7] Dima Jamali and Ramez Mirshak, "Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context," *Journal of business ethics* 72, no. 3 (2007): 243–262.
[8] Md Asiqul Islam and Xia Huosong, "Can Corporate Social Responsibility (CSR) Ensure the Sustainable Growth of Ready Made Garments (RMG) Sector in Bangladesh," *World* 3, no. 4 (2016).
[9] Archie B. Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," *Business Horizons* 34 (1991): 39–48.
[10] Rumana Sobhan Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity* (Safety and Rights Society, 2014).
[11] M. Aminullah Miyan, "Dynamics of Corporate Social Responsibility-Bangladesh Context," *Journal of AIUB Bangladesh* 3, no. 1 (2006): 13–32.

training courses, as well as community development work through charity without having a clear policy.[12]

In its current global terms, the discussion on CSR practices in Bangladesh is relatively new.[13] The lack of effective enforcement of laws and insufficient pressure from civil society and interest groups like consumer forums, non-governmental organisations (NGOs), and others have led to Bangladesh's unsatisfactory state of labour rights practices, environmental management, and corporate governance transparency.[14] CSR initiatives are becoming more significant for local acceptability as they are being incorporated into global business operations and used as a criterion for market access.[15]

Although Bangladesh is evolving toward a free-market economy, neither public nor private measures have been adequate to encourage strong corporate governance, resulting in acceptable CSR.[16] Being a part of the world economy, Bangladesh necessitates taking the immediate effective initiative to prove an image of socially responsible businesses in securing long-term corporate sustainability.[17] Thus, emphasising CSR in Bangladesh would enhance corporate governance, labour rights, workplace safety, fair treatment of

[12] Dewan Mahboob Hossain, "Social Responsibility Practices of Business Organizations: Bangladesh Perspective," *Responsible Management in Asia: Perspectives on CSR* (2011): 44–64.
[13] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[14] Mia Mahmudur Rahim, "Legal Regulation of Corporate Social Responsibility," *CSR, Sustainability, Ethics & Governance* (2013): 978–3.
[15] Otieno Mbare, "The Role of Corporate Social Responsibility (CSR) in the New Economy," *EJBO - Electronic Journal of Business Ethics and Organization Studies* 9, no. 1 (2004).
[16] Mia Mahmudur Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh," *Common Law World Review* 41, no. 2 (2012): 97–133; Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[17] Mst. Momotaz Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices," *Journal of Law, Policy and Globalization* 31 (2014): 10.

workers, community development, environmental management, industrialisation, and access to international markets.[18]

The need for socially responsible businesses is more substantial in the Halal sector in Bangladesh due to the requirements of Sharia compliance in their products and services.[19] Halal certification of business proclaims the protection of Halalness connecting to the religious faith of the consumers.[20] Halal-certified business refers to an organised effort toward common goals of individuals with ethics, morals, and social responsibility, generating and trading goods and services that satisfy society's needs.[21] The purpose of such a business is to earn a living by serving Halal consumers well guided by the principles of Sharia.[22] Therefore, business is the result of individuals working together in an organised way and satisfying a societal need ethically and according to Sharia.[23] Halal-certified business, thus, refers to a business setting that observes Sharia requisites in their every activity and ensures Halalness towards stakeholders.[24]

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[18] Miyan, "Dynamics of Corporate Social Responsibility-Bangladesh Context."
[19] Moha Asri Abdullah and Md Siddique E. Azam, "Halal Entrepreneurship: Concept and Business Opportunities," *Entrepreneurship* (2020).
[20] Othman Ibrahim, Siti Zakiah Melatu Samsi, and Muhamad Fazil Ahmad, "Halal Business Corporate Social Responsibility," in *International University Social Responsibility Conference and Exhibition 2010 (IUSRCE 2010 & 2nd USRIC 2010), PWTC*, 2010.
[21] Muhammad M. Said and Kaviyarasu Elangkovan, "Halal Label and the Ethics of Business: An Analytical View from Producers," *Australian Journal of Basic and Applied Science* 7, no. 6 (2013): 613–621; Muhammad Adnan Khurshid et al., "Developing an Islamic Corporate Social Responsibility Model (ICSR)," *Competitiveness Review* 24, no. 4 (2014): 258–274.
[22] Tajamul Islam and Uma Chandrasekaran, "Halal Marketing: Growing the Pie," *International Journal of Management Research and Reviews* 3, no. 12 (2013): 3938.
[23] Tanri Abeng, "Business Ethics in Islamic Context: Perspectives of a Muslim Business Leader," *Business Ethics Quarterly* 7, no. 3 (1997): 47–54.
[24] Baharudin Othman, Sharifudin Md Shaarani, and Arsiah Bahron, "Evaluation of Knowledge, Halal Quality Assurance Practices and Commitment among Food Industries in Malaysia," *British Food Journal* (2016); Ibrahim, Samsi, and Ahmad, "Halal Business Corporate Social Responsibility."

Halal-certified businesses in Bangladesh produce and supply food, beverages, cosmetics, medicines, and other items to local and worldwide Halal consumers.[25] They proclaim they are a sensible brand and mindful of the social responsibilities deeply rooted in their values, referring to philanthropic activities regarding health, education, community development, and the environment.[26] Unfortunately, Bangladesh Standard Testing Institution (BSTI) reveals some Halal-certified consumables in Bangladesh as sub-standard,[27] breaching the norm of Halal, which is an exemplified failure of legal and ethical responsibility to protect Halal consumers and their religious faith.[28]

Due to the irresponsibility of Halal-certified businesses in Bangladesh, public reliance on Halal certification and the global acceptance of Bangladeshi Halal-certified consumables is in question. A voice from different corners is demanding and awaiting responsible business practices from Halal-certified businesses[29] because the identified non-compliance threatens the safety and religious faith of Halal consumers. Moreover, the doubt over quality assurance (Halalness) of Bangladeshi products and services affects the expansion of Halal-certified businesses in Bangladesh.[30]

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[25] Mohammad Faruk Hossain, Che Thalbi bt Md. Ismail, and Nazli Mahdzir, "The Impact of Corporate Social Responsibility in Bangladesh Halal Food Industry," *iRASD Journal of Management* 3, no. 1 (2021): 69–81.
[26] PRAN Agro Limited, "PRAN In Society," accessed August 15, 2021, https://www.pranfoods.net/about/pran-society.
[27] Bangla Tribune Report, "The 52 Food Products Banned by Court," 2019, https://en.banglatribune.com/others/news/46485/The-52-food-products-banned-by-court.
[28] Mohd Imran Khan and Abid Haleem, "Understanding 'Halal' and 'Halal Certification & Accreditation System'-A Brief Review," *Saudi Journal of Business and Management Studies* 1, no. 1 (2016): 32–42.
[29] Mohammad Rohol Amin, "Effective Corporate Social Responsibility Practices in Bangladesh Through Prioritizing Social Issues," *Dhaka University Institutional Repository* (2014); Anup Kumar Saha, "Relationship between Corporate Social Responsibility Performance and Disclosures: Commercial Banks of Bangladesh," *Social Responsibility Journal* (2019); Nishat Jahan, "An Overview on the Corporate Social Responsibility Practices of Listed Companies in Bangladesh" (2019).
[30] Hafiz Wasim Akram, "Global Halal Business: A Sectoral Analysis," *International Journal of Business and Globalisation* 30, no. 1 (2022): 111–130.

In these circumstances, CSR is urgent in Halal-certified businesses in Bangladesh; otherwise, securing public trust and reliance on Halal consumables locally and internationally would be challenging. For instance, shrimp production is one of the most established export-oriented Halal food industry areas in Bangladesh.[31] This industry generates remarkable foreign revenue compared to other aquaculture exports in the country.[32] Because of insufficient and unacceptable CSR activities in Bangladesh, a restriction on shrimp export to the European Union (EU) was imposed based on health and hygiene criteria, and necessary corrective legal action was quickly applied. Following the event, exporters found it challenging to persuade buyers to have a good attitude toward Bangladesh.[33] A similar ban on Bangladeshi agro products occurred in 2014, overcoming which took too long for Bangladesh.[34]

The Halal sector in Bangladesh has the potential to contribute to the global Halal market and earn a living by serving Halal consumables in a socially responsible manner.[35]The global Halal industry has a cluster of 1.8 billion Muslims and an estimated USD 2.2 trillion annual spending.[36] The Halal sector is one of the world's most rapidly developing consumer categories.[37] It rapidly expanded beyond food and beverages to non-food sectors like banking and finance, consultancy, education and training, healthcare, insurance,

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[31] Hossain, Ismail, and Mahdzir, "The Impact of Corporate Social Responsibility in Bangladesh Halal Food Industry."
[32] Ministry of Planning, *Bangladesh Statistics 2019* (Dhaka, Bangladesh, 2019).
[33] S. J. Emran, Q. N. Taslim, and M. A. Taslim, "Standards as Trade Barriers: The Case of Shrimp Export of Bangladesh to EU," *Journal of Bangladesh Studies* 17, no. 1 (2015): 36–45.
[34] Shawkat Ali, "Overcoming Bans Takes Too Long for Bangladeshi Agro Products," *The Business Standard*, March 13, 2021, https://www.tbsnews.net/economy/trade/overcoming-bans-take-too-long-bangladeshi-agro-products-215623.
[35] Hussein Elasrag, *Halal Industry: Key Challenges and Opportunities*, 2016.
[36] Akram, "Global Halal Business: A Sectoral Analysis."
[37] "Global Halal Industry," *Halalanquality.Com*, accessed August 15, 2021, http://halalanquality.com/index.php/halal/halal-industry/global-halal-industry.

travel and tours.[38] It is spreading among communities, irrespective of Muslims and non-Muslims, considering the hygiene, quality, safety, and authenticity of the products and services.[39]

If Halal-certified businesses in Bangladesh continue irresponsible business practices pertaining to the reliance, trust, safety, and security of consumers, employees, debtors, competitors, etc., then the Halal sector will fall into trouble in getting global acceptance and ruin the opportunity to earn both local and foreign currency from the Halal market,[40] which is in no way desirable. Halal-certified businesses in Bangladesh should be socially responsible for providing stakeholders with what they are worth, gaining public trust, and profiting from the global Halal market to contribute to the development of the nation.

This study, therefore, focuses on CSR in Halal-certified businesses in Bangladesh. It analyses CSR legislation(s) to know the strengths and weaknesses that may affect CSR in Halal-certified businesses in Bangladesh. Additionally, the study seeks to suggest implementable and practical measures to improve CSR in Halal-certified businesses in Bangladesh, if necessary, by studying relevant Islamic principles, universal CSR guidelines, and CSR practices in Malaysia. The primary targeted data comes from Bangladesh's perspective, and the data from Malaysia helps the researcher analyse each other and get positive suggestions from the existing Halal-certified business' CSR

[38] Ibrahim, Samsi, and Ahmad, "Halal Business Corporate Social Responsibility."
[39] Abdul Raufu Ambali and Ahmad Naqiyuddin Bakar, "People's Awareness on Halal Foods and Products: Potential Issues for Policy Makers," *Procedia-Social and Behavioral Sciences* 121 (2014): 3–25.
[40] Md Siddique E. Azam and Moha Asri Abdullah, "Global Halal Industry: Realities and Opportunities," *International Journal of Islamic Business Ethics* 5, no. 1 (2020): 47–59.

practices through analytical digesting. Remarkably, this study is not comparative; it is to learn comparatively.

1.2 Statement of Problem

In the location where most people are Muslim, a common expectation exists that businesses are Halal and follow Sharia requisites to fulfil Allah's (SWT) order in their activities. Such belief results from the concept of Khilafah,[41] which is the basis for human existence. It leads to the radical centre that Muslim's every aspect is to worship Allah (SWT).[42] In such a place, the idea of Halal certification is unnecessary and strange. Nevertheless, in practice, the number of unethical activities (i.e., bribery, corruption, falsehood, underweighting, fraud, impurity, etc.) among businesses is increasing from time to time everywhere due to the unrighteous intention to earn a living.[43] As a result, businesses need Halal certification to proclaim the protection of Muslims from experiencing non-Halal products and services that may negatively affect their lives and religious faith and sentiment.[44]

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Bangladesh is a Muslim-majority country with more than ninety percent (90.4%) Muslims.[45] Unfortunately, in the country, many businesses are tainted by unexpected behaviours, such as bribery, corruption, dishonesty, falsehood, underweighting, fraud,

[41] A person is considered a religious successor to the Islamic Prophet Mohammad (SWT) and leader of the entire Muslim community.
[42] Rafik I. Beekun and Jamal A. Badawi, "Balancing Ethical Responsibility Among Multiple Organisational Stakeholders: The Islamic Perspective," *Journal of Business Ethics* 60, no. 2 (2005): 131–145.
[43] Ibrahim, Samsi, and Ahmad, "Halal Business Corporate Social Responsibility."
[44] Ibrahim, Samsi, and Ahmad, "Halal Business Corporate Social Responsibility."
[45] According to the 2011 government census.

impurity, etc.[46] In Bangladesh, using toxic chemicals, especially formalin, in food to keep them fresh for a longer time is an exemplified practice.[47] Meat, fish, fruits, vegetables, puffed rice, milk, and molasses are contaminated with harmful microbes (bacteria, viruses, or parasites) or chemicals/toxins that are the vehicles of disease transmission.[48] Bangladesh Food Safety Authority (BFSA),[49] in collaboration with BSTI,[50] assessed the market and found such business malpractices by numerous businesses.

Considering the effects of contaminated consumables, "the Supreme Court of Bangladesh" ordered the authorities concerned to immediately withdraw selected food products from the market that were found sub-standard by the test of BSTI.[51] Among the detected manufacturing companies of such sub-standard items, Mollah Salt Industries, Pran Agro Limited, and ACI Food Limited are Halal-certified from the Halal Division of the Islamic Foundation Bangladesh.[52] Despite being Halal-certified, such incidents have created two folded societal issues.

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[46] Nazamul Hoque and Syed Mohammad Hasib Ahsan, "Islamic Business Practices in Bangladesh–a Survey on Some Selected Firms in Chittagong," *European Journal of Business and Management* 5, no. 20 (2013); Samir Ahmad Abuznaid, "Business Ethics in Islam: The Glaring Gap in Practice," *International Journal of Islamic and Middle Eastern Finance and Management* (2009).

[47] Rashed Noor and Farahnaaz Feroz, "Food Safety in Bangladesh: A Microbiological Perspective," *Stamford Journal of Microbiology* 6, no. 1 (2016): 1–6.

[48] Francis O. Adeola, "Global Impact of Chemicals and Toxic Substances on Human Health and the Environment," *Handbook of Global Health* (2020): 1–30.

[49] Established under the Food Safety Act 2013 in 2015. BFSA is the main governing body in the country ensuring food safety while focusing its core duties and responsibilities as to regulate and monitor the activities related to manufacturing, importing, processing, storage, distribution, and sale of food to ensure access to safe food through the exercise of appropriate scientific methods, and to coordinate the activities of all organisations concerned with food safety management.

[50] Bangladesh Standards and Testing Institution is a government agency under the Ministry of Industries constituted to control the standard of service and quality of the goods.

[51] Bangla Tribune Report, "The 52 Food Products Banned by Court."

[52] Halal Division, Islamic Foundation Bangladesh, List of Halal-certified Businesses, http://islamicfoundation.gov.bd/sites/default/files/files/islamicfoundation.portal.gov.bd/files/58300b78_bb78_452d_b729_4c061b275794/2021-11-30-06-07-527c457b7accf4f0dd980cb488b828f0.pdf

Firstly, it has destroyed public reliance on legal (i.e., quality) and ethical (i.e., rituals) assurance of Halal consumables, leading local and international Halal consumers to think twice before reaccepting Bangladeshi products and services.[53] Secondly, the other adequately maintained Halal-certified businesses in Bangladesh are also suffering from getting customer loyalty on their products and services and getting investors since the existing doubt over Halal products affects their business expansion locally and internationally.[54] Under these circumstances, this study has named the following problematic areas where research is needed.

The first problematic area that the study emphasises is the practice of social responsibility of Halal-certified businesses in Bangladesh. Halal certification prioritises Islamic cultural and religious prescription[55] where the corporation experiences lawful declarations and reliability with stakeholders, including diverse consumers, and expands market possibilities.[56] It encourages businesses to become Halal-certified to bring value to stakeholders, acquire public confidence, and profit from the worldwide Halal market.[57] However, tricky businesspeople consider Halal certification a key to entering the global

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[53] M. Febtian Syah Putra and Karina Pradinie Tucunan, "The Concept of Halal Tourism and the Fulfillment of Muslim Tourist Needs in Halal Tourism," *Halal Research Journal* 1, no. 2 (2021): 56–62.
[54] Hossain, Ismail, and Mahdzir, "The Impact of Corporate Social Responsibility in Bangladesh Halal Food Industry."
[55] Isiaka Abiodun Adams, "Globalization: Explaining the Dynamics and Challenges of the Ḥalal Food Surge," *Intellectual Discourse*, no. 1 (2011).
[56] Joe M. Regenstein, Muhammad M. Chaudry, and Carrie E. Regenstein, "The Kosher and Halal Food Laws," *Comprehensive Reviews in Food Science and Food Safety* 2, no. 3 (2003): 111–127.
[57] Anwar Ghani, "Halal Certification of New Zealand Food Products," in *Global Halal Economy* (New Zealand: Auckland Business School, 2012), http://docs.business.auckland.ac.nz/Doc/NZinHalal-Economy-Dr-Ghani.pdf.

Halal market. They think a business with a Halal seal/mark will gain the Halal market. They do not understand their responsibility under the concept of Halal.[58]

For instance, Pran Agro Limited (Natore) has been identified as a contaminated curry powder manufacturer. However, their official portal highlighted several philanthropic activities regarding health, education, community development, and the environment.[59] They proclaim they are a sensible brand and mindful of the social responsibilities deeply rooted in their values. According to them, they perform various philanthropic activities under the name of CSR while their products are contaminated, breaching the norm of Halal. Such corporate attitude threatens public safety and business opportunities for Halal-certified businesses in Bangladesh, which needs to be resolved immediately.

The second problematic area is the existing laws on CSR in Halal-certified businesses. In Bangladesh, businesspeople tend to proclaim to the public what good activities they have done by making charity donations. It is more like a CSR business than addressing CSR and adds CSR to its overall plan.[60] The rationale for such a business culture is that Bangladesh has no explicit legislative provisions to assist CSR implementation. The most related laws often used to promote and advance CSR in the country's CSR regulation are

[58] Mohammad Faruk Hossain, "Corporate Social Responsibility (CSR) in Halal Sector in Bangladesh: A Systematic Literature Review," *Systematic Literature Review and Meta-Analysis Journal* 2, no. 3 (2021): 86–97.
[59] PRAN Agro Limited, "PRAN In Society."
[60] B. Arora, *India, and Corporate Social Responsibility: An Explorative Review* (Nottingham: International Centre for Corporate Social Responsibility, University Business School, 2004).

"the Companies Act of 1994, the Bangladesh Labour Act of 2006, and the Environmental Conservation Act of 1995," which are not compelling enough to secure CSR.[61]

The Companies Act 1994 serves as a fundamental legal framework governing businesses in Bangladesh, facilitating companies' establishment, management, and dissolution.[62] This framework provides a foundation for business growth and development, which can indirectly support CSR activities by enabling companies to operate effectively. Unfortunately, the Act fails to define or provide specific guidance on what CSR means or entails for companies in Bangladesh.[63] Such absence of a clear definition and guidance leaves companies without a standardised framework for identifying, measuring, reporting, or evaluating CSR activities and their impacts, resulting in inconsistency and uncertainty in CSR practices across the business landscape.

Moreover, the Act does not mandate or enforce CSR practices for companies in Bangladesh. It does not impose any obligations or incentives for companies to participate in CSR initiatives or to divulge their CSR performance.[64] The absence of regulatory requirements may hinder the widespread implementation of CSR practices and diminish the potential positive impacts on society and the environment.

Most significantly, the Act does not establish mechanisms or institutions for monitoring or auditing CSR compliance or effectiveness. Without proper oversight, there is no way

[61] Rahim, "Legal Regulation of Corporate Social Responsibility"; Mia Mahmudur Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy," *Springer* (2013); Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh"; Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[62] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[63] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[64] Rahim, "Legal Regulation of Corporate Social Responsibility."

to ensure that companies are fulfilling their CSR commitments, and this can lead to challenges in holding companies accountable for their CSR actions.[65] The Act does not address the specific issues and challenges different sectors or industries face concerning CSR in Bangladesh. It does not consider the country's diverse and dynamic social and environmental contexts and needs. Additionally, it does not align with international CSR standards and best practices, potentially limiting Bangladesh's competitiveness on the global stage.[66]

While the Companies Act 1994 lays a foundational framework for business operations and includes certain strengths such as corporate governance principles and flexibility in CSR implementation, it suffers from weaknesses like the absence of a CSR definition and guidance, voluntary CSR practices, a lack of monitoring mechanisms, and insensitivity to sectoral and international CSR standards.[67] Addressing these weaknesses requires additional legislation or regulatory measures specifically focused on CSR to promote responsible business practices and meet the evolving expectations of stakeholders.

Similarly, the Labour Act 2006 governs Bangladesh's labour relations and employment-related matters.[68] The Act is a comprehensive legal framework for protecting and promoting Bangladesh workers' rights and interests. Undeniably, the Act fails to define or provide specific guidance on what CSR means or entails for employers in Bangladesh.

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[65] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[66] Mohammad I. Azim, Shaila Ahmed, and Md Shahidul Islam, "Corporate Social Reporting Practice: Evidence from Listed Companies in Bangladesh," *Journal of Asia-Pacific Business* 10, no. 2 (2009): 130–145.
[67] Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh."
[68] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

This absence of a clear definition and guidance leaves employers without a standardised framework for identifying, measuring, reporting, or evaluating CSR activities and their impacts. The Act does not mandate or enforce CSR practices for employers in Bangladesh and imposes no obligations or incentives for employers to participate in CSR initiatives or to reveal their CSR performance. The lack of such legal measures prevents CSR activities from being widely used and reduces their potential for having good effects on society and the environment.[69]

The Act also does not establish mechanisms or institutions for monitoring or auditing CSR compliance or effectiveness. Without proper oversight, there is no way to ensure that employers are fulfilling their CSR commitments, potentially reducing the effectiveness of CSR provisions. The Act does not address the specific issues and challenges different sectors or industries face concerning CSR in Bangladesh. It fails to consider the country's diverse and dynamic social and environmental contexts and needs and to align with international CSR standards and best practices, potentially limiting Bangladesh's competitiveness on the global stage.[70]

While the Labour Act 2006 provides a comprehensive framework for labour relations and contains strengths such as fair treatment principles and flexibility in CSR implementation, it falls short in defining and enforcing CSR, monitoring compliance, and addressing sector-specific issues.[71] Addressing these weaknesses requires supplementary CSR-

[69] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices"; Rahim, "Legal Regulation of Corporate Social Responsibility."
[70] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[71] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

specific regulations or guidelines to promote responsible business practices and align with evolving CSR expectations.

Similarly, the Environmental Conservation Act 1995 provides a foundational legal framework for protecting and enhancing the environment and mitigating pollution in Bangladesh. By encouraging environmental sustainability, this framework improves the health and standard of living of the populace and the country. It establishes general principles and standards for environmental conservation, management, and governance. These provisions create awareness and understanding of environmental issues and challenges among businesses and other stakeholders, aligning with CSR goals that emphasise environmental responsibility.[72]

The Act allows flexibility and discretion for businesses to design and implement their CSR policies and practices based on their competencies, resources, stakeholder expectations, and social needs. This flexibility promotes innovation and adaptability in CSR initiatives.[73] However, the Act does not provide a clear definition or specific guidance on what CSR means or entails for businesses in Bangladesh. This absence of a standardised framework hinders the identification, measurement, reporting, or evaluation of CSR activities and impacts, leading to inconsistency in CSR practices. It does not make CSR enforceable for businesses in Bangladesh. It lacks obligations or incentives for

[72] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy"; Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[73] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

businesses to engage in CSR initiatives or disclose their CSR performance. The absence of such regulatory requirements limits the widespread adoption of CSR practices.[74]

Moreover, the Act does not establish mechanisms or institutions for monitoring or auditing CSR compliance or effectiveness. The absence of proper oversight raises challenges in ensuring businesses fulfil their CSR commitments, potentially diminishing the effectiveness of CSR provisions.[75] Again, it does not address the specific issues and challenges different sectors or industries face concerning CSR in Bangladesh. It does not consider the country's diverse and dynamic social and environmental contexts and needs. Additionally, it fails to align with international CSR standards and best practices, potentially limiting Bangladesh's competitiveness on the global stage.[76] While the Environment Conservation Act 1995 contains provisions relevant to CSR, it lacks specificity and comprehensiveness in addressing CSR in Bangladesh. Addressing these weaknesses requires additional CSR-specific regulations or guidelines to promote responsible business practices and align with evolving CSR expectations.

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Furthermore, Bangladesh has several laws governing Halal-certified businesses, including "the Food Safety Act of 2013, the Food (Special) Court Act of 1956, the Special Power Act of 1974, the Bangladesh Standards and Testing Institution Act of 2018, the Consumer Rights Protection Act of 2009", etc. Despite multiple food safety legislation, proper

[74] Rahim, "Legal Regulation of Corporate Social Responsibility"; Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[75] Md Musfiqur Rahman and Naima Khatun, "A Comparative Analysis of Corporate Governance Guidelines: Bangladesh Perspective," *The Journal of Business Economics and Environmental Studies* 7, no. 2 (2017): 5–16.
[76] M. Aminullah Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context," *Innovation Management and Technology in The Era of Globalization* (2015): 227–235.

implementation has always been challenging. The proliferation of legislation has hampered the seamless implementation of food safety procedures. Stakeholders are sometimes unaware of their obligations owing to a lack of knowledge of the law, and they disregard and violate laws for profit.[77]

Moreover, "the Securities and Exchange Commission of Bangladesh (SEC)"[78] prescribed "Corporate Governance Guidelines (CGG)" in 2006, which are legally enforceable only to listed public companies. Other business entities do not have any specific legally enforceable CGG. The majority of the businesses in Bangladesh have weak management arrangements and inadequate resources to address social or environmental issues.[79] These constraints cause the management of local businesses to focus solely on profit maximisation rather than on doing business that generates profit while benefiting the world and people.[80] The current situation needs an immediate solution; otherwise, it may result in irregularities and corrupt practices in carrying out socially responsible businesses and CSR programs.

Last but not least, the current practice of CSR in Halal-certified businesses in Bangladesh needs improvement since it has been identified that businesses prioritise mere economic prosperity while the trend is to ignore legal and ethical responsibilities in the country.[81] Bangladesh has numerous food safety laws prohibiting food adulteration and obligating

[77] Abu Noman Mohammad Atahar Ali, "Food Safety and Public Health Issues in Bangladesh: A Regulatory Concern," *European Food and Feed Law Review* (2013): 31–40.
[78] The regulator of the capital market of Bangladesh, comprising Dhaka Stock Exchange and Chittagong Stock Exchange. The commission is a statutory body and attached to the Ministry of Finance.
[79] Norngainy Mohd Tawil et al., "An Overview of Foodpreneur Awareness among Small and Medium-Sized Enterprises (SME) of Halal Certification," *Asian Social Science* 11, no. 21 (2015): 91.
[80] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."
[81] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."

not to deal with sub-standard, risky, and poisonous consumables. Unfortunately, food business operators are unaware of their obligations owing to a lack of knowledge of legal responsibilities and disregard and violate the laws for profit. Detected sub-standard food items of Halal-certified businesses exemplify such violation of legal obligations.

Additionally, Bangladesh finds gross negligence in factory fires, and criminal negligence of factory safety continues in the country.[82] According to data from the "Fire Service and Civil Defence," around two hundred eighty-five thousand fires occurred between January 1, 1999, and December 31, 2020.[83] Only the fire incidents caused the nation an approximate financial loss of around six thousand nine hundred crore taka.[84] In most cases, corporate non-compliance to legal directives, lack of necessary preventive measures, irresponsible business practices, and unethical decision-making trends are identical.[85] Such corporate culture causes unexpected industrial injury and disablement-related unemployment, triggering poverty that necessitates immediate solutions.[86]

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Due to business malpractices and unethical business culture, Halal-certified businesses are suffering from market expansion.[87] Halal-certified businesses relate to rituals, ethics,

[82] Golam Mortuja, "Criminal Negligence of Factory Safety Continues in Bangladesh as 52 More Die," *Bdnews24.Com*, 2021, https://bdnews24.com/bangladesh/criminal-negligence-of-factory-safety-continues-in-bangladesh-as-52-more-die.
[83] M. Shamsur Rahman, "Bangladesh's Fire Problem: 285,000 Incidents Occurred in 2 Decades," *The Independent*, 2021, https://m.theindependentbd.com/post/270187.
[84] Abdur Rahman Jahangir, "Fire Incidents in Bangladesh Tripple in 22 Years," *UNV News*, 2019, https://unb.com.bd/category/Special/fire-incidents-in-bangladesh-triple-in-22-years/13435; Rahman, "Bangladesh's Fire Problem: 285,000 Incidents Occurred in 2 Decades."
[85] Hossain, "Social Responsibility Practices of Business Organizations: Bangladesh Perspective."
[86] Dr Islam and Md Oliul, "Causes of Crime and Its Remedy: Bangladesh Perspective," *JETIR* 7, no. 6 (2020).
[87] Hossain, Ismail, and Mahdzir, "The Impact of Corporate Social Responsibility in Bangladesh Halal Food Industry."

and values obligatory to maintain and secure the interest of Halal consumers.[88] They must be ethically strong to secure the religious sentiment of Halal consumers by maintaining Sharia directives and invoking improved features to make their products authentic, good, decent, pure, and wholesome. Similarly, they must perform strong ethical responsibility in securing diverse stakeholders involving Halal-certified businesses, such as employees, creditors, debtors, competitors, etc.[89] Unfortunately, no prior research has been done to improve CSR in Halal-certified businesses in Bangladesh, going beyond the traditional discussion. Prior research limits their scope in discussing CSR within the traditional ideology and relies only on national CSR policy whether instruct CSR or not. No one researched practical means of implementing CSR, considering the lack of legal provisions on CSR in Halal-certified businesses in Bangladesh.[90]

Researching social responsibility under the concept of Halal may assist Bangladesh in promoting Halal-certified businesses.[91] The research culture of Bangladesh is poor compared to other risings and advancements.[92] The convergence of commerce and issues led scholars to conduct some academic research on CSR in the country. However, they are in the field of conventional businesses rather than Halal-certified businesses.[93] Despite its importance, CSR in Halal-certified businesses has received little academic attention to

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[88] Mohd Imran Khan, Abid Haleem, and Shahbaz Khan, "Defining Halal Supply Chain Management," *Supply Chain Forum: An International Journal* 19, no. 10 (2018): 122–131.
[89] Hayatullah Laluddin et al., "The Scope, Opportunities and Challenges of Halal Industry: Some Reflections," *International Journal of Economics, Management and Accounting* 27, no. 2 (2019): 397–421.
[90] Hossain, "Corporate Social Responsibility (CSR) in Halal Sector in Bangladesh: A Systematic Literature Review."
[91] Nabila Nisha and Mehree Iqbal, "Halal Ecosystem: Prospect for Growth in Bangladesh," *International Journal of Business and Society* 18, no. 1 (2017): 205–222.
[92] Abu Ala Mahmudul Hasan, "NGO Research Culture and its Implication in Bangladesh: An Insider's Perspective," *The Oriental Anthropologist* 14, no. 1 (2014): 1-12.
[93] Rahim, "Legal Regulation of Corporate Social Responsibility"; Qazi Md Yousuf, "Corporate Social Responsibility (CRS) in Bangladesh: Regulation and Practice" (University of West London, n.d.).

suggest or recommend implementable and practical solutions to promote Halal-certified businesses in Bangladesh. Since sustainable growth is impossible without the aid of the business world,[94] the significant increase of Halal-certified businesses and relevant issues are necessitating and somehow compelling CSR in Halal-certified businesses. Table 1.1. below is the summary of the problems described.

Table 1.1

Summary Statement of Problem

Area	Problem
Practice	Unethical and unwanted business malpractices.
Law	Lack of legal provisions on CSR.
Improvement	Lack of research on CSR improvement.

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1.3 Research Questions

Based on the overview of the study, this study attempts to address the following three questions:

1. What is the current practice of CSR in Halal-certified businesses in Bangladesh?

2. What are the laws, regulations, or guidelines relating to CSR in Halal-certified businesses in Bangladesh?

3. How can the practice of CSR in Halal-certified businesses be improved?

[94] Jannatul Ferdous, "Corporate Social Responsibility Practices in Bangladesh: An Assessment of Four State-Owned Commercial Banks (SOCBs)," *International Journal of Business, Economics and Law* 8, no. 2 (2015).

1.4 Research Objectives

The general objective of this study is to focus on CSR in Halal-certified businesses in Bangladesh. However, the study aims to achieve the following three specific objectives:

1. to analyse the current practice of CSR in Halal-certified businesses in Bangladesh.

2. to examine the laws, regulations, or guidelines relating to CSR in Halal-certified businesses in Bangladesh.

3. to make suggestions and recommendations to improve the practice of CSR in Halal-certified businesses in Bangladesh.

1.5 Literature Review

The Halal industry started its journey in Bangladesh in 2007. The industry has expanded since the launch of the Halal Division by the Islamic Foundation Bangladesh (IFB). Besides supplying to the local market, Bangladesh exports Halal consumables to many countries worldwide. So far, Bangladesh has one hundred fifteen Halal-certified businesses serving local consumers and earning foreign currency by exporting food and beverages, cosmetics, medicines, and other products worldwide and contributing to the development of the nation through increased employment opportunities.[95] Table 1.2 represents the list of existing Halal-certified businesses in Bangladesh.

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Table 1.2

Halal-certified businesses in Bangladesh

Bengal Meats Processing Ltd.	Kazi and Kazi Tea Estate Ltd.	Bikrampur Potato Flakes Ltd.
Global Capsules Ltd.	AST Beverage Ltd.	Igloo Sugar
Biotech	Modern Herbal Group	I. C. Retains Initiates Ltd.
Nestle Bangladesh Ltd.	Janata Foods	Laman Sujana

[95] Md. Lutfor Rahman Sarkar, *The Activities of the Department of Halal Certification* (Islamic Foundation Bangladesh: Department of Halal Certification Publishing, 2020).

BRAC Chicken	Aftab Bahumukhi Farms Ltd	Emerald Oil Industries Ltd.
M/s Helal and Brothers Ltd.	H. N. B Trading	Petro Cosmetics Ltd.
Dhaka Ice Cream Industries Ltd.	Ceylon Biscuit Bangladesh Private Ltd.	Hashem Foods Ltd.
ACI Pure Flower Ltd.	Paragon Agro Ltd.	Hamdard Laboratories (Wakf) Bangladesh
Dan Foods Ltd.	Hasib Enterprise and Agrovet	Deshbandhu Sugar Mills Ltd.
Agro Resource Company Ltd.	Taufika Foods And Agro Industries Ltd.	Haque Food Industries Ltd.
Northern Hatcheries Ltd.	Square Food and Beverage Ltd.	GQ Foods Ltd.
Nahar Farmers Rice Bran Oil Industries Ltd.	AG Agro Foods Ltd.	Japan Style Ltd.
Mono Bag Mills Ltd.	Muaz Agro Food Products	The ACME Agrovet and Beverage Ltd.
Tiffin Box Ltd.	Kishwan Agro Products Ltd	Bonoful and Company Ltd
Kishwan Snacks Ltd	Ifad Multi Products Ltd	Unilever Bangladesh Ltd
Azam Foods Ltd	EON Foods Ltd	Remo Chemical Ltd
Cosmap (Bd) Ltd	Hashem Flower Mills Ltd	Vegan Agro Ltd
Transcom Consumer Products Ltd	Integrated Foods and Beverages Ltd	I G Foods Ltd
Drug International Ltd. (Herbal)	Prai Dairy Ltd	Akij Food and Beverages Ltd
Fresh Cut Chicken Service	Ispahani Foods Ltd	M/S Raka Enterprise
Ajinomoto Bangladesh Ltd	Happy Time Food Ltd	Bombe Sweet Com Ltd
Abdul Monem Ltd (Ice Cream and Milk Unit)	Thanda Garam	Dara Nutraceuticals Ltd
Incepta Vaccine Ltd	Ariba Productions	Drug International Unani Ltd
Olympic Industries Ltd	Akij Food and Beverage Ltd	Prime Nutrition Ltd
Igloo Foods Ltd	My Foods Ltd	CP Bangladesh Company Ltd
Varosha Agro Chemical Ltd	ACI Foods Ltd	Fahmida Consumer Products
Orion Consumer Products	Sanofi Bangladesh Ltd	Shopno Agro Farm
Easy Cook Food Processing Ltd	Universal Food Ltd	Tasty Tibet Ltd
Meena Sweets and Confectionaries Ltd	Sena Edible Oil Industries	Kazi Food Industries Ltd

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Gemini Sea Foods Ltd	Romania Food and Beverages Ltd	CG Food Ltd
Prome Agro Foods Ltd	Agri Cultural Marketing Company Ltd	Siam Agro Foods Ltd
Protik Food and Elide Ltd	Firoj Coil and Payra Dressing Project	Marico Bangladesh Ltd
China Mango International	Molla Salt (Triple Refined) Industries	Bengal Agri-Business Ltd
Amin Square Bd Ltd	Nourish Agro Ltd	Spices King Ltd
Bashundhara Multi Food Products Ltd	Bengal Poly and Paper Sack Ltd	Bongo Bakers Ltd
Kallol Thai President Foods (Bd)	Natore Agro Ltd	Banga Millers Ltd
Pran Agro Ltd	Veritas Health Care	Safara Agro Industries
Golden Oil Mills Ltd	Savoy Ice Cream Factory Ltd	Advance Trading

Source: Halal Division, Islamic Foundation Bangladesh, List of Halal-certified Businesses

Even though Bangladesh's Halal industry is growing, there is no discussion about CSR in Halal-certified businesses.[96] The literature review on CSR in Bangladesh reveals that CSR has been discussed most in the banking sector.[97] The Central Bank of Bangladesh has made it mandatory for financial institutions to comply with CSR. As a result, CSR in financial institutions is relatively strong. To strengthen CSR, the central bank has

[96] Hossain, "Corporate Social Responsibility (CSR) in Halal Sector in Bangladesh: A Systematic Literature Review."

[97] Shafiqur Rahman and Jesmin Pervin, "Corporate Managers' Motivation and CSR Performance: A Case of Bangladesh Banking Sector," *Transnational Corporations Review* 3, no. 3 (2011): 61–72; Mehree Iqbal et al., "Exploring Client Perceptions and Intentions in Emerging Economies: The Case of Green Banking Technology," *International Journal of Asian Business and Information Management (IJABIM)* 9, no. 3 (2018): 14–34; Musammet Ismat Ara Begum, "Corporate Social Responsibility and Gender Commitments of Commercial Banks in Bangladesh," *Journal of International Women's Studies* 19, no. 6 (2018): 87–105; Md Masud et al., "Is Green Regulation Effective or a Failure: Comparative Analysis between Bangladesh Bank (BB) Green Guidelines and Global Reporting Initiative Guidelines," *Sustainability* 10, no. 4 (n.d.): 1267; Md Habib-Uz-Zaman Khan, Abdel K. Halabi, and Martin Samy, "Corporate Social Responsibility (CSR) Reporting: A Study of Selected Banking Companies in Bangladesh," *Social Responsibility Journal* 5, no. 3 (2009): 344–357; Ashok Chakraborty, "Impact of Statutory Regulation and Key Internal Factors on Firm's Corporate Social Responsibility: An Emerging Economy Perspective," *International Journal of Law and Management* (2019); Saha, "Relationship between Corporate Social Responsibility Performance and Disclosures: Commercial Banks of Bangladesh"; Md. Hafez, "Measuring the Impact of Corporate Social Responsibility Practices on Brand Equity in the Banking Industry in Bangladesh: The Mediating Effect of Corporate Image and Brand Awareness," *International Journal of Bank Marketing* (2018).

developed mandatory guidelines for every financial institution, and therefore, the interest of CSR-conscious individuals, especially those who work with CSR, is active. CSR practices in Bangladesh's banking sector have been extensively studied.

Much research has been conducted to justify the CSR disclosure of financial institutions in Bangladesh. Numerous research has been conducted to determine how banks disclose their CSR in light of current regulations. Ali and Rahman compared Bangladeshi Islamic and mainstream banks' CSR disclosure.[98] When choosing sample banks, they used a random sampling procedure. They discovered that a few banks in Bangladesh are actively participating in CSR projects, namely in the fields of sport, culture, disaster relief, health, education, and the environment. According to their analysis, traditional banks have prioritised the educational sector, whereas Islamic banks have prioritised social welfare. Both banks have undertaken similar CSR projects in the health and disaster relief sectors.

Another study examined how independent directors, business age, and size affected Bangladesh's CSR disclosure.[99] The experimental analyses in this study demonstrated that independent directors and firm size (total assets, workers, and branches) have a favourable impact on CSR disclosure. Company age does not significantly affect the CSR disclosure of the banks functioning in Bangladesh's banking sector, other than firm size and independent directors. However, the study has a fundamental drawback: the findings

[98] Ershad Ali and S. M. Rahman, "Corporate Social Responsibility Disclosure: A Comparative Study between Islamic Banks and Conventional Banks in Bangladesh," *International Business and Management* 10, no. 1 (2015): 9–17.
[99] Md Sumon Hossain, Madan Mohan Dey, and Subhash Chandra Sil, "Effects of Firm Size, Firm Age and Independent Director on Corporate Social Responsibility Disclosure in Bangladesh: A Study on Banking Sector," *Journal of Business* 11, no. 2 (2018): 241.

should not be applied to all financial industries and economies worldwide because only banks listed on the Dhaka Stock Exchange (DSE) were included as the sample.

The reason for relative discussion on the CSR of the banks in Bangladesh is that Banks and financial institutions need to submit annual CSR reports per the guidelines in Bangladesh. That is why there have been many studies considering this constraint. Rahman, Rashid, and Basiruddin investigated CSR reporting and the banking industry's value relevance.[100] The research has been conducted on selected private commercial banks' CSR reporting practices.[101] However, Das, Dixon, and Michael find that banks implement social responsibility amorphously through a longitudinal study on listed banking businesses' CSR reporting in Bangladesh. Thus, they recommend banks implement a comprehensive CSR reporting framework, such as "the Global Reporting Initiative (GRI), 2006."[102]

Expenditure review in the CSR report published by the bank is the driving force of many studies conducted in Bangladesh. Kayssar investigated the reporting of CSR expenditures

[100] Mashiur Rahman, Siti Zaleha Abdul Rasid, and Rohaida Basiruddin, "Corporate Social Responsibility Reporting and Value Relevance of The Banking Sector in Bangladesh," *Journal of Sustainability Science and Management* 15, no. 5 (2020): 192–214.
[101] Md Masud and Mohammad Hossain, "Corporate Social Responsibility Reporting Practices in Bangladesh: A Study of Selected Private Commercial Banks," *IOSR Journal of Business and Management (IOSR-JBM)* (2012): 42–47; Khan, Halabi, and Samy, "Corporate Social Responsibility (CSR) Reporting: A Study of Selected Banking Companies in Bangladesh."
[102] Sumon Das, Robert Dixon, and Amir Michael, "Corporate Social Responsibility Reporting: A Longitudinal Study of Listed Banking Companies in Bangladesh," *World review of business research* 5, no. 1 (2015).

by selected Islamic banks in Bangladesh.[103] Islam demonstrated a correlation between CSR spending and bank's financial performance in Bangladesh.[104]

Besides CSR expenditure, some research has been conducted on the effect of CSR expenditure referring to the financial performance of the banks. Chowdhury and Nehal investigated the impact of CSR spending on financial performance in Bangladesh's banking sector.[105] Tuhin investigated whether CSR expenditure affects the financial performance of Bangladeshi Islamic banks.[106]

Other research based on Bangladeshi banks' CSR reporting also focused on CSR expenditure and profitability. Tuhin performed another empirical research of Bangladeshi listed banks on CSR expenditure and profitability.[107] Rahman also revealed the causality between profitability and corporate social responsibility by referencing selected banks in Bangladesh.[108]

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Besides the profitability research, some research has been conducted on sustainability matters related to Bangladesh's banking sector. Ahmed and Abedin investigated the

[103] Md. Kayssar Ahmed, "Corporate Social Responsibility Expenditures Reporting of Selected Islami Banks in Bangladesh," *Jagannath University Journal of Business Studies* 5, no. 1 & 2 (2017): 135–148.
[104] Mohammad Tazul Islam, "Linking Corporate Social Responsibility Expenditure to Financial Performance of Banks in Bangladesh—A Panel Data Analysis," *Bank Parikrama* 38, no. 1 (2013): 109–130.
[105] A. Y. Chowdhury and Md Nader Nehal, "Effect of Corporate Social Responsibility Expenditures on Financial Performance in Banking Sector of Bangladesh," *Journal of Economics, Business and Management* 8, no. 1 (2020): 44–49.
[106] Mehedi Hasan Tuhin, "Does Corporate Social Responsibility Expenditure Affect Financial Performance of Islamic Banks in Bangladesh," *Middle East Journal of Business* 9, no. 2 (2014): 44–50.
[107] Mehedi Hasan Tuhin, "Corporate Social Responsibility Expenditure and Profitability: An Empirical Study of Listed Banks in Bangladesh," *International Journal of Scientific Footprints* 2, no. 1 (2014): 107–115.
[108] Sohanur Rahman, "Causality between Profitability and Corporate Social Responsibility: Evidence from Selected Banks in Bangladesh," *Imperial Journal of Interdisciplinary Research* 2, no. 10 (2016): 1490–1495.

implications of corporate governance, CSR, and intellectual capital disclosure on the sustainability of Bangladesh's banking system.[109] Rahman and Islam also investigated CSR and sustainable development in Bangladeshi commercial banks.[110]

In addition to these studies, some special CSR attributes have been studied concerning the banking sector in Bangladesh. Iqbal and Pramanik evaluated the effects of CSR programs on customer loyalty in Bangladeshi private banks.[111] Jannat and Rahman also looked at the influence of CSR in mitigating the effects of job stress on organisational commitment.[112] Zohora and Hoque investigated the opinions of bankers and business professionals in Bangladesh.[113] Begum investigated the CSR and gender commitments of Bangladeshi commercial banks.[114]

Research on various aspects of CSR has explored multiple features of the banking sector. Islam, Kanij, and Hossain studied CSR in the banking sector from an exciting context.

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[109] Nisar Ahmed and Md Joynal Abedin, "The Effects of Corporate Governance, Corporate Social Responsibility, and Intellectual Capital Disclosure on the Sustainability of Banking Sector in Bangladesh," *Business and Economic Research* 9, no. 4 (2019): 53–68.
[110] Md Ataur Rahman and Md Ashraful Islam, "Corporate Social Responsibility and Sustainable Development: A Study of Commercial Banks in Bangladesh," *Applied Economics and Finance* 6, no. 2 (2019): 6–14.
[111] Mohammed Masum Iqbal and Shah Alam Kabir Pramanik, "Investigating the Impacts of Corporate Social Responsibility Initiatives on Customers 'Loyalty: A Study from Selected Private Banks in Bangladesh," *DIU Journal of Business and Economics* 10, no. 1 (2016).
[112] Fatema Jannat and SM Mahbubur Rahman, "Role of Corporate Social Responsibility in Controlling the Impact of Job Stress on Organizational Commitment: A Study on Banking Sector in Bangladesh," *NU Journal of Humanities, Social Sciences & Business Studies* 4 & 5, no. 1 (2019).
[113] Mosa Fatema Zohora and Kazi Enamul Hoque, "Corporate Social Responsibility (CSR): Attitudes of Bankers and Corporate Professionals in Bangladesh," *Актуальні проблеми економіки* 3 (2014): 342–349.
[114] Begum, "Corporate Social Responsibility and Gender Commitments of Commercial Banks in Bangladesh."

They examined CSR from the standpoint of producing shared value in the context of Bangladesh's banking sectors' possibilities and constraints.[115]

In addition, some study has been undertaken on the impact of different components of CSR. Considering the rising roles of corporate governance, CSR, and intellectual capital disclosure, Mohammad, Abedin, and Rahman evaluated the sustainability of the banking sector in Bangladesh.[116] Rahman also looked at how the government may support CSR.[117] Haldar et al. evaluated commercial banks' CSR efforts' contribution to promoting financial inclusion.[118] Hafez examined the mediating effects of corporate image and brand awareness while calculating the impact of CSR efforts on brand equity in the banking sector in Bangladesh.[119] These are the key research and specific focus of the study conducted in the banking sector in Bangladesh.

Apart from this, many literary works on CSR have been published due to various problems in the garment sector.[120] Over the past, several issues have been raised in the garments

[115] Md. Rabiul Islam, Mahbuba Kanij, and Syed Zabid Hossain, "From Corporate Social Responsibility to Creating Shared Value: Opportunities and Challenges for the Banking Sectors in Bangladesh," *IOSR Journal of Business and Management (IOSR-JBM)* 19, no. 9 (2017): 28–34.
[116] Niaz Mohammad, Md Joynal Abedin, and Asif Rahman, "Sustainability of Banking Sectors in Bangladesh: A Study Based on Emerging Role of Corporate Governance, Corporate Social Responsibility and Intellectual Capital Disclosure," *Accounting and Finance Research* 6, no. 4 (2017): 164.
[117] Shafiqur Rahman, "Role of Government in the Promotion of Corporate Social Responsibility (CSR): The Case of Bangladesh Banking Sector," *Australian Academy of Accounting and Finance Review* 1, no. 1 (2017): 44–68.
[118] P. K. Haldar et al., "Assessing the Role of Corporate Social Responsibility Practices of Commercial Banks in Enhancing Financial Inclusion: A Study on Banking Sector in Bangladesh," *International Journal of Economics and Financial Issues* 6, no. 4 (2016): 1778–1783.
[119] Hafez, "Measuring the Impact of Corporate Social Responsibility Practices on Brand Equity in the Banking Industry in Bangladesh: The Mediating Effect of Corporate Image and Brand Awareness."
[120] Naila Kabeer, Lopita Huq, and Munshi Sulaiman, "Paradigm Shift or Business as Usual? Workers' Views on Multi-stakeholder Initiatives in Bangladesh," *Development and Change* 51, no. 5 (2020): 1360–1398; S. M. Akterujjaman, Swapan Kumar Saha, and Md Arafat Hossain, "Business Case of Corporate Social Responsibility: A Case Study on Columbia Garments Limited in Bangladesh," *Business Strategy & Development* 2, no. 3 (2019): 265–271; Nilima Mausumi and Mizanur Rahman, "Impact of Stakeholder Initiatives: Bangladesh Garment Industry," *SCMS Journal of Indian Management* 15, no. 2 (2018): 31–41;

sector regarding health, safety, security, etc. Concerns over CSR in the garments sector have intensified since the Rana Plaza collapse that claimed the lives of many workers.[121] The government considers the various problems in the sector and enacts necessary laws to protect the interests of employers and workers and lessen CSR-related issues in the sector.[122] The garment sector is the highest foreign currency-earning sector in the country. Therefore, the problems of this sector are under close scrutiny, and extensive research is being done on CSR in this sector.

The importance of the garments sector and the various issues have raised concerns about CSR and inspired researchers to do research. Many scholars are curious about the use of CSR in the garment industry. Masud et al. studied CSR practices in Bangladesh's garment sector, considering multinational garments and CSR perspectives in the Dhaka Export Processing Zone (DEPZ).[123] They discovered inappropriate CSR practices among selected

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Ziaul Haque and Fara Azmat, "Towards a Model of Corporate Social Responsibility (CSR) in the Readymade Garments (RMG) Industry in Bangladesh," in *ANZAM 2009: Sustainable Management and Marketing. Promaco Conventions*, 2009; Nilima Mausumi, "Role of Government in Promoting Corporate Social Responsibility: Analysis of the Bangladesh Ready-Made Garment (RMG) Industry," *Global Journal of Management and Business Research* (2018); Tamar Maisashvili, "Global Corporate Social Responsibility and Policy Evolution in the Garment Industry: A Case Study from Bangladesh Using a Multiple-Streams Approach and Punctuated Equilibrium Theory" (2020); Suniti Debi Mondal and Abdullah Al Masud, "Corporate Social Responsibility and Customer Loyalty, How Corporate Social Responsibility Lead to Firm Performance; A Study on Textile Sector in Southern Bangladesh," *Barishal University Journal* 5, no. 1 (2018); Md Tareq Hossain, "Determinants of Corporate Social Responsibility Practices in Bangladesh Garment Sector" (Universiti Utara Malaysia, 2018); Lina Gruneau and Sanna Forsberg, *Corporate Social Responsibility and Women's Empowerment in the Ready Made Garment Sector in Bangladesh*, 2019; Islam and Huosong, "Can Corporate Social Responsibility (CSR) Ensure the Sustainable Growth of Ready Made Garments (RMG) Sector in Bangladesh."

[121] Noemi Sinkovics, Samia Ferdous Hoque, and Rudolf R. Sinkovics, "Rana Plaza Collapse Aftermath: Are CSR Compliance and Auditing Pressures Effective?," *Accounting, Auditing & Accountability Journal* (2016); Laurent Bossavie, Yoonyoung Cho, and Rachel Heath, *The Effects of International Scrutiny on Manufacturing Workers: Evidence from the Rana Plaza Collapse in Bangladesh*, 2019.

[122] Uttama Barua and Mehedi Ahmed Ansary, "Workplace Safety in Bangladesh Ready-Made Garment Sector: 3 Years after the Rana Plaza Collapse," *International Journal of Occupational Safety and Ergonomics* 23, no. 4 (2017): 578–583.

[123] A. Masud et al., "Corporate Social Responsibility Practices in Garments Sector of Bangladesh, A Study of Multinational Garments, CSR View in Dhaka EPZ," *Developing Country Studies* 3, no. 5 (2013): 27–37.

companies in Bangladesh, where some organisations were making an effort but, for the most part, were unaware of CSR. Therefore, the study argues that raising social awareness can improve Bangladesh's situation, and government initiatives and corporate organisations' positive thinking can create a positive brand revolution in CSR. Azmat and Haque also studied CSR in the Bangladeshi readymade garments industry and found a similar finding.[124]

Other research has been conducted to identify the numerous issues facing the garment industry and how social responsibility has affected those issues. Gruneau and Forsberg investigated the relationship between CSR and women's empowerment in Bangladesh's readymade garment sector.[125] They examined how CSR training impacts female garment workers, whether it empowers them, and the main factors contributing to any potential empowerment. To some extent, they discovered that CSR training initiatives empower employees by raising their knowledge, self-worth, and decision-making ability. However, they were unable to pinpoint the significant causes of the effect. Ae and Jun looked at child labour abuse and CSR from the standpoint of Bangladeshi speciality shop merchants of private-label clothing companies. They recommended enhancing the safety policy for child labour in Bangladesh.[126]

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[124] Fara Azmat and Mohammed Ziaul Haque, *Corporate Social Responsibility in the Ready-Made Garments Industry in Bangladesh*, Research H. (Edward Elgar Publishing, 2016).
[125] Gruneau and Forsberg, *Corporate Social Responsibility and Women's Empowerment in the Ready Made Garment Sector in Bangladesh*.
[126] Kim Kyoung Ae and In Woo Jun, "Child Labor Exploitation and Corporate Social Responsibility: A Case Study of the Specialty Store Retailer of Private Label Apparel Brands in Bangladesh," *Trade Research* 10, no. 3 (2014): 123–143.

Surprisingly, one study focused on Islamic principles as potential solutions for CSR and workplace casualties. Although Sharia is not part of Bangladesh's domestic or positive law governing employment interactions, the majority of its people recognise and voluntarily adhere to the rights and duties enunciated in Islam. The research investigates employees' safety rights and their employers' subsequent obligations under Islamic law principles. It evaluates employers' failure to comply with religious standards in order to safeguard workers. It is in addition to their violations of municipal legislation.[127]

Other research concentrated on certain aspects of CSR. Haque researched labour conditions in Bangladesh's garment sector from the standpoint of CSR.[128] Crinis examined the connection between CSR, human rights, and garment workers in Malaysia and Bangladesh.[129] Salma looked at the viability of CSR as a marketing strategy for Bangladeshi ready-made clothing suppliers.[130]

Sustainability is one of the foremost matters in every sector. Some research has been conducted in Bangladesh considering the sustainability of the garment sector. Islam and Huosong investigated whether CSR assures Bangladesh's readymade garments (RMG) business would expand sustainably.[131] Additionally, Bristi, Rajib, and Shoukat examined how Bangladesh's RMG business has implemented CSR to advance sustainable

[127] S. M. Solaiman, *Corporate Social Responsibility and Workplace Casualties in Bangladesh: An Appraisal of Islamic Principles as a Potential Solution*, Research H. (Edward Elgar Publishing, 2018).
[128] Md. Haque, "Corporate Social Responsibility in Apparel Industry in Bangladesh: A Labour Standard Perspective" (BRAC University, 2008).
[129] Vicki Crinis, "Corporate Social Responsibility, Human Rights and Clothing Workers in Bangladesh and Malaysia," *Asian Studies Review* 43, no. 2 (2019): 295–312.
[130] Umme Salma, "Can Corporate Social Responsibility Be Used as a Marketing Tool by the Readymade Garment Suppliers in Bangladesh?," 2016, http://urn.kb.se/resolve?urn=urn:nbn:se:hig:diva-21921.
[131] Islam and Huosong, "Can Corporate Social Responsibility (CSR) Ensure the Sustainable Growth of Ready Made Garments (RMG) Sector in Bangladesh."

development.[132] Another research examined the government's involvement in fostering CSR in the garment sector.[133] These are major studies on CSR concerns and the main point of the country's literature on CSR in the garments sector.

Furthermore, the SEC[134] prescribed CGG in 2006 for listed public companies in the stock exchange in Dhaka and Chittagong. Considering CGG, much research has been done on CSR in listed companies.[135] Majumdar performed empirical research on the factors of CSR efforts in Bangladeshi listed firms.[136] Sobhan, Hassan, and Fletcher studied the CSR and assurance disclosure procedures of the top one hundred corporations in Bangladesh.[137] Masum et al. also investigated the CSR declarations and corporate performance of Bangladeshi listed firms.[138]

[132] Ummelewara Bristi, Monirul Islam Rajib, and Sharmin Shoukat, "Implementation of Corporate Social Responsibility in the Ready-Made Garment Industry of Bangladesh in Order to Achieve Sustainable Development Goals: A Study on Bangladeshi Garment Manufacturers," *Journal of Textile Science and Technology* 6, no. 4 (2020): 232–246.
[133] Mausumi, "Role of Government in Promoting Corporate Social Responsibility: Analysis of the Bangladesh Ready-Made Garment (RMG) Industry."
[134] The regulator of the capital market of Bangladesh, comprising Dhaka Stock Exchange and Chittagong Stock Exchange. The commission is a statutory body and attached to the Ministry of Finance.
[135] Nazmul Amin Majumdar, "Determinants of Corporate Social Responsibility (CSR) Practices of Listed Corporations in Bangladesh: An Empirical Study" (Monash University, 2011); Jahan, "An Overview on the Corporate Social Responsibility Practices of Listed Companies in Bangladesh"; Mofijul Hoq Masum et al., "Corporate Social Responsibility Disclosures and Corporate Performence: Evidence from the Listed Companies in Bangladesh," *Academy of Strategic Management Journal* 18, no. 2 (2019): 1–16; Md Abdur Rouf, "The Corporate Social Responsibility Disclosure: A Study of Listed Companies in Bangladesh," *Business and Economics Research Journal* 2, no. 3 (2011): 19–32; Azim, Ahmed, and Islam, "Corporate Social Reporting Practice: Evidence from Listed Companies in Bangladesh"; Sarwar Uddin Ahmed et al., "Does It Pay to Be Socially Responsible? Comparative Evidence from a Developing Country," *Global Business Review* 18, no. 5 (2017): 1134–1154.
[136] Majumdar, "Determinants of Corporate Social Responsibility (CSR) Practices of Listed Corporations in Bangladesh: An Empirical Study."
[137] Nawreen Sobhan, Abeer Hassan, and Mary Fletcher, "Corporate Social Responsibility and Assurance Disclosure Practice: An Investigation of the Top 100 Companies in Bangladesh," *International Journal of Sustainable Economy* 10, no. 3 (2018): 283–313.
[138] Masum et al., "Corporate Social Responsibility Disclosures and Corporate Performence: Evidence from the Listed Companies in Bangladesh."

Other research concentrated on various aspects of CSR concerning listed public firms in Bangladesh. Bashar and Noor used Carroll's pyramid to perform comparative research on the influence of CSR on national and multinational firms in Bangladesh.[139] Karim and Fayez explored the mediating function of brand image in the link between CSR and brand equity, focusing on one of Bangladesh's largest multinational corporations.[140] Shah also investigated customer attitudes toward CSR efforts in Bangladesh and focused on another large corporation in Bangladesh.[141] The CSR of multinational corporations (MNCs) has also been the subject of various research.[142]

However, no literary work is available on CSR in Halal-certified businesses in the country. Some literary works have been done on the Islamic Bank of Bangladesh,[143] and Sharia has

[139] Afzal Hossain, Kazi Abul Bashar, and Behzad Noor, "The Impact of Corporate Social Responsibility (CSR) on National and International Corporations Prevailing in Bangladesh: A Comparison of CSR on the Basis of Carroll's Pyramid," *Journal of Investment and Management* 6, no. 1 (2017): 6–12.

[140] Rashed Karim and Mohammed Arman Fayez, "Mediating Role of Brand Image in the Relationship between Corporate Social Responsibility & Brand Equity: An Investigation on Unilever Bangladesh," *Journal of Technology Management and Business* 7, no. 2 (2020): 1–13.

[141] Nahid Shah, "Consumer Attitude towards Corporate Social Responsibility Practices in Bangladesh: A Study on Grameenphone Ltd.," *European Journal of Business and Management* 5, no. 29 (2013).

[142] Karim and Fayez, "Mediating Role of Brand Image in the Relationship between Corporate Social Responsibility & Brand Equity: An Investigation on Unilever Bangladesh"; Shah, "Consumer Attitude towards Corporate Social Responsibility Practices in Bangladesh: A Study on Grameenphone Ltd."; Sujan Kanti Biswas and Rana Karan, "Corporate Social Responsibility: An Empirical Study on Selected Private Sector Enterprises in Bangladesh," *International Journal of Knowledge Management and Practices* 1, no. 2 (2013): 51; Sayema Hoque and Tanzina Chowdhury, "Corporate Social Responsibility (CSR) Practice of Cellular Phone Companies in Bangladesh," *IIUC Studies* 8 (2011): 59–80; Hossain, Bashar, and Noor, "The Impact of Corporate Social Responsibility (CSR) on National and International Corporations Prevailing in Bangladesh: A Comparison of CSR on the Basis of Carroll's Pyramid."

[143] Asm Shahabuddin et al., "Weighted Corporate Social Responsibility Index for Measuring Islamic Banking's Social Performance: How to Develop It?," *International Journal of Economics & Management* 12, no. 1 (2018); Mohammad Mamun Ur Rashid and Mohammad Ashrafur Rashid, *Corporate Social Responsibility Practices of Islamic Commercial Banks In Bangladesh: A Study on Islami Bank Bangladesh Limited (IBBL)*, n.d.; Tasnin Jahan, "Corporate Social Responsibility Reporting of Islamic Banks in Bangladesh" (2017); Shafiqur Rahman and Abu Umar Faruq Ahmad, "Corporate Social Responsibility in Bangladesh: The Role of Islami Bank Bangladesh Limited," *International Journal of Excellence in Islamic Banking and Finance* 3, no. 1 (2013): 66–79; Tuhin, "Does Corporate Social Responsibility Expenditure Affect Financial Performance of Islamic Banks in Bangladesh"; Md Shamim Hossain et al., "Corporate Social Responsibility in Healthcare: A Case of Islamic Banks (IBs) in Bangladesh," *Bangladesh Journal of Medical Science* 18, no. 3 (2019): 567–573.

dominated some literature.[144] These are primarily comparative studies on Islamic banks, not Halal-certified businesses under IFB.[145] Further, not enough research has been done on the laws and regulations in the country.[146] CSR in Halal-certified businesses has not been focused on in the past literature, which is a deficiency of literature in the context of Bangladesh.

According to the information provided above, it is evident that the research culture in Bangladesh lacks attention relating to CSR in Halal-certified businesses. Halal-certified businesses are progressive and have tremendous potential to contribute to the national economy. Research is urgent in this sector, without which Halal-certified businesses will reasonably lose long-term sustainability, which is not expected. In addressing CSR innovatively and strategically in Halal-certified businesses, it is necessary to extensively research CSR in Halal-certified businesses in Bangladesh to know more about how well businesspeople are aware of CSR, their attitudes toward CSR, and their tendency to practice it.

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[144] K. Tarique et al., "Maqasid Al-Shariah in CSR Practices of the Islamic Banks: A Case Study of IBBL," *Journal of Islamic Economics, Banking and Finance* 13, no. 3 (2017): 47–63; Abu Umar Faruq Ahmad and Shafiqur Rahman, *Corporate Social Responsibility in Islamic Banks' Practice: Evidence from Bangladesh*, Research i. (Emerald Publishing Limited, 2019).

[145] Kashfia Sharmeen, Rashedul Hasan, and Mohammad Dulal Miah, "Underpinning the Benefits of Green Banking: A Comparative Study between Islamic and Conventional Banks in Bangladesh," *Thunderbird International Business Review* 61, no. 5 (2019): 735–744; Md Abdul Kaium Masud and Md Humayun Kabir, "Corporate Social Responsibility Evaluation by Different Levels of Management of Islamic Banks and Traditional Banks: Evidence from Banking Sector of Bangladesh," *Problems and Perspectives in Management* 14 (2016): 194–202; Md Tota Miah, Kumar Biswazit Saha, and Rejaul Karim, "The Role of Private Commercial Bank in Corporate Social Responsibility with Reference to Islami Bank Bangladesh Limited," *Open Access Library Journal* 6, no. 5 (2019): 1–14.

[146] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

1.6 Research Methodology

Research methodology enables the researcher to formulate the right path to conduct the research project and report the findings.[147] This study uses qualitative research methodology, which is suitable for any new topic or any topic with limited prior research,[148] enabling answering various necessary inquiries on the selected topic.[149] The applied methodology of this study consists of library-based research and interviews as the fieldwork, considering the lack of academic references.

The study employs a well-structured interview based on the purposive sampling method. Purposive sampling (also known as reasoning, careful, or independent sampling) is a sampling strategy that relies on self-judgment when selecting members of a population to take part in a research study.[150] The purpose of the fieldwork in this study is to enable the researcher to illustrate all related information, knowledge and updates on CSR policies applied in Halal-certified businesses in Bangladesh more comprehensively and precisely. It offers precise reasoning for some pertinent facts and concerns reported. Table 1.3 below represents the methodology used in this study.

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[147] Dina Wahyuni, "The Research Design Maze: Understanding Paradigms, Cases, Methods and Methodologies," *Journal of applied management accounting research* 10, no. 1 (2012): 69–80.
[148] Pamela Baxter and Susan Jack, "Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers," *The qualitative report* 13, no. 4 (2008): 544–559.
[149] Haradhan Kumar Mohajan, "Qualitative Research Methodology in Social Sciences and Related Subjects," *Journal of Economic Development, Environment and People* 7, no. 1 (2018): 23–48.
[150] Ilker Etikan, Sulaiman Abubakar Musa, and Rukayya Sunusi Alkassim, "Comparison of Convenience Sampling and Purposive Sampling," *American journal of theoretical and applied statistics* 5, no. 1 (2016): 1–4.

Table 1.3

Summary of the Research Methodology

Methods	Research questions	Instruments
Qualitative	What is the current practice of CSR in Halal-certified businesses in Bangladesh?	Library Research and Interview
Qualitative	What are the laws, regulations, or guidelines relating to CSR in Halal-certified businesses in Bangladesh?	Library Research and Interview
Qualitative	How can the practice of CSR in Halal-certified businesses in Bangladesh be improved?	Library Research and Interview

1.6.1 Research Design

This study is normative legal research that uses the laws as the foundation of the norm. The study draws on library research, reading and analysing of primary and secondary data. Normative legal research includes the law, theoretical, methodical, relative, historical, logical, and case study approaches.[151] This study uses rules, laws, and guidelines to analyse the objectives of the study, supported by several raw data to justify the analysis. It contains qualitative data, where primary data is the main study data, and secondary data is concurrent with the original data.

The study uses a statutory approach to collect data and analyse the current CSR-related provisions. It assists the researcher in examining current CSR-related provisions using descriptive/narrative analysis among related CSR-related laws and regulations. The study

[151] Theresia Anita Christiani, "Normative and Empirical Research Methods: Their Usefulness and Relevance in the Study of Law as an Object," *Procedia-Social and Behavioral Sciences* 219 (2016): 201–207.

uses a descriptive approach to study and analyse CSR-relevant provisions from statutes and current guidelines on implementing CSR in Halal-certified businesses. The analysis covers the planning method, implementation policy, monitoring, assessment mechanism, punishment, and reward scheme in implementing CSR in Halal-certified businesses.

The study applies a purposive sampling approach to identify several distinguished persons in the field of Halal and CSR. The well-structured interviews represent the latest information from eight key Halal and CSR experts. It is fair to say that the legal research process often entails interdisciplinary analyses to gather actual knowledge from the field.[152] As a result, normative legal research principles play the most important role in determining answers and solutions to each research question.[153]

The study adopts the qualitative approaches to information, seeking to achieve the fundamental goals of the research. Selecting specific problems decides the purpose of this study and seeks answers to the questions accordingly. This study creates its design to answer the questions caused by each problem and collects the necessary data accordingly. In this study, using library research and interview data enables meeting the objectives of all three research questions. Table 1.4 below represents the overall research design.

[152] Jan M. Smits, "Law and Interdisciplinarity: On the Inevitable Normativity of Legal Studies," *Critical Analysis of Law* 1, no. 1 (2014): 75–86.
[153] Christiani, "Normative and Empirical Research Methods: Their Usefulness and Relevance in the Study of Law as an Object."

Table 1.4

Research Design

Problem	Question	Objective	Action
Unethical and unwanted business practices.	What is the current practice of CSR in Halal-certified businesses in Bangladesh?	To analyse the current practice of CSR in Halal-certified businesses in Bangladesh.	Library Research and Interview
Lack of legal provisions on CSR.	What are the laws, regulations, or guidelines relating to CSR in Halal-certified businesses in Bangladesh?	To examine the laws, regulations, or guidelines relating to CSR in Halal-certified businesses in Bangladesh.	Library Research and Interview
Lack of research on CSR improvement.	How can the practice of CSR in Halal-certified businesses in Bangladesh be improved?	To make suggestions and recommendations to improve the practice of CSR in Halal-certified businesses in Bangladesh.	Library Research and Interview

1.6.2 Types of Data

Data is the most valuable and essential feature of any research project. Qualitative research consists of both verbal and nonverbal data sources.[154] Interviews, field notes, letters, and so on are examples of verbal data, whereas nonverbal data includes art, print, video, film, documents, etc. However, this study includes data from three major categories as the following:

[154] Brigitte Cypress, "Qualitative Research Methods: A Phenomenological Focus," *Dimensions of Critical Care Nursing* 37, no. 6 (2018): 302–309.

a. Primary Data

Primary data refers to the researcher's original and unique data collected directly from sources following the requirements.[155] Concerning this study, primary data is the leading data, and secondary data supports primary data. Primary data includes acts, jurisprudence, laws, regulations, statutes, treaties, and interview data. This primary data is only to complete all secondary data of this study. This study uses several laws of Bangladesh, international guidelines on CSR and interview data.

b. Secondary Data

Secondary data belongs to data that has already been accumulated for a specific purpose and recorded elsewhere.[156] Regarding this study, secondary data is the complementary and corresponding source of the data. This study uses data from books, field notes, journal articles, magazines, newspapers, thesis, unpublished journal articles, unpublished laws and regulations, and unpublished papers. It enables the researcher to get appropriate ideas, theories, past research, and concepts. It interlinks with research questions and objectives. Lastly, it supports primary data.

c. Tertiary Data

Tertiary sources of information or data are index or textual consolidations of primary and secondary sources that are sometimes assistive in getting other resources.[157] They are usually not credited to a particular author. In respect of this study, tertiary data sources

[155] Ram Prasad Khatiwada, B. L. Pradhan, and N. Poudyal, *Research Methodology* (Kathmandu: KEC Publication, 2015); Ranjit Kumar, *Research Methodology: A Step-by-Step Guide for Beginners* (Los Angeles: SAGE Publications, 2011).
[156] Khatiwada, Pradhan, and Poudyal, *Research Methodology*; Kumar, *Research Methodology: A Step-by-Step Guide for Beginners*.
[157] Jim Alderman, *Primary, Secondary, and Tertiary Sources*, 2014.

include dictionaries, almanacks, directories, fact books, guidebooks, handbooks, manuals, Wikipedia, indexing, and abstracting sources.

1.6.3 Data Collection

Library research is an integral part of this study. The researcher carefully examines relevant information to determine usefulness, reliability, and authenticity. The researcher collects all the relevant information through library resources strictly and formally. The researcher began this process at the beginning of the study because the research project prospers from generalised conceptual ideas to more precise academic conclusions.[158] The researcher continuously tracks various data sources while documenting when and where the materials were found.

The study also includes face-to-face interviews. Data collection via personal interviews offers vital significance.[159] It enables the researcher to control the context and the sequence of questions the interviewer takes.[160] The quality of data through personal interviews reflects the highest level. Because it can reach the maximum response rate, sometimes over eighty percent;[161] moreover, it builds relationships and can inspire interviewees to answer completely and accurately, which supplies rich and highly illuminated information.[162]

[158] Mike Allen, "The SAGE Encyclopedia of Communication Research Methods" (Thousand Oaks, CA: SAGE Publications, Inc., 2017).
[159] Sarah Knox and Alan W. Burkard, "Qualitative Research Interviews," *Psychotherapy research* 19, no. 4–5 (2009): 566–575.
[160] Rick H. Hoyle, Monica J. Harris, and Charles M. Judd, *Research Methods in Social Relations*, 6th ed. (Orlando: Harcourt Brace Jovanovich, 1991).
[161] Colin Robson, *Real World Research: A Resource for Social Scientists and Practitioner-Researcher* (Wiley-Blackwell, 2002).
[162] Robson, *Real World Research: A Resource for Social Scientists and Practitioner-Researcher*.

This study includes face-to-face interviews with the view that the interview is a matter where the order is deliberately put under pressure. The interview data, as social responses, are generated by the respondent's self-presentation.[163] Because it is not considered whether they are interested, the interviewee is still concerned about showing a particular level of competency as a community member who has been invited to the interview, which is an inevitable constraint.

The following constitute justification for adopting face-to-face interviews in this study:

a. To create detailed information about the challenges facing the Halal certification system and workable solutions with the people directly involved.
b. To explore the policies and institutional issues that make CSR in Halal-certified businesses questionable and problematic.
c. To present a more comprehensive picture of the joint and individual contribution of social and cultural issues to strengthen the CSR in Halal-certified businesses.
d. To supply a basis for a conducive and interactive environment for in-depth discussions on the effectiveness of government policy in addressing the ongoing problems related to CSR in Halal-certified businesses.
e. To provide appropriate quality information that will aid in attaining the main goal of the research, which is to discover solutions to the vexing question, "Why is unethical activity noticeable despite being a Halal practitioner?"

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[163] Gale Miller and Robert Dingwall, *Context and Method in Qualitative Research* (London: SAGE Publications, 1997).

Scholars well said, "Ethical or unethical actions do not occur in a vacuum but in a business perspective that suits directors, managers or its operators."[164] Businesses must protect and contribute to the communities in which they operate.[165] Business entities, i.e., corporations, are legal persons but have no ethics or morality. The actions of their operators and the business culture contribute to the moral context. Ethical decisions rest with their operators, who decide matters related to an organisation's business conduct and policies. Hence, this study prioritises taking the views and opinions of business operators and the relevant authority.

The questionnaire was thoroughly checked and justified by a CSR expert in Bangladesh,[166] and the research ethics standards were properly followed throughout the data collection process. The research ethics standards were properly followed. The researcher interviews eight selected expert professionals closely related to the country's Halal sector and CSR activities. The researcher selects them because the practice evidence of multiple institutes is often considered more compelling.[167] Since the study objects to generalising, predicting, and assessing new interpretations, it does not require a larger population sample.[168] The sampling of this study ensures information richness with an illustration of CSR in Halal-certified businesses. Table 1.5 below shows the ratio of interviewed respondents.

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[164] Linda Klebe Trevino, "Ethical Decision Making in Organisations: A Person-Situation Interactionist Model," *Academy of Management Review* 11, no. 3 (1986): 601–617; Bart Victor and John B. Cullen, "The Organisational Bases of Ethical Work Climates," *Administrative Science Quarterly* (1988): 101–125.
[165] Jay B. Barney and Ricky W. Griffin, *The Management of Organisations: Strategy, Structure, Behavior* (Houghton Mifflin College Div., 1992).
[166] Mohammad Belayet Hossain, (Associate Professor and Dean), Chittagong Independent University (CIU), Minhaj Complex, 12 Jamal Khan Road, Chattogram, 4000, Bangladesh.
[167] K. Yin Robert, *Case Study Research: Design and Methods* (London: SAGE Publications, 1994).
[168] Donald R. Cooper, Pamela S. Schindler, and Jianmin Sun, *Business Research Methods* (New York: McGraw-Hill, 2006); Matthew B. Miles and A. Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook* (Thousand Oaks: Sage Publications, 1994); Michael Quinn Patton, *Qualitative Evaluation and Research Methods* (Newbury Park, California: SAGE Publications, 1990).

Table 1.5

Research Respondents Interviewed

S/N	Respondent interviewed	Quantity
1	Government Officials (Halal)	4
2	Private Officials (Halal)	1
3	Private Officials (CSR)	2
4	Practitioner (Halal-certified business)	1
	Total	8

The researcher conducts face-to-face interviews individually with each respondent. The respondents are either the Director, Departmental Head or Chief executive officer standing for their respective organisations. As the head or chief of the organisation, they are good enough to provide the information for this study. Interview performed to produce a report exploring the degree to which Halal-certified businesses perform and fulfil Sharia principles with elements consistent with the concept of CSR. Table 1.6 below shows the background information of the research respondents.

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Table 1.6

Research Respondent's Background Information

Name and Position	Particulars	Official Details
Marzita Ibrahim (Senior Assistant Director)	Age:40 Gender: Female Education: Degree	Department of Islamic Development Malaysia (JAKIM), Putrajaya, Malaysia
Mohamad Romji Sulaiman (Senior Manager)	Age: 50 Gender: Male Education: Degree	Halal Development Corporation Berhad (HDC), Selangor Darul Ehsan, Malaysia
Rabiatul Adawiah Binti Ramli (Halal Trainer)	Age: 37 Gender: Female Education: Master	DagangHalal Group, Kuala Lumpur, Malaysia

Azliza Binti Che Hussain (Assistant Manager)	Age: 40 Gender: Female Education: Degree	SHE & Sustainability, CCM Chemicals Sdn Bhd, Kuala Lumpur, Malaysia
Md. Abul Kalam (Director)	Age: 57 Gender: Male Education: Master	Department of Halal Certification, Islamic Foundation Bangladesh, Dhaka, Bangladesh
Md. Abu Saleh Patwwary (Mufassir and Deputy Director)	Age: 52 Gender: Male Education: PhD.	Department of Halal Certification, Islamic Foundation Bangladesh, Dhaka, Bangladesh
AKM Ahsanul Hoque (Director)	Age: 44 Gender: Male Education: Master	Research and Training, CSR Bangladesh, Dhaka, Bangladesh
Tashrique Shabab (Programme Officer)	Age: 36 Gender: Male Education: Master	CSR Centre Bangladesh, Dhaka, Bangladesh

1.7 Data Analysis

Data Analysis is a process that enables the researcher to inspect, clean, transform and remodel collected data to reach a precise conclusion for a given time and situation.[169] The researcher first integrates all collected data after interview sessions regarding this study. Then, the researcher examines, categorises, and recombines the collected data to report the findings of this study. In order to answer the questions asked during the interview, the researcher organises the data into coherent categories. The researcher keeps all materials secure and confidential, preventing unauthorised tracking of the collected data. The three steps of the data analysis process in this study are as follows:

[169] D. Kenny, D. Kashy, and N. Bolger, "Data Analysis," in *The Handbook of Social Psychology: Vols. 1 and 2* (New York: McGraw-Hill, 1998), 233–265.

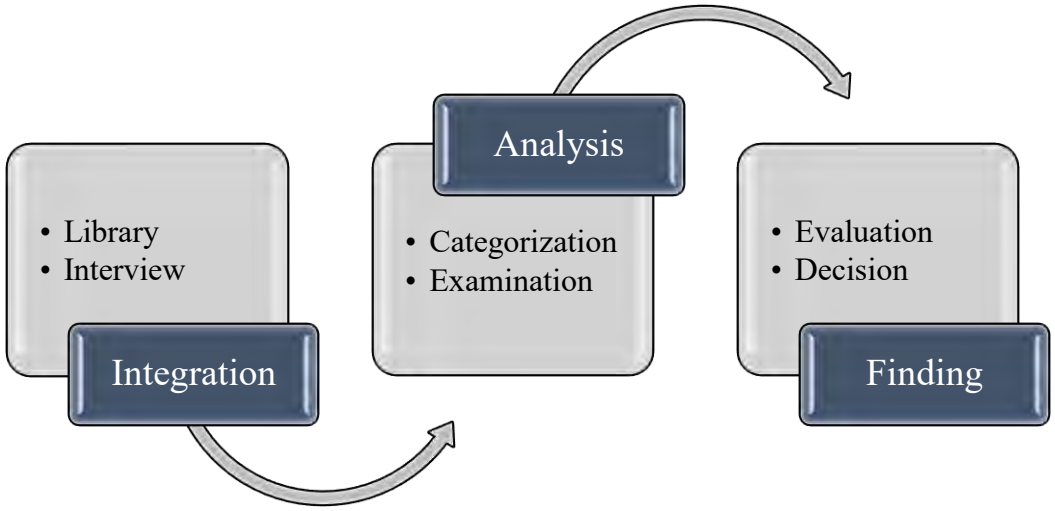

Figure 1.1: Data Analysis.

The study uses a descriptive/narrative approach to analyse the collected data. The reason behind choosing it is the purposes of (a) abbreviating raw documented data into a brief, summary format and (b) launching clear relations among the assessment or research purposes and the summation findings resulting from the raw data. It enables the researcher to achieve an easily used and systematic set of procedures for analysing qualitative data to produce reliable and valid findings.[170] Additionally, it offers the researchers a high level of impartiality and neutrality. For gathering data that depicts relationships as natural and presents the world as it is, descriptive/narrative analysis is seen to be superior. Because all trends are developed after an investigation into the actual behaviour of the data, descriptive and narrative analyses are strongly grounded in reality and closely related to humanity.[171]

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[170] Richard Baskerville, Brian Pentland, and Geoff Walsham, "Two Techniques for Qualitative Data Analysis: Descriptive Narrative and Generalization," *ICIS 1994 Proceedings* 69 (1994).
[171] Michelle Butina, "A Narrative Approach to Qualitative Inquiry," *Clinical Laboratory Science* 28, no. 3 (2015): 190–196.

It is fair to say that the qualitative study consists of many narrations from various data sources. Dealing with such data sometimes becomes burdensome for the researcher when it goes through mere documentation without analysing until all evidence is gathered. Researchers then seem to be lost in the vast amount of evidence.[172] It becomes complicated to decide where to start and where to end. Therefore, this study uses data displays and narrations for data assimilation and analysis. These two elements of the database minimise the complication during documentation. Noticeably, all the research respondents grant and permit the researcher to display personal and organisational details in the study. The researcher believes publishing research respondents' information in this study is safe and not harmful to any research respondents.

1.8 Validity of Data

This study adopts data triangulation to ensure the validity of data. Triangulation is "a validity process where researchers seek to meet diverse sources of information to form topics and classifications in a study."[173] To this end, this study develops the relevant topics and sub-topics by searching for convergence among the three sources of information: data from Bangladesh, Malaysia, and empirical evidence from the literature.

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[172] Robert K. Yin, "The Case Study Crisis: Some Answers," *Administrative Science Quarterly* 26, no. 1 (1981): 58–65.
[173] John W. Creswell and Dana L. Miller, "Determining Validity in Qualitative Inquiry," *Theory Into Practice* 39, no. 3 (2000): 124–130.

1.9 Operational Definition

Halal-certified business: The Halal certification and verification system is regarded as key to trust in Halal quality.[174] Halal certification specifies the safety of Islamic traditional and spiritual instruction,[175] where business experiences legitimate declarations and reliability with consumers and expands market possibilities.[176] It encourages businesses to obtain Halal certification to give customers what they are worth, win over the public's confidence, and profit from the global Halal market.[177]

This study underlines that "Halal-certified business" refers to business activities with either of the following.

a) Individual Halal products/services: Indicating the making activity and materials in that goods/services are Halal. So, a user can obtain a Halal object from a source that offers non-Halal objects. For instance, a Muslim tourist can stay in a hotel where a particular unit is designed to maintain Islamicity, i.e., supplies praying equipment.
b) Halal production: Indicates that any object generated corresponding to the certification standards is Halal. For illustration, a slaughterhouse is authorised to produce Halal meat per the standard. It makes no difference what cuts or final form the meat takes, even if it may not be labelled Halal when it reaches the market.

[174] Khan and Haleem, "Understanding 'Halal' and 'Halal Certification & Accreditation System'-A Brief Review."
[175] Adams, "Globalization: Explaining the Dynamics and Challenges of the Halal Food Surge."
[176] Regenstein, Chaudry, and Regenstein, "The Kosher and Halal Food Laws."
[177] Ghani, "Halal Certification of New Zealand Food Products."

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c) Halal premises: Means that all products/services prepared/arranged and sold from that business entity are Halal. For example, a restaurant can produce a variety of Halal foods and drinks.

1.10 Research Scope

This study elucidates CSR and how it is applied in Halal-certified businesses and discusses the laws providing recourse to CSR in some instances, including economic and social-related cases. It also explains the relevant Acts of CSR, such as the Companies Act of 1994, the Bangladesh Labour Act of 2006, the Bangladesh Environment Conservation Act of 1995, etc., to get proper knowledge of CSR execution. Therefore, the objectives of this study are more focused and apparent in scope.

This study discusses CSR in Halal-certified businesses from a legal perspective rather than an accounting or business perspective. The Companies Act (Bangladesh), 1994 enshrines some forms of CSR that bring a substantial public influence, particularly to the companies within business sectors connected to various resource exploitation. Hence, in describing a comprehensive and clear picture of CSR in Halal-certified businesses in Bangladesh, some related national laws, initiatives, and global guidelines on CSR have become the scope of this study.

It is fair to say business activities result from their operator's decisions and actions. Such decisions and actions can only be controlled and extended if rules and regulations on their limits and scope exist.[178] Since a business can do nothing but its operators, studying the

[178] David Hess, *Corporate Social Responsibility, and the Law*, José Allou. (Hampshire, UK: Palgrave Macmillan, 2006).

existing legal tools that influence their actions and relate to CSR is effective for this study. Currently, Halal-certified businesses in Bangladesh are primarily producers, manufacturers or distributors of various food items and beverages. Hence, the analysis includes the food safety-related laws in Bangladesh to examine Halal-certified businesses' responsibilities towards diverse stakeholders. The purpose of analysing legislation in this study is to explore the strengths and weaknesses that may affect CSR in Halal-certified businesses.

Additionally, in order to suggest and recommend implementable and practical measures to improve CSR practice in Halal-certified businesses in Bangladesh, the study seeks positive suggestions by analysing CSR policy in Malaysia. The Halal certification system first started in Malaysia in the 1980s and expanded to other countries.[179] The government of Malaysia strongly promotes the Halal certification system for companies.[180] Therefore, an analytical study of its Halal-certified business's CSR policy is fruitful for the research. The primary targeted data comes from Bangladesh's perspective. The data from Malaysia helps the researcher analyse each other and get positive suggestions from the existing Halal-certified business' CSR policy through analytical digesting. Remarkably, this research is not a comparative study; it is to learn comparatively.

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However, the populations this study involves are limited since people are not much aware of CSR. The individuals who were involved in the fieldwork for this study were chosen

[179] Khan and Haleem, "Understanding 'Halal' and 'Halal Certification & Accreditation System'-A Brief Review."
[180] Yasmin Hanani Mohd Safian, Ahmad Zaki Salleh, Mohamad Aizat Jamaluddin, and Muhammad Hafizuddin Jamil, "Halal Governance in Malaysian Companies," *Journal of Fatwa Management and Research* (2020): 40-52.

after taking into account each organisation's level of commitment to CSR as well as their individual level of expertise on CSR. The detailed data that have become the scope of the study will be explained as follows:

1. Primary Legal Materials

1.1 National legal instruments

a) The Companies Act (Bangladesh), 1994

b) The Bangladesh Labour Act, 2006

c) The Bangladesh Environment Conservation Act, 1995

d) The Constitution of the People's Republic of Bangladesh

e) The Food Safety Act, 2013

f) The Food (Special) Court Act, 1956

g) The Special Powers Act, 1974

h) The Bangladesh Standards and Testing Institution Act, 2018

i) The Consumer Rights Protection Act, 2009

j) The Islamic Foundation Act, 1975

1.2 International Legal Instruments

a) The Islamic Reporting Initiative (IRI)

2. Secondary Legal Materials

a) Books

b) Scientific Journals

c) Other legal and non-legal documents related to the issue

d) Trusted site internet

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3. Tertiary Legal Material

a) Black's Law Dictionary

1.11 Limitations of the Study

The setting of the study is constrained to examining, defining, and analysing some applicable laws and guidelines on CSR. The study has limitations in the following areas: CSR is a compassionate issue since the term CSR in Halal-certified businesses sounds weird to CSR professionals such as scholars, experts, non-governmental organisations, and businesses. In Bangladesh, businesses enjoying Halal certification are mostly unaware of the social responsibility of an individual member of society. Current CSR practitioners and government officials within respective departments and organisations are disinclined to emphasise CSR in Halal-certified businesses other than the current conceptual understanding of philanthropy. Hence, they were primarily unwilling to participate in the study and provide information.

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Within corporations, other significant constraints are getting information, opinions, and feedback about past, current, and future CSR programs. Still, minimal scholarly references, records, dissertations, and thesis on CSR in Halal-certified businesses are available. It is a constraint in finding academic literature on CSR in the country. However, the most relevant existing academic literature has been used throughout the study. The researcher has chosen relevant literary references such as articles, books, thesis, or dissertations to overcome the research objectives.

Another limitation of the research is the difficulty of interviewing those concerned with Halal and CSR. Additionally, most Halal-certified businesses in Bangladesh were

unwilling to participate in discussing their CSR policy and practice. Since CSR in Bangladesh is a voluntary business activity, no one was interested in providing hard facts and information on it. Therefore, the researcher has used personal and formal communication to overcome reluctance and refusal to be interviewed.

The study finds eight respondents for the research data collection process. Since the study objects to generalising, predicting, and assessing new interpretations, it does not require a larger population sample. However, it could be more effective in determining the CSR in Halal-certified businesses if the study could include more research participants, especially Halal-certified businesses. However, the study included the Halal governing authority, CSR-related core organisations and policymakers, which is effective in reaching authentic findings.

1.12 Significance of the Study

Through the comprehensive analysis of this study on CSR in Halal-certified businesses in Bangladesh, the influence of socially responsible businesses will be unravelled, emphasised, and scrutinised. The concerned community will realise promoting CSR in Halal-certified businesses as a preventive measure against business malpractices. Business people, policymakers and others may consider CSR an integral part of Halal-certified business rather than mere philanthropic activity.

Moreover, this study will elucidate how CSR prevails in the business community in Bangladesh. This study will raise public awareness about how CSR in Halal-certified businesses may impact the present economic environment. Furthermore, by learning about

the previous impact of CSR on Halal-certified businesses in Bangladesh, interested organisations and institutions may have a fresh strategy for dealing with it in the future.

Additionally, the overview provided in this study will spark new perspectives that will be helpful for future discussions on the idea of CSR in Halal-certified businesses and might result in a more in-depth examination. The study may greatly enhance CSR in Halal-certified businesses in a developing nation like Bangladesh. It may help in describing clearly the current indistinct policy of CSR so that the policymakers, businesspeople, and others may think anew to secure socially responsible business actions contributing to social advancement. They may consider CSR performance the primary catalyst in contributing to the development of the nation and solving the country's corporate and diverse social issues.

Apart from this, the study may substantially contribute to the body of knowledge, predominantly on Halal-certified businesses' social responsibility policy. It might enrich the literature on CSR in Halal-certified businesses because CSR is still a relatively new concept, and very few businesses have adopted some activities under the name of CSR. CSR significantly affects commercial institutions' financial reporting, environmental preservation, societal relationships, and strong corporate governance performance. In light of this, the study results might serve as the foundation for establishing a functional mechanism for the CSR surveillance body.

This study may help the government (legislators) to amend or enact a new law to promote CSR in Halal-certified businesses in Bangladesh. The existing legal arrangements do not foster CSR in Halal-certified businesses. There is a significant need to revise existing laws

as they cannot ensure CSR in Halal-certified businesses in Bangladesh. To this end, the study findings may help revise existing laws or enact fresh legislation to cope with the social demands and needs of CSR.

This study may benefit vast stakeholders relevant to Halal-certified businesses in Bangladesh, including creditors, debtors, suppliers, employees, workers, etc. Policymakers may think anew about implementing CSR in Halal-certified businesses in Bangladesh. They may consider CSR a pre-condition for holding Halal certification for the business. CSR in Halal-certified businesses may remove existing business malpractices. Since religious motivation strongly motivates businesspeople in Bangladesh to perform philanthropic activities, it would be easier for the policymaker to assert Halal-certified businesses observing CSR (economic, legal, ethical and philanthropic responsibilities) under the concept of Halal, removing the trend of mere philanthropic activities.

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This study may substantially impact Halal-certified businesses since CSR fosters consumer loyalty and gives businesses a competitive advantage. CSR makes workers happier and more fulfilled, which increases the sustainability of a business. This study may help Halal-certified businesses attract more investors by ensuring CSR, opening up new opportunities and improving the world.

This study may benefit global Halal practitioners, especially those who consume Bangladeshi Halal consumables. The study may effectively promote CSR-based business practices that secure the products' safety, quality and authenticity and ensure employment-related safety, which is a primary global concern. If Halal-certified businesses in

Bangladesh perform CSR, the national and international concerns over Halal will be settled, and the Halal sector in Bangladesh may get global expansion.

1.13 Organisation of the Thesis

In this study, the descriptive/narrative approach guides the organisation of the thesis chapters to achieve a logical progression of ideas. Therefore, it is organised as follows:

Chapter One: This chapter provides an overview of the study. It outlines the problem statement and introduces applied research methodology. It further describes the scope and significance of the study and highlights the limitations of the study.

Chapter Two: This chapter reviews the literature on CSR, looking at the approaches usually adopted by scholars in exploring the concept. It also provides perspectives on Halal-certified businesses; the chapter then extensively reviews the literature on the linkage between CSR and Halal-certified businesses.

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Chapter Three: The chapter analyses the current practice of CSR in Halal-certified businesses in Bangladesh. It assists the researcher in responding to the research question related to the current practice of CSR in Halal-certified businesses in Bangladesh.

Chapter Four: The chapter examines the law related to CSR in Halal-certified businesses in Bangladesh. It assists the researcher in knowing and examining the existing laws, regulations or guidelines relevant to CSR in Halal-certified businesses in Bangladesh.

Chapter Five: The chapter concludes the thesis by submitting the main findings, recommendations and contributions. It also presents possible ways for future research on how it can be further developed.

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CHAPTER TWO

CORPORATE SOCIAL RESPONSIBILITY

2.1 Introduction

This chapter performs an extensive literary study on CSR. The chapter begins by examining the general understanding of CSR. It looks at the approaches usually adopted by scholars in exploring the concept. The study then performs an extensive study on CSR in Bangladesh. The discussion starts with the historical background of CSR in Bangladesh. The discussion further highlights the major national initiatives regarding CSR in Bangladesh, exemplifying the national concern over CSR. The chapter ends by narrowing the discussion to Bangladesh by extensively reviewing some key and influential studies addressing the current status of the practice of CSR in the country.

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2.2 Historical Background of Corporate Social Responsibility (CSR)

The historical background of CSR activities is a long and varied one. The research found that this history is centuries old.[181] Chaffee points out that the vindication of the conceptual consideration regarding corporations as social enterprises can be drawn back to early Roman laws, which can be evident in asylums, hospitals, homes for people experiencing poverty, older people, and orphanages.[182] Accordingly, a similar notion followed English

[181] Archie B. Carroll, "A History of Corporate Social Responsibility: Concepts and Practices," *The Oxford Handbook of Corporate Social Responsibility* 1 (2008).
[182] Eric C. Chaffee, "The Origins of Corporate Social Responsibility," *University of Cincinnati Law Review* 85 (2017): 347–373.

law in academic, municipal, and religious institutions during the Middle Ages. During the sixteenth and seventeenth centuries, the English Crown was influential in exploring the notion as it considered the corporations an instrument for social development.[183]

Later, the notion kept state with the English Empire as it expanded, and the Crown exported its corporate law to the newly conquered lands, especially its American colonies.[184] Research on CSR also reveals that it has been the subject of discussion for a long time[185] , which can be exemplified by the free-market treatise namely "The Fable of the Bees"[186] by Mandeville and "Wealth of Nations"[187] by Adam Smith, where the topic was hinted at in the seventeenth century.

Throughout the 18th and 19th centuries, the Christian spiritual ideology and approach gave rise to philanthropic activities throughout the English Empire, considering social issues such as poverty.[188] This idea of philanthropy as a problem-solving method was later directed at the working class. The formation of the welfare scheme for workers both in Europe and America can exemplify it.[189] "The Young Men's Christian Association" is another example established in London in 1844, intending to employ Christian morals in

[183] Chaffee, "The Origins of Corporate Social Responsibility."
[184] Chaffee, "The Origins of Corporate Social Responsibility."
[185] Malcolm H. Cone, "Corporate Citizenship: The Role of Commercial Organisations in an Islamic Society," *Journal of Corporate Citizenship* 9 (2003): 49–66.
[186] Bernard Mandeville, *The Fable of the Bees: Private Vices, Public Benefits* (New York: Capricorn Books, 1705).
[187] Adam Smith, *The Wealth of Nations* (London: David Campbell, 1776).
[188] Brian Harrison, "Philanthropy and the Victorians," *Victorian Studies* 9, no. 4 (1966): 353–374.
[189] Carroll, "A History of Corporate Social Responsibility: Concepts and Practices"; Harrison, "Philanthropy and the Victorians."

business activities.[190] During that time, the Christian religious obligation played an influential role in responding to social needs.

Although the precedent for CSR activity is old, it remains an elusive concept. It makes anxious and eager scholars, academics, economists, politicians, business ethicists, and theorists think and work on it.[191] To date, the term associates a lack of uniform, well-established, universal, standard definition, which is the centre of the ongoing debate about the term.[192] The existing definitional deficiency significantly encourages eagerness to stand for one's own definition and conception, which often advances or detracts from the idea.[193]

A common trend among thinkers usually makes the term synonymous with philanthropy in defining CSR. Possibly, curious minds consider its evolvement from philanthropy. Many CSR thinkers often misinterpret "social" and "responsibility." For example, about the term "social," many raise social issues that are not even under the corporation's responsibility. They refer to health, education, security, and similar, usually under the government's responsibility. Some use the word "social" to refer to society in its broadest sense, which includes the planet and the environment.[194]

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[190] Morrell Heald, *The Social Responsibilities of Business: Company and Community 1900-1960* (United States of America: Press of Case Western Reserve University, 1970).
[191] Michael Hopkins, *Corporate Social Responsibility: An Issues Paper*, SSRN 908181 (Geneva, 2004).
[192] Marrewijk, "Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion."
[193] Antonio Vives, "Corporate Social Responsibility: The Role of Law and Markets and the Case of Developing Countries," *Chicago-Kent Law Review* 83 (2008): 199.
[194] Vives, "Corporate Social Responsibility: The Role of Law and Markets and the Case of Developing Countries."

The conceptual understanding of CSR thinkers differs from each other due to their practical needs, perceptions, and objectives of applicability.[195] Many CSR thinkers claim "responsibility" is the accountability of actions. Some others argue that it is a sense of duty toward society. Meanwhile, a popular and widely accepted interpretation of the term "responsibility" is good judgment (as characterised in the Golden Rule, "Do unto others as you would like done unto you").[196]

Additionally, some scholars claim no corporate responsibility toward society during defining and conceptualising CSR. The corporation is responsible only to its owner and shareholders for legally making a profit.[197] Some scholars argue this view and opine that it has numerous responsibilities that originate from ethical principles and moral values toward all who have a stake in a corporation.[198] It represents a significant conceptual difference among scholars regarding the issue of corporate responsibility and its consequences. Considering the conceptual deficiency, the following discussion critically analyses important initiatives and relevant perspectives regarding CSR. It shows how the concept of CSR has spread to conventional businesses and on what basis the social responsibility of business has been determined in general.

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[195] Vives, "Corporate Social Responsibility: The Role of Law and Markets and the Case of Developing Countries."
[196] Vives, "Corporate Social Responsibility: The Role of Law and Markets and the Case of Developing Countries."
[197] Milton Friedman, "The Social Responsibility of Business Is to Increase Its Profits," *The New York Times Magazine*, 1970, 32–4.
[198] Archie B. Carroll, *Business & Society: Ethics and Stakeholder Management*, 2nd ed. (Cincinnati, OH: South-Western Publishing Co., 1993); Archie B. Carroll, "Corporate Social Responsibility: Evolution of a Definitional Construct," *Business & Society* 38, no. 3 (1999): 268–295; Thomas Donaldson and Lee E. Preston, "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications," *Academy of Management Review* 20 (1995): 65–91; R. Edward Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pitman/Ballinger, 1984).

2.2.1 Conceptual Understanding of CSR in General

The concept of CSR was first considered in the literature of the 1950s. Attempts to define CSR started at this time. Over the decades, practical implications of the idea based on social analysis were a central focus of academic research and the theoretical focus of CSR.[199] Adaptations and attitudes toward CSR discussions have been substantial since this decade.

Bowen[200] is the pioneer in the discussion of the idea of CSR. He emphasised the view that big businesses concentrate a tremendous amount of power and that the acts of these organisations have an immediate and direct influence on society. For this reason, they need to adjust the way decisions are made to consider the consequences of those decisions. Bowen proposed that corporations set a specific policy for fulfilling their social responsibilities to support his view.[201]

According to Bowen, "The decisions and actions of businessmen affect the stakeholders, employees, and customers, directly impacting society's quality of life."[202] He articulates, "In accordance with their social duties, corporate leaders should create and implement decisions and strategies that benefit society as a whole."[203] It is the earliest scholarly work

[199] Min-Dong Paul Lee, "A Review of The Theories of Corporate Social Responsibility: Its Evolutionary Path and The Road Ahead," *International Journal of Management Reviews* 10, no. 1 (2008): 53–73.
[200] Howard R. Bowen, *Social Responsibilities of the Businessman* (University of Iowa Press, 1953).
[201] Mauricio Andrés Latapí Agudelo, Lára Jóhannsdóttir, and Brynhildur Davídsdóttir, "A Literature Review of The History and Evolution of Corporate Social Responsibility," *International Journal of Corporate Social Responsibility* 4, no. 1 (2019): 1–23.
[202] Bowen, *Social Responsibilities of the Businessman*.
[203] Bowen, *Social Responsibilities of the Businessman*, 6.

explicitly concentrated on the doctrine of social responsibility for what Bowen is known to be the "Father of CSR."[204]

Subsequently, Davis explained why businessmen must reconsider their societal role and responsibilities, considering critical societal changes, economics, and politics. He says, "Regarding economic and human values, businessmen have a relevant obligation towards society." He also asserted, "Social responsibility might partially correlate with a company's financial performance."[205] The summary of his work provides significance that businesspeople need to appropriate between their social power and social responsibility. Otherwise, it will lead to a decline in the social power of the organisation.[206]

Frederick remarkably viewed the first fifty years of the 20th century as an intellectual and organised revolution in the business sector. According to him, the shift has altered economic and social thought and enhanced the economic dominance of major businesses."[207] He then developed a theory consisting of five elements to balance the increased power of businesspeople. According to him,

> "Business responsibility requires to (1) have a criterion of value (i.e., economic production and distribution), (2) be based on the latest concepts of management and administration, (3) acknowledge the historical and cultural traditions behind the current social context, (4)

[204] Carroll, "Corporate Social Responsibility: Evolution of a Definitional Construct."
[205] Carroll, "Corporate Social Responsibility: Evolution of a Definitional Construct"; Keith Davis, "Can Business Afford to Ignore Social Responsibilities?," *California Management Review* 2, no. 3 (1960): 70–76.
[206] Davis, "Can Business Afford to Ignore Social Responsibilities?"
[207] William C. Frederick, "The Growing Concern Over Business Responsibility," *California Management Review* 2, no. 4 (1960): 54–61.

> recognise that the behaviour of an individual businessman is a function of its role within society and its social context, and (5) recognise that responsible business behaviour does not happen automatically, but on the contrary, it is the result of deliberate and conscious efforts."[208]

While many influential CSR thinkers provided supportive views, Carson and Friedman came out with different approaches. Carson published a book, "The Silent Spring," where he raised questions about the extent of financial development and the impact societies and businesses have had on the environment.[209] Friedman provided a definite view of the role of businesses in a free commercial system where corporations must be controlled to monetary advantage.[210] Later, he explored his thought in his work, "The Social Responsibility of Business is to Increase its Profits." He considered CSR activities as improper utilisation of the company's resources, resulting in the inexcusable expenditure of wealth for the general societal concern.[211]

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Remarkably, two publications of "the Committee for Economic Development (CED)" of the United States of America responded to the social expectation. The publication of "A New Rationale for Corporate Social Policy" seeks to justify the involvement of corporations in social problems.[212] Another "Social Responsibilities of Business

[208] Frederick, "The Growing Concern Over Business Responsibility."
[209] Rachel Carson, *Silent Spring* (Boston, Cambridge: Houghton Mifflin, Riverside, 1962).
[210] Milton Friedman, *Capitalism and Freedom* (United States of America: University of Chicago Press, 1962).
[211] Friedman, "The Social Responsibility of Business Is to Increase Its Profits."
[212] William J. Baumol, *A New Rationale for Corporate Social Policy* (Heath Lexington Books, 1970).

Corporations" publication delves into society's new expectations on business.[213] These two reflect a further explanation of corporate roles and social responsibilities.[214]

CED explored the connection between corporations and society in their determination to define CSR.[215] They have acknowledged three distinct levels of social responsibility. To begin, it recognises economic functions as the primary focus of corporate responsibility, including creating products, jobs, and overall economic progress. Then, a thorough awareness of shifting societal values and the primacy of issues such as environmental conservation, employment practices, and employee relations, i.e., fair treatment and protection from damage. Finally, it summarises the contribution to improving the social environment. This last level is newly emerging and still amorphous.

Considering the corporate effect on society, Eilbert and Parket used an exciting analogy, "Good-Neighbourliness", to define CSR. They opine, "CSR is about not doing anything that spoils the neighbourhood."[216] It shows voluntary assumptions about the obligation to care for and solve problems in the neighbourhood. Following them, Eels and Walton considered corporate actions in the community and stood for a broader explanation focusing on an overall special effect on society. They opine, "A corporation must be attentive to its role while operating within the community where it runs and the social effects of its business practice." They explained,

[213] Committee for Economic Development, *Social Responsibilities of Business Corporations* (New York: CED, 1971).
[214] Carroll, "Corporate Social Responsibility: Evolution of a Definitional Construct"; Lee, "A Review of The Theories of Corporate Social Responsibility: Its Evolutionary Path and The Road Ahead."
[215] Committee for Economic Development, *Social Responsibilities of Business Corporations*.
[216] Henry Eilbirt and I. Robert Parket, "The Practice of Business: The Current Status of Corporate Social Responsibility," *Business Horizons* 16, no. 4 (1973): 5–14.

> "CSR significantly represents a concern with the needs and goals of society, which goes beyond the merely economic. Insofar as the business system as it exists today can only survive in an effectively functioning free society, where the CSR movement represents a broad concern with the business's role in supporting and improving that social order."[217]

Another exciting explanation regarding corporate responsibility toward society came from Post and Preston. They explained that corporations go through a limited public responsibility. Anything beyond that is not a requirement for the company, and exceeding this limit does not provide any clear direction to achieve its core goals. It could translate into an incompetent review of the operation. According to them, "Businesses are not responsible for enhancing existing social conditions or finding solutions to social issues; rather, their duty is limited to the immediate repercussions of the preferences they make and the actions in which they participate."[218]

Standing between these extremes is Carroll, who provided the first cohesive definition of CSR in the context of business and the latitude for discretion that society places on organisations at any particular time.[219] He produced a graphic illustration of CSR in the shape of a pyramid; the most popular explanation applied significantly in CSR discussion

[217] Richard Sedric Fox Eells and Clarence Cyril Walton, *Conceptual Foundations of Business*, 3rd ed. (Burr Ridge, IL: Irwin, 1974).
[218] James Post and Lee E. Preston, *Private Management and Public Policy: The Principle of Public Responsibility*, S. U. Pres. (United States of America: Pearson Education Inc., 1975).
[219] Archie B. Carroll, "A Three-Dimensional Conceptual Model of Corporate Performance," *Academy of Management Review* 4, no. 4 (1979): 497–505.

and practice. CSR Pyramid is the most popular simulation of CSR.[220] The source published the CSR Pyramid model is widely cited and referenced in business and society.[221]

Many theorists[222] and empirical researchers[223] have used the four conceptual categories or domains of CSR of Carroll. Carroll's set of responsibilities generates an infrastructure that eases delineating details and characterising the nature of responsibilities of the business to the society where it exists. He later defined CSR by illustrating the building block type of the four-part structure. He selected a simple, intuitive pyramid as a geometric design of the concept. Figure 2.1 below illustrates the various responsibilities of a corporation per the conceptual explanation of CSR of Carroll, followed by the explanations related to each distinct responsibility.

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[220] Visser, "Revisiting Carroll's CSR Pyramid: An African Perspective."
[221] Lee, "A Review of The Theories of Corporate Social Responsibility: Its Evolutionary Path and The Road Ahead."
[222] For example, Diane L. Swanson, "Addressing A Theoretical Problem by Reorienting the Corporate Social Performance Model," *Academy of Management Review* 20, no. 1 (1995): 43–64; Steven L. Wartick and Philip L. Cochran, "The Evolution of the Corporate Social Performance Model," *Academy of Management Review* 10, no. 4 (1985): 758–769; Donna J. Wood, "Corporate Social Performance Revisited," *Academy of Management Review* 16, no. 4 (1991): 691–718.
[223] For example, Kenneth E. Aupperle, "An Empirical Measure Of Corporate Social Orientation," *Research In Corporate Social Performance And Policy* 6 (1984): 27–54; Kenneth E. Aupperle, Archie B. Carroll, and John D. Hatfield, "An Empirical Examination of The Relationship Between Corporate Social Responsibility and Profitability," *Academy of Management Journal* 28, no. 2 (1985): 446–463; Brian K. Burton and W. Harvey Hegarty, "Some Determinants Of Student Corporate Social Responsibility Orientation," *Business & Society* 38, no. 2 (1999): 188–205; Max E. Clarkson, "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance," *Academy of Management Review* 20, no. 1 (1995): 92–117; Wanda J. Smith et al., "An Examination of The Influence of Diversity And Stakeholder Role On Corporate Social Orientation," *Business & Society* 40, no. 3 (2001): 266–294.

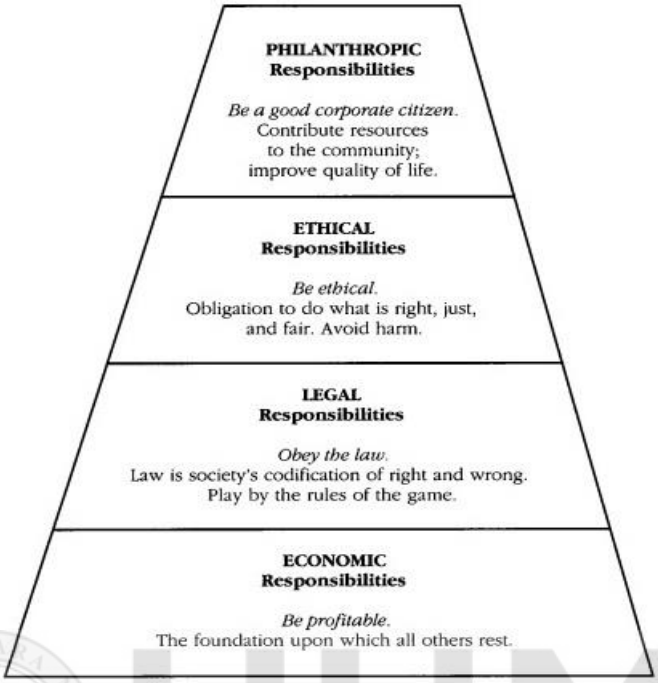

Figure 2.1 Carroll's Pyramid of CSR. Source: Archie B. Carroll, "The pyramid of corporate social responsibility: Toward the moral management of organisational stakeholders," *Business Horizons* 34, no. 4 (1991): 39-48.

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The pyramid's base is economic responsibility, the most important factor. A corporation can only fulfil the other expectations that society has for it if it first meets this basic requirement. Economic responsibility is like the foundation of a building in the pyramid's context, which means it has to be strong to support the whole structure. The other elements followed their respective order and society's expectations.

The first research study using Carroll's conceptual elements found that the features and the assessing instrument are valid, and the experts can distinguish them.[224] Numerous

[224] Aupperle, Carroll, and Hatfield, "An Empirical Examination of The Relationship Between Corporate Social Responsibility and Profitability."

experimental studies have proven the uniqueness and significance of the research on CSR's four aspects. A summary of the elements of the CSR pyramid follows.

Economic responsibility - Every corporation has a responsibility to maximise profit. It is the primary condition of the existence of the corporation. Profit is the primary goal of establishing a corporation; hence, the economic expectation may seem unusual in the social responsibility context. However, society obliges corporations to make a profit for their existence, considering incentives to the owners or shareholders to finance and suffer for reserves to persist operating. The economic responsibility of the corporation is the baseline requirement to reward investors or owners and for business growth as they may be reinvested into the business.[225]

Legal responsibility - Every corporation must remain within the law. Corporations need to run their business according to the relevant rules and regulations. Society admits corporations as economic entities and supplies legal enactments. Corporations must run and function under those legal enactments and ensure their law-abiding corporate citizenship.[226]

Ethical responsibility - Corporations are to behave ethically, even if the law does not require it. Laws are undoubtedly necessary for society, but they are not sufficient. Society expects corporations to operate and conduct their business activities ethically. Corporations should embrace such activities, rules, standards, and practices that are not even coded or expected by law. The ideological expectations of most societies are that

[225] Carroll, "Carroll's Pyramid Of CSR: Taking Another Look."
[226] Carroll, "Carroll's Pyramid Of CSR: Taking Another Look."

corporations will be morally good corporate citizens with a great observation of the spirit of the law.[227]

Philanthropic responsibility - Corporations will focus on activities of donations to the community.[228] In a literal sense, philanthropy or business giving is an entirely voluntary or discretionary activity of corporations that is not mandated or required by law. In a general ethical sense, philanthropy or business giving is not expected, but society encourages corporate participation in social activities. The quantity and nature of corporate social activities depend on the desire and discretion of the corporation.[229]

Corporations and society are interrelated. Economically, politically, and socially, corporations tie with others in society. Corporate actions affect society's well-being and the culture's viability directly or indirectly. Freeman provided the concept in 1984 that signifies a clear perception of a corporation being a vital part of society and its responsibility toward society.[230] He offered "Stakeholder Theory", which means, "A corporation is comprised of stakeholders, or individuals or groups with rights or interests in the corporation and its past, present, and future actions."[231] He acknowledged that a corporation's activities would not affect the well-being of anyone related to the corporation legally or socially.[232] Figure 2.2 below illustrates the various stakeholders of a corporation.

[227] Carroll, "Carroll's Pyramid Of CSR: Taking Another Look."
[228] Archie B. Carroll, "Managing Ethically with Global Stakeholders: A Present and Future Challenge," *Academy of Management Executive* 18, no. 2 (2004): 114–120.
[229] Carroll, "Carroll's Pyramid Of CSR: Taking Another Look."
[230] Freeman, *Strategic Management: A Stakeholder Approach*.
[231] Clarkson, "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance."
[232] Clarkson, "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance."

Figure 2.2 The Original Stakeholder Model. Source: R. Edward Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pitman/Ballinger, 1984).

Stakeholder theory is the learning of the interplay between companies and individuals in value creation and exchange processes. It offers a variety of resources that can help managers put stakeholder thinking into practice, gain a deeper understanding of their stakeholders, and jointly create value with and for those stakeholders.

CSR expert Fredrick showed some normative expectations representing commercial actions in a social context, prioritising CSR responsiveness to social expectations and fiscal rectitude.[233] He summarised the fundamental idea that business corporations must work for social betterment. Similarly, Burke and Logsdon aimed to develop an association between CSR and the positive commercial performance of business entities. They have observed various factors that link corporate commercial performance and CSR. They are the first to assess the advantages of the tactical application of CSR. According to them, "CSR may be utilised in conjunction with a strategic plan to assist the company's core business activities and, as a consequence, increase its effectiveness in accomplishing its

[233] W. Frederick, *Corporate Citizenship: Some Typologies* (Bloomington, IN: Indiana University Press, 1986).

primary goals."[234] They further provided five dimensions of strategic CSR: 1) centrality, 2) proactivity, 3) specificity, 4) visibility and 5) voluntarism. [235] These dimensions represent;

1) how near or fitting is CSR to the corporate goal and intentions;
2) the power to achieve definite benefits for the company;
3) the power to set up strategies in expectation of social developments;
4) discretionary management means that it is not affected by outside fulfilment obligations and
5) the application of the discernible and identifiable CSR for inner and outer stakeholders.

CSR thinker Elkington conceived the concept of "The Triple-bottom-line," which is a notable contributor to the debate around corporate behaviour. This sustainability framework balances various corporate impacts on society, the environment, and the economy. Later, he explored prospective corporate activities to achieve sustainability per the framework.[236] He says a continuing correlation between the private and public sectors and various stakeholder groups can achieve an effective triple-bottom-line performance. The spirit of the concept denotes that a corporation should behave responsibly from a social and environmental perspective with a balance to its economic goals. As the practical approach to sustainability, Elkington's concept of triple-bottom-line performance became popular in the late 1990s. Figure 2.3 below illustrates the concept, clearly showing a close relationship with society, environment, and economy.

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[234] Lee Burke and Jeanne M. Logsdon, "How Corporate Social Responsibility Pays Off," *Long-Range Planning* 29, no. 4 (1996): 495–502.
[235] Burke and Logsdon, "How Corporate Social Responsibility Pays Off."
[236] John Elkington, "Partnerships from Cannibals with Forks: The Triple Bottom Line Of 21st-Century Business," *Environmental Quality Management* 8, no. 1 (1998): 37–51.

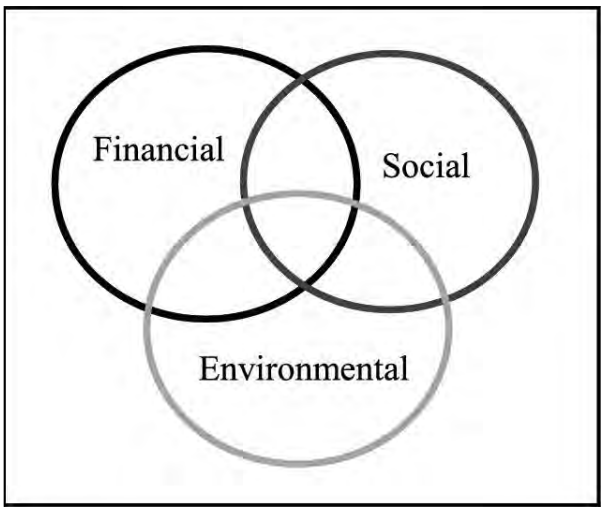

Figure 2.3 Triple-Bottom-Line. Source: Own elaboration based on John Elkington, "Partnerships from Cannibals with Forks: The Triple-bottom-line Of 21st-Century Business," *Environmental Quality Management* 8, no. 1 (1998): 37–51.

It demonstrates that the best way to conduct business is to be concerned with a variety of factors in addition to the numbers pertaining to net income. Businesses should not only be concerned with increasing their profits but also with the positive social and environmental impact they can create.

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Smith provided a new explanation of CSR, considering the changes in corporate policies having an optimistic social effect. He emphasised that in order for an organisation to fulfil its long-term social commitments, CSR must be taken into account as part of its strategic vision. According to him,

> "CSR refers to the obligations of the firm to its stakeholders. These obligations go beyond legal requirements and the firm's duties to its shareholders. Fulfilling these obligations is intended to minimise any

harm and maximise the firm's long-run beneficial impact of the firm on society."[237]

Lantos also developed an idea by expanding Smith's explanation of CSR. He added strategic factors to comprehend his concept and explained that a company could make it strategic by accepting CSR in its managerial plan for earning a profit. According to him, "CSR comprises the duty resulting from the implicit social compact between business and society for businesses to respond to society's long-term need by maximising the positive benefits and minimising the negative consequences of their actions on society."[238] It meant the company would perform activities in terms of CSR only if they bring a financial return. Later, some other works of literature also highlighted the concept of strategic CSR, like Lantos.[239]

CSR thinkers Freeman in 2001 and Friedman and Miles in 2002 presented a new assessment of stakeholder theory. The concept was reinforced that the corporation's actions should be guided to advance a more extensive set of stakeholders. According to Freeman, "Corporations have a significant duty toward a variety of stakeholders, such as customers, workers, investors, and the communities in which they operate; as a

[237] N. Craig Smith, "Changes in Corporate Practices in Response to Public Interest Advocacy and Actions," *Handbook of Marketing and Society* (2001): 140–161.
[238] Geoffrey P. Lantos, "The Boundaries of Strategic Corporate Social Responsibility," *Journal of Consumer Marketing* 9 (2001): 9.
[239] Bryan W. Husted and David B. Allen, "Strategic Corporate Social Responsibility and Value Creation Among Large Firms: Lessons from The Spanish Experience," *Long-Range Planning* 40, no. 6 (2007): 594–610; Michael E. Porter and Mark R. Kramer, "Strategy & Society," *Harvard Business Review* 84 (2006); William B., Werther Jr, and David Chandler, "Strategic Corporate Social Responsibility as Global Brand Insurance," *Business Horizons* 48, no. 4 (2005): 317–324.

consequence, they should be governed in accordance with this obligation."[240] Meanwhile, the later work defined a dynamic relationship between the corporation and stakeholders that significantly influences the business actions.[241] Accordingly, Post, Lawrence, and Weber support Freeman's view and opine that "A corporation is responsible for any of its activities that affect people, their communities, and the environment."[242]

Surprisingly, Werther and Chandler explored corporate strategic responses from a social perspective. Strategic CSR was implemented in many companies as part of brand management. This strategy enabled corporations to succeed and retain validity in the context of globalised brands. Consequently, they claimed that,

> "Effective integration of Strategic CSR must come from a genuine commitment to change and self-analysis[243] and must be done with a top-down approach throughout the company's operations to translate into a sustainable competitive advantage. Even when their approach to Strategic CSR focused mainly on the competitiveness and legitimacy of companies, their main contribution comes from explicitly claiming CSR as a strategic necessity and thus making it indispensable for any corporation."

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[240] R. Edward Freeman, "A Stakeholder Theory of The Modern Corporation," *Perspectives in Business Ethics* (2011): 144.
[241] Andrew L. Friedman and Samantha Miles, "Developing Stakeholder Theory," *Journal of Management Studies* 39, no. 1 (2002): 1–21.
[242] James E. Post, Anne T. Lawrence, and James Weber, *Business and Society: Corporate Strategy, Public Policy, Ethics*, 10th ed. (New York: McGraw-Hill, 2002).
[243] B., Jr, and Chandler, "Strategic Corporate Social Responsibility as Global Brand Insurance."

Porter and Kramer also explained that corporations could apply a strategic approach to their competitive societal situation. They can offer a shared value approach for improving competitiveness and the benefit of society. If so, strategic CSR will provide an advantage to the corporation. According to them,

> "A company should prioritise inside-out to map the social impact of its value chain and identify its activities' positive and negative effect on society toward a focus with the greatest strategic value. Then, it should look outside-in to understand the influence of its social context on productivity and the execution of its business strategy.[244] It will enable the corporations to understand their interrelationship with the social environment and adapt their business strategies."

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Porter and Kramer provided confidence in Strategic CSR. It is fair to say that many corporations consider CSR to achieve social recognition to operate their functions, raise corporate reputation, and satisfy vast stakeholders. Considering this situation, Porter and Kramer stressed, "If CSR is employed without a holistic strategy and is simply focused on specific objectives, the company's ability to provide social benefits while supporting its commercial goals must be limited."[245]

Subsequently, Husted and Allen represented the notion of producing shared value through strategic CSR. They staged a survey in Spain based on the proposed concept of Burke and

[244] Porter and Kramer, "Strategy & Society."
[245] Porter and Kramer, "Strategy & Society."

Logsdon.[246] However, they did not propose voluntarism in their definition like Burke and Logsdon, which is one of the key factors in strategic CSR for creating value. Based on their findings, they defined,

> "Strategic CSR is the company's ability to (1) provide a coherent focus to a portfolio of firm resources and assets (centrality); (2) anticipate competitors in acquiring strategic factors (proactivity); (3) build reputation advantage through customer knowledge of firm behaviour (visibility); (4) ensure that the added value created goes to the firm (appropriability)."[247]

Heslin and Ochoa also provided their work on the concept of strategic CSR that enables a corporation to receive a competitive advantage by creating value. They indicate that even a tailor-made strategic CSR based on common principles can boost corporate competitiveness. They revealed that the seven most popular principles dominate the implementation of strategic CSR in corporations, while they analysed twenty-one simulated CSR practices. According to them, the seven common principles of the selected company to strategic CSR refer to (1) cultivating the needed talent, (2) developing new markets, (3) green the supply chain, (4) involving customers, (5) profit from by-products, (6) protect labour welfare, and (7) reduce the environmental footprint.[248]

[246] Burke and Logsdon, "How Corporate Social Responsibility Pays Off."
[247] Husted and Allen, "Strategic Corporate Social Responsibility and Value Creation Among Large Firms: Lessons from The Spanish Experience."
[248] Peter A. Heslin and Jenna D. Ochoa, "Understanding and Developing Strategic Corporate Social Responsibility," *Organisational Dynamics* 37 (2008): 125–144.

Above are summaries of some of the heaviest works on CSR. Most of the works about CSR in theory and practice began in the 1950s.[249] Since then, various scholars have developed numerous definitions and theories of CSR. Reviewing the influential works on CSR throughout the past, the researcher concludes that CSR has been and continues to be presented differently at different times, depending on social needs and requirements. Much of these attempts have been devoted to conceptualising a corporation's responsibility to society and its consequences. As a result, many approaches have arisen in response to social situations. Recently, CSR has been evinced as one of the most debated issues. Businesspeople, civil society, government, lawmakers, NGOs, politicians, the research community, and social workers are thinking and working on it.[250] Unfortunately, the key question Bowen asked in his book in 1953 is in effect to date, "What responsibilities to society may businessman reasonably be expected to assume?"[251]

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Based on the information provided, the researcher opines that although there have been many discussions over CSR worldwide, it has not been possible to determine the exact responsibility of businesses. The conceptual understanding of CSR is still changing due to newly emerging social, political, economic, etc. issues. Such deficiency affects the implementation of CSR to date as businesses find CSR a merely philanthropic voluntary activity to contribute to solving those issues if they feel necessary. Following the discussion, public policy has a consensus that corporate organisations should play more than just economic responsibilities in society.[252] There is a widespread view that company

[249] Carroll, "Corporate Social Responsibility: Evolution of a Definitional Construct."
[250] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[251] Bowen, *Social Responsibilities of the Businessman*.
[252] Hopkins, *Corporate Social Responsibility: An Issues Paper*.

leaders should steer business activities for the public good, and wealthy members of society should care for the less fortunate through charitable donations.[253]

Considering the abovementioned general understanding of CSR, the following discussion moves ahead with an in-depth analysis of CSR in Bangladesh to know what sorts of understanding of CSR is dominating the business community in the country. The discussion will bring forward the various aspects of practising CSR in Bangladesh and ease the understanding of the current status of CSR in Bangladesh by critically analysing and reporting the available literature on CSR in Bangladesh.

2.3 Corporate Social Responsibility (CSR) in Bangladesh

Bangladesh is a small country with over 166.7 million people[254] and a total area of 148,460 square kilometres.[255] India, Myanmar, and the Bay of Bengal surround this developing South Asian country. British colonial control lasted until 1947 in Bangladesh, the old Indian subcontinent. It was split from India in 1947 and incorporated into Pakistan, holding the name East Pakistan. In 1971, it became an independent nation through a nine-month bloody liberation war against Pakistan (former West Pakistan).[256] The country gained recognition as "the People's Republic of Bangladesh" on 16 December 1971, winning the War of Independence.

[253] Post, Lawrence, and Weber, *Business and Society: Corporate Strategy, Public Policy, Ethics*.
[254] The current population of Bangladesh is 166,773,109 as of Sunday, October 10, 2021, based on Worldometer elaboration of the latest United Nations data. Available at: https://www.worldometers.info/world-population/bangladesh-population/
[255] Bangladesh Area, assessed on 10 October 2021, available at: https://www.indexmundi.com/bangladesh/area.htmls
[256] Bangladesh, From Wikipedia, the free encyclopedia, assessed on 10 October 2021, available at: https://en.wikipedia.org/wiki/Bangladesh

Bangladesh adopted a socialist style of economic growth right away after gaining its independence, nationalising all of its companies and mills.[257] The newly formed nation benefited from the democratic process, which allowed for the freedom of print and electronic media, regular countrywide elections, and formal and regulatory transformation.[258] In the 1990s, the government pursued an open market economy strategy mostly driven by private sector initiatives.[259] These economic policies included boosting foreign direct investment and developing export-oriented sectors like the textile and leather industries. As a result, several local enterprises in such industries began offering goods and services to many significant corporations worldwide. Similarly, several global corporations began operating and investing in Bangladesh.[260]

Besides the economic advancement, Bangladesh has been plagued by various socio-political difficulties such as exploitation, ecological degradation, weak human rights, especially in export-led industries and declining rules and regulations.[261] Considering these aspects, several pressure groups and NGOs have developed and demanded to focus on progressive social transformation in Bangladesh.[262] For example, the Bangladesh Rural

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[257] Ataur Rahman Belal and Stuart Cooper, "The Absence of Corporate Social Responsibility Reporting in Bangladesh," *Critical Perspectives on Accounting* 22, no. 7 (2011): 654–667.
[258] David Lewis, "On the Difficulty of Studying 'Civil Society': Reflections on NGOs, State and Democracy in Bangladesh," *Contributions to Indian sociology* 38, no. 3 (2004): 299-322.
[259] Azizur Rahman Khan, "The Economy of Bangladesh: A Quarter Century of Development," *Springer* (2015).
[260] Belal and Cooper, "The Absence of Corporate Social Responsibility Reporting in Bangladesh."
[261] M. Zaman, "The Social and Political Context of Adjustment to Riverbank Erosion Hazard and Population Resettlement in Bangladesh," *Human Organisation* 48, no. 3 (1989): 196–205.
[262] Belal and Cooper, "The Absence of Corporate Social Responsibility Reporting in Bangladesh."

Advancement Committee (BRAC)[263] and Grameen Bank[264] have been working toward poverty alleviation in Bangladesh for a long time.

Furthermore, some environmental groups have appeared to have addressed the environmental problems. Bangladesh Environmental Network (BEN) is one of them established to raise active awareness of environmental issues affecting Bangladesh.[265] Additionally, many groups are working on gender uniformity, transparency, and good governance.[266] These organisations contribute positively to Bangladeshi society.[267] Unfortunately, they lack the means and capacity to hold companies accountable for their detrimental effects on the social and natural landscape.[268] In order to draw a clear picture of CSR in Bangladesh, the following section provides a brief of the historic expansion of CSR in Bangladesh, which will ease understanding of the progression of CSR in the country.

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[263] BRAC is an international development organisation based in Bangladesh. In order to receive foreign donations, BRAC was subsequently registered under the NGO Affairs Bureau of the Government of Bangladesh.
[264] Grameen Bank is a microfinance organisation and community development bank founded in Bangladesh. It makes small loans to the impoverished without requiring collateral.
[265] BEN is an organisation of non-resident Bangladeshis.
[266] Belal and Cooper, "The Absence of Corporate Social Responsibility Reporting in Bangladesh."
[267] Nazrul Islam, "Protecting Bangladesh's Environment: The Role of the Civil Society," *Journal Of Social Studies-Dhaka* (2000): 34–63.
[268] Ataur Rahman Belal and David L. Owen, "The Views of Corporate Managers on the Current State of, and Future Prospects for, Social Reporting in Bangladesh: An Engagement-based Study," *Accounting, Auditing & Accountability Journal* (2007).

2.3.1 Historical Development of CSR in Bangladesh

Research on the historical background of CSR in Bangladesh shows that throughout the Indian subcontinent, businesspeople devoted themselves to society in a variety of activities. They reacted to societal needs by contributing money to charity organisations, needy people, and religious facilities like mosques, temples, etc. Additionally, they established schools and madrasahs (Arabic schools) and provided funding for orphans.[269] CSR researcher Arora describes the historical indication of CSR as follows; "In ancient Indian society, the commercial sector held a prominent position. During times of crisis, such as famine or epidemics, merchants offered aid to the populace by opening their godowns (a godown is a warehouse or other place for storing goods) and distributing food and treasure chests to those in need."[270]

The research also found that Bangladesh has been moving towards economic prosperity by overcoming various adversities. Bangladesh is a natural calamity-prone country.[271] Research on CSR in Bangladesh found that business involvement in tackling the social crisis in the disaster-affected area is one of the old distinctive CSR agendas. Currently, community development and charitable endeavours define CSR in Bangladesh. CSR activities in Bangladesh are influenced by altruistic CSR, particularly in community development.[272]

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[269] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[270] Arora, *India, and Corporate Social Responsibility: An Explorative Review*.
[271] Mahabub Hossain, "Natural Calamities, Instability in Production and Food Policy in Bangladesh," *The Bangladesh Development Studies* (1990): 33–54.
[272] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

Philanthropy, such as donations to charities, religious organisations, and poor people, is a time-old tradition in the country.[273] The country's civil society, businesspeople, and politicians prefer philanthropic donations, especially in schools and healthcare, regarding CSR. They are primarily motivated due to the Islamic tradition of the country. They think the wealthier members of society should help the underprivileged. Consequently, the corporations also perform various philanthropic activities out of religious motivation throughout the country.[274] Islamic religious beliefs and faith dominate the country's business sector significantly. Religious sentiments are vital at every level of the country, reflected even in business activities as the business community participates in social development activities out of religious motivation.

However, recently, corporations have shown a more substantial interest in popular subjects such as education, health, sports, culture, and other related fields. A large number of corporations around the country have established long-term or renewable scholarship programs to enable meritorious students from disadvantaged backgrounds to continue their education.[275] Additionally, research by "the Central Bank of Bangladesh" claims that banks, companies, and other stakeholders are starting to adopt certain aspects of the mainstream strategy, such as integrating CSR into their operations and committing to multi-stakeholder dialogues.[276]

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[273] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."
[274] The CSR Worldwide Portal, 2012, as cited in Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[275] Nakib Muhammad Nasrullah and Mia Mahmudur Rahim, "Current Trends in CSR Practices in Private Enterprises in: Comparative Experiences of Bangladesh and Vietnam," in *CSR in Private Enterprises in Developing Countries* (Springer, Cham, 2014), 179–196.
[276] S. Chowdhury et al., "Review of CSR Initiatives in Banks (2010)," *Department of Off-site Supervision, Dhaka* (2011).

Despite several organisations' CSR initiatives, Bangladesh has failed to grasp the CSR concept fully. From CSR researcher Porag's statement, the situation of CSR in Bangladesh is apparent as she says, "Although there may not be a clear concept of CSR in the Bangladeshi context, there are many charity initiatives, and corporations are willing to adopt CSR practices.."[277] Surprisingly, some organisations have recently taken the initiative to improve the CSR practice in the country.[278]

For instance, the "Bangladesh Enterprise Institute (BEI)," a non-profit and non-political research institute, was founded in October 2000. It also established a "CSR Center" to promote CSR in Bangladesh simultaneously. In Bangladesh, the "CSR Centre" is the leading activist of the "United Nations Global Compact (UNGC)" and its tenets. It serves as a combined focal point for the UNGC in Bangladesh along with the BEI. These organisations present a summary of the most significant stakeholders to raise CSR awareness.

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Similarly, "CSR Bangladesh" is a second non-profit group founded in 2008 as a start-up in the business sector to streamline, promote, and expand CSR practice in Bangladesh. It fosters sustainability and social conformity and increases CSR awareness among the organisation's important stakeholders.[279] In order to build a holistic society in Bangladesh focused on equality, justice, fairness, and good governance, the "Centre for Policy

[277] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[278] Nika Salvetti and André Nijhof, "CSR Evolution in the Garment Sector of Bangladesh: The Challenges of Sustainability," *Corporate Social Responsibility in Rising Economies: Fundamentals, Approaches and Case Studies* (2020): 91–110.
[279] "CSR Bangladesh," accessed January 15, 2020, http://csrbangladesh.org/.

Dialogue (CPD)" was another significant organisation formed in 1993.[280] Currently, CPD is also working to better the CSR practice in Bangladesh.

Based on the information presented above, the researcher concludes that the business culture in Bangladesh includes charitable activities from time immemorial. The historical background reveals that the business community prefers social activities out of religious motivation. They consider charity as their CSR, which they provide for the development of the society in need. They have a misconception and lack the initiative to practice CSR in a regulated or systematic way. However, the trend is shifting day by day as there are many pressure groups, such as NGOs, voluntary groups, and civil society, working on the betterment of CSR in Bangladesh. Due to such groups, businesses are altering their attitude toward CSR and adopting diverse attributes in their CSR performance.

Although the CSR history of Bangladesh is time-old and the business community considers it a religious good deed, the current business practice in the country needs a careful study as many incidents (i.e., unlawful, unethical activities as well as corporate negligence affecting diverse stakeholders' safety and rights) have occurred in recent times that exemplify socially irresponsible business practices. The following section performs an analytical review of the national initiatives on CSR to know how CSR in Bangladesh is being patronised. The discussion utilises the most recent initiatives on CSR, representing national domination regarding CSR in Bangladesh.

[280] Centre for Policy Dialogue (CPD), "Who we are," assessed on 10 October 2021, available at: https://cpd.org.bd/who-we-are/

2.3.2 Initiative Regarding CSR in Bangladesh

In Bangladesh, CSR is a voluntary activity of a corporation. However, some national initiative relates to CSR in achieving collective sustainability. For example, the country's constitution made some provisions that partially addressed some forms of CSR. Under the "Fundamental Principles of State Policy," Article 15 states;

> "The state is responsible to a) to make provision for basic necessities of life, including food, clothing, shelter, education, and medical care; b) to protect the right to work, employment at a reasonable wage; c) to protect right to reasonable rest, recreation and leisure; and d) to protect the right to social security."

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The recent addition of Article 18A, which addresses the preservation, improvement, and conservation of the environment and biodiversity, states, "The State is obligated to make every effort to conserve and develop the environment, as well as to preserve and protect the natural resources, biodiversity, wetlands, forests, and wildlife for the benefit of its current and future residents."[281]

The constitution also consists of provisions for equality of opportunity. Article 19 states, "The State is obligated to make every effort to guarantee that all people, regardless of gender, have equal access to opportunities." Accordingly, Article 20 states, "For every citizen, having a job is not only their responsibility but also a source of pride," it provides

[281] Article 18A of The Bangladesh Constitution in its Fifteenth (15th) Amendment was passed on June 30, 2011.

a principle for the payment for work. It states that everyone will be paid for their work according to the principle "From everyone according to his ability, to each according to his work."

Besides these, the national plans and strategies moderately highlight elements of CSR. "The Perspective Plan of Bangladesh 2010-2021" provides some initiatives regarding CSR activities. It says the government has taken a position of market support to pursue its short and long-term development goals. The plan acknowledges that the private sector is the main driver of growth. This sector is managing vast production schemes and investments in the country. Additionally, the government is essential in regulating markets, protecting the environment for companies, and providing investment opportunities. It also recognises that the private sector is enlarging, and many are providing considerable funds for CSR activities so that the State initiates to provide proper tax treatment.[282]

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"Digital Bangladesh - Vision 2021" is another national plan that also consists of elements of CSR. One of the vital elements of the plan is human resource development. The plan objects to utilising advanced technologies to build world-class skilled workforces in every sector. One of its significant elements refers to planning regarding business. Three broad initiatives are dealt with in this part; namely, a) access to markets, b) promotion of Information and Communication Technology (ICT) business to backing "Digital

[282] Planning Commission, *Perspective Plan of Bangladesh 2010-2021: Making Vision 2021 A Reality*, 2012.

Bangladesh" (Business Productivity), and (iii) introducing ICT as an export-oriented sector or industry.[283]

"The Eighth Five-Year Plan" is another national plan that also consists of elements of CSR. The plan emphasises a growth strategy comprising seven primary areas: export-oriented manufacturing-led growth, ICT-based entrepreneurship, agricultural diversification, overseas employment, labour-intensive dynamism in the cottage, SMEs, and the modern services sector. It also aims to achieve some targets such as public and private investment, the Annual Development Plan (ADP) allocation, revenue mobilisation, employment, inflation, poverty reduction, and sectoral performances comprising education and health.[284]

The "Bangladesh Bank (BB)" is the first scheduled bank and financial institution in Bangladesh to include CSR criteria in its lending practices. Since 2006, it has been actively involved in the financial industry's mainstream adoption of socially conscious business policies and practices, placing a strong emphasis on financing that is socially conscious, inclusive, and environmentally friendly, as well as on the implementation of internal processes and exercises that are low-carbon in terms of energy use as well as on operational conditions that are fair and safe. Since then, the national financial industry has become more involved in social responsibility.

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[283] Anupam Mazumdar and Husam Helmi Alharahsheh, "Digital Bangladesh–Vision 2021: What Is the Digital Bangladesh Concept?," *South Asian Research Journal of Engineering and Technology* 2, no. 1 (2020): 6–9.
[284] Planning Commission, "Eighth Five Year Plan (July2020-June2025)" (Dhaka, Bangladesh: General Economics Division (GED) Publishing, 2020), last modified 2020, accessed April 4, 2021, http://www.plancomm.gov.bd/.

The BB, in its "Indicative Guidelines for CSR expenditure allocation and end use oversight",[285] suggests the notional distribution of around 30% of total CSR spending;

> a) for students from low-income families as scholarships/stipends for studying in well-known institutions and
>
> b) for support towards upgrading facilities in academic and vocational training institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments.

Additionally, it suggests allocating an additional 20% of the CSR budget to impoverished individuals' access to preventative and curative healthcare. The remainder of the CSR budget will be allocated to specified areas. The CSR budget should be used to encourage environmentally responsible lifestyle choices and production practices, as well as to provide underprivileged people with access to facilities for the arts, literature, emergency disaster relief, athletics, and recreation, and to upgrade facilities and life-saving equipment in emergency rescue services.[286]

BB has adopted a comprehensive guideline on CSR and Green Banking Policy as the "Green Banking" pioneer in the region.[287] The summary of the BB's policy guidelines shows;

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[285] Bangladesh Bank, *Financial Sector Corporate Social Responsibility (CSR) Engagements: Indicative Guidelines for Expenditure Allocations and End Use Oversight* (Dhaka, Bangladesh, 2014).
[286] Bangladesh Bank, *Financial Sector Corporate Social Responsibility (CSR) Engagements: Indicative Guidelines for Expenditure Allocations and End Use Oversight*.
[287] Social Responsibility Asia (SR Asia), *Responsible Business Conduct in Poverty Alleviation & Financial Inclusion through Green Banking & CSR*.

a) Policy and Guidelines: Formulation of Green Credit Policy; Revisit Environmental Risk Management; Incorporation of Social Risk Management; Sector-Specific Environmental Risk Management Guidelines; Policy for Green Branch; Framework for Green Strategic Planning; and Waste Management Policy;

b) Concepts and Practices: Carbon footprint measurement and Incorporation of Sustainable Governance in the Corporate Governance framework; and

c) Reporting and Disclosure: Revision of regulatory reporting, Sustainability Reporting, and Quantitative Scoring Model for Environmental Risk Management.

One of the key features of the "Green Financing" concept of BB is the creation of the "Climate Risk Fund" for financing economic events in cyclone, flood, and drought-prone areas. Other features include introducing "Green Marketing" and supporting employee training, green events, and consumer awareness.

The Environmental Risk Management Guidelines, Policy Guidelines for Green Banking, and Bangladesh Bank Refinance Scheme in Renewable Energy and Green Finance are also adopted by BB. In accordance with the BEC Act of 1995 and the BEC Rules of 1997, it creates "Environmental Due Diligence" checklists for ten sectors. The "Bangladesh Bank CSR Guidelines for Banks and Financial Institutions" were the most major BB adoption, coming into effect in 2012. The standards call for a system of consistent reporting, and it must be followed. The rules were set to help the regulating Bank create efficient monitoring systems for the scheduled Banks' CSR and green banking initiatives.

The Government of Bangladesh has declared twenty-two areas tax-free in support of BB's CSR guidelines to motivate all scheduled banks to participate in CSR initiatives. As a

result, several banks have created their own CSR norms and reporting processes. However, frequent CSR activity monitoring has to be strengthened and simplified.

Currently, "the Ministry of Commerce and the Ministry of Information" are urging private industries to participate in CSR events.[288] However, based on the researcher's observation, five other ministries are involved in arranging the CSR program policy in Bangladesh. They are "the Ministry of Labour and Employment, the Ministry of Finance, the Ministry of Planning, the Ministry of Environment, Forest and Climate Change, and the Ministry of Social Welfare."

In 2015, "the Ministry of Labour and Employment" took the initiative to draw "Guidelines on CSR for the Child." The Ministry of Labour and Employment Secretary asserts that the government is open about its CSR policy. Making a CSR policy for children is a new initiative.[289] If approved, it will introduce a system for disadvantaged children in the country where they will get both education and training. It will reduce child labour and create skilled workforces, as such industries will also benefit from their workers' increased productivity.[290] However, the guidelines are not finalised to date.

The "National Board of Revenue (NBR)" under the Ministry of Finance took the first official step toward adopting CSR in Bangladesh in 2014 by offering a 10% tax credit on expenses related to CSR initiatives.[291] It has listed twenty-two different forms of finance

[288] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[289] Mikail Shipar, "Formulation of the National CSR Policy for Children: Perspectives and Recommendations," *The Daily Star*, July 23, 2014, https://www.thedailystar.net/formulation-of-the-national-csr-policy-for-children-perspectives-and-recommendations-34533.
[290] Shipar, "Formulation of the National CSR Policy for Children: Perspectives and Recommendations."
[291] National Board of Revenue, Ministry of Finance, SRO No. 186, 2014.

or investment that qualify for the tax break. In addition to those investment sectors, CSR activities also include fundraising for national festivals, volunteering during natural catastrophes, and assisting. Undoubtedly, this project is the first official move taken by any government organisation to adopt CSR in Bangladesh.

In 2016, "the Ministry of Planning" initiated to formulate a standard guideline with the belief that profitable corporations can contribute to reaching "the Sustainable Development Goals (SDGs)" of the UN by contributing to the country's children's welfare segments, education, environment, health, and security. The Ministry sent proposed outlines of the CSR guidelines to "the Ministry of Commerce, the Ministry of Finance and the Ministry of Social Welfare" and sought their opinions.

The "CSR Center Bangladesh" created the blueprint named "Developing the National CSR Guideline for Bangladesh," and the honourable Minister of the "Ministry of Planning" signed it. The minutes from a prior meeting of stakeholders were included in the draft. The Ministry proposed appointing representatives from other pertinent ministries to the suggested guideline development group.[292]

The draft outlines suggested that a standard and integrated CSR policy could create and contribute to constructive and positive branding for Bangladesh and help corporations develop world-class standards and gain the global export market. It was "by developing a national CSR guideline for Bangladesh stakeholders will be able to address and resolve the issues of negative impacts and risks through engaging with a step-by-step approach to

[292] National Board of Revenue, Ministry of Finance, SRO No. 186, 2014.

ways that intimate good governance, climate change, and environment, human rights and labour standards, etc."[293]

Some CSR operations are regulated by another program from the SEC under the Ministry of Finance, which also lays forth criteria for corporate governance. The recommendations have good impacts and ramifications, such as enhancing corporate governance procedures and increasing shareholder responsibility and transparency.[294] The improvement in corporate governance standards that resulted from listed public companies in the country's increased compliance with the principles was cumulative.[295] It inadvertently lowers the expense of regulators' and investors' monitoring. According to the regulations, the business must get a certificate of compliance with adequate verification by the competent inspectorate.[296]

The observation of the corporate governance guidelines found that the corporate governance scenario is not so high in Bangladesh. Moreover, until 2004, there was no specific code of corporate governance in the country. Even corporate people were not aware of this. Recently, there has been a rising consciousness among the corporate sectors about corporate governance. As a result, with the convene and support from the BEI, the Taskforce on Corporate Governance has developed a comprehensive CCG for Bangladesh

[293] National Board of Revenue, Ministry of Finance, SRO No. 186, 2014.
[294] Rahman and Khatun, "A Comparative Analysis of Corporate Governance Guidelines: Bangladesh Perspective."
[295] Pallab Kumar Biswas, "Corporate Governance Guidelines in Bangladesh: Some Observations," *The Cost and Management* 4, no. 4 (2012).
[296] Biswas, "Corporate Governance Guidelines in Bangladesh: Some Observations."

to improve the general standard of corporate governance practices. However, the SEC did not fully adopt this code.[297]

The Taskforce recommended that the SEC may subsequently adopt the code on a "Compliance or Explain" basis as a regulatory measure (which was later adopted by the SEC). Finally, SEC Bangladesh has felt the need for a CCG for listed public limited companies. In order to enhance sound corporate governance practices for the benefit of investors and the capital market, the SEC released CGG in 2006.[298]

Companies listed on the DSE and the Chittagong Stock Exchange (CSE)" are subject to certain conditions contained in these guidelines on a "Compliance or Explain" basis. They must explain the reasons for their failure to comply with these conditions, if any. The SEC's Corporate Finance Department (CFD) monitors the compliance status of listed companies. They also examine the directors' and auditor's reports to verify that the requirements were followed correctly.

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However, the SEC guidelines for listed companies are flexible. There are several issues that the SEC has not considered under the scope of regulations, such as compensation committee, ethical issues, nomination committee, etc. Hence, organisations are free to choose their own method and express their own practice. The SEC issued the Guidelines as a condition under Section 2CC of the Securities and Exchange Ordinance, 1969. It has been stated that the Section will be subject to overriding if it conflicts with other laws,

[297] Biswas, "Corporate Governance Guidelines in Bangladesh: Some Observations."
[298] Biswas, "Corporate Governance Guidelines in Bangladesh: Some Observations."

including the Companies Act of 1994. Therefore, failure to comply or explain breaches securities law and is liable for disciplinary action.[299]

The SEC emphasises the publication and transparency of the guidelines, mainly the audit committee's functions and the auditor's performance and reporting. The guidelines elaborate on the composition of the audit committee, the reporting of auditors to the board of directors, securities and exchange commissions, shareholders, and general investors, and limit the scope of the audit by external auditors.[300]

Listed companies only follow specific guidelines; they are not encouraged to disclose their own corporate governance practices. There are numerous reasons why they are not leaning towards disclosure. The main reason is that they try to hide their profits and evade taxes. Entrepreneurs in the corporate sector and management lack the skills and awareness to express their corporate governance practices. In addition, many Bangladeshi listed corporations are family-based. They are also not ethically sound. While awareness of corporate governance is not enough, implementation and strict surveillance, including rewards and punishments, have continued to scream.[301]

The SEC continues to put pressure on statutory auditors to ensure objective reporting of the issuer. Suppose it is proved that the issuer has not prepared the financial statements as per the "International Accounting Standard (IAS)", and the financial statements have not

[299] Rezwana Karim, James Bakul Sarkar, and Rehana Fowzia, "Corporate Governance Practices in Bangladesh with Reference to SEC Corporate Governance Guidelines," *ASA University Review* 4, no. 2 (2010): 223–231.
[300] Biswas, "Corporate Governance Guidelines in Bangladesh: Some Observations."
[301] Karim, Sarkar, and Fowzia, "Corporate Governance Practices in Bangladesh with Reference to SEC Corporate Governance Guidelines."

been audited in compliance with IAS. In that case, the SEC notices the reason for the issue. It gives the auditor a hearing opportunity to refute the allegations raised by the SEC. The Commission may take disciplinary action against the auditor under the Securities Act if the auditor fails to defend themself. Due to the efforts of the Commission, the statutory auditors are behaving more professionally. Furthermore, the Companies Act of 1994 addresses all issues governing the company, yet the administration issue is highly troubling. The "Registrar of Joint Stock Companies and Firms" cannot enforce company laws due to a lack of workforce and skills.[302]

Based on the information, the researcher concludes that CSR is a relatively new idea in Bangladesh's business world. The relevant authorities are not well organised to promote implementation. There is no effective initiative to promote CSR in an organised way. Moreover, the relevant initiatives taken throughout the past are not fruitful in various ways. As a result, CSR remains weak, and businesses have no urgent attention. The current situation requires a further effective initiative to establish a CSR-based business culture. CSR is an essential element for business success and long-term sustainability. For the country's development, the contribution of businesses is essential, and it is only possible if businesses last longer and achieve sustainability. There is a need for organised CSR guidelines and attractive incentives to perform CSR in supporting businesses. In continuance of the discussion on CSR in Bangladesh, the following section represents the current status of CSR in Bangladesh through an analytical review of the current practice of CSR in diverse sectors to gain accurate insights. The discussion utilises the most recent

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[302] Md. Akhtaruddin, "Corporate Mandatory Disclosure Practices in Bangladesh," *The International Journal of Accounting* 40, no. 4 (2005): 399–422.

evidence representing facts and reliable information regarding CSR practice in Bangladesh.

2.3.3 Status of the Practice of CSR in Bangladesh

Research on CSR in Bangladesh revealed that it is an entirely voluntary activity of a corporation. Most corporations in the country do not consider any activities that can be regarded as their CSR.[303] Some export-oriented corporations perform CSR compliance due to the demand of their prospective buyers from Europe or America.[304] Financial institutions perform some CSR activities considering long-term success and sustainability due to the legally binding imposed by the "Central Bank of Bangladesh."[305] Nevertheless, most are not well organised regarding CSR and their formal reporting or public disclosure.

Bangladeshi CSR researcher Rahim's study on CSR in Bangladesh shows Bangladesh's typical corporate approach towards social responsibility. His commentary states, "We comply with all the norms and laws, but we do not need to disclose."[306] He further concludes, "The corporate dictum conveys the message of 'Trust us, and everything will be alright.' Corporate management strategies, however, have not mirrored this corporate vision."[307]

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[303] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[304] Saadia Shabnam and A. R. Sarker, "Impact of CSR and Internal Marketing on Employee Job Satisfaction and Organisational Commitment: A Case Study from Export-Oriented SMEs in Bangladesh," *World Journal of Social Sciences* 2, no. 7 (2012).
[305] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[306] Ataur Rahman Belal, *Corporate Social Responsibility Reporting in Developing Countries: The Case of Bangladesh* (London, UK: Ashgate, 2008) as cited in ; Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy," 182.
[307] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy," 183.

A study, "Corporate social performance reporting in Bangladesh," investigated the CSR activities of corporations in Bangladesh by analysing the environmental and social performance reporting in corporate annual reports. It covered forty selected companies and discovered that only nine disclosed some environment-related information. Unfortunately, in most cases, the nature of that information was not transparent. The study concluded that corporate environmental and social reporting in Bangladesh is less quality and quantity than financial reporting.[308]

Two further works on corporate environmental disclosure in the annual report in Bangladesh revealed some interesting facts. The study, namely "Environmental reporting in Bangladesh," covered companies listed on DSE and showed that most companies do not disclose information about any environmental issue in their reporting.[309] Another study, namely "Environmental reporting in developing countries: empirical evidence from Bangladesh," scrutinised annual reports of thirty companies and revealed that the majority of them (90%) hardly made environmental disclosures.[310]

A research work entitled "Corporate Responsibility in Bangladesh: Where Do We Stand?"[311] revealed the current practice of CSR in Bangladesh. It pointed to the significance of CSR issues in the country. According to the study, CSR is generally a pragmatic consideration and response to consumer and civil society anxieties and

[308] Shahed Imam, "Corporate Social Performance Reporting in Bangladesh," *Managerial Auditing Journal* 15, no. 3 (2000): 133–141.
[309] Shahed Imam, "Environmental Reporting in Bangladesh," *Social and Environmental Accountability Journal* 19, no. 2 (1999): 12–14.
[310] Ataur Rahman Belal, "Environmental Reporting in Developing Countries: Empirical Evidence from Bangladesh," *Eco-Management and Auditing: The Journal of Corporate Environmental Management* 7, no. 3 (2000): 114–121.
[311] M J H Jabed and Kazi Mahmudur Rahman, *Corporate Responsibility in Bangladesh: Where Do We Stand?*, *CPD Dialogue Report* (Dhaka, Bangladesh, 2003).

pressure.[312] The research through a field survey[313] on the CSR issue discovered that, concerning CSR policy, the corporate sector in Bangladesh associates various gaps or irregularities that are urgent to recover. Regarding the owner's statements on the vision and mission of the company in Bangladesh, the study reveals that about seventy-one percent (71.1%) entitles owner's statements on business vision and mission.

Furthermore, nearly forty-seven percent (46.7%) of the selected company practice conveyed corporate policies. The study also found that less than forty percent of the companies have a well-articulated guiding principle on worker's rights (including equality), safety, and prevention of AIDS (acquired immunodeficiency syndrome). A fair compensation policy is followed by more than eighty percent of companies. Further, no board director is assigned to address and monitor those issues. Moreover, to ensure labour standards, employee management, skill development training, health and safety, and equal opportunities, around sixty-eight percent of companies only deploy existing public-corporate frameworks for full-time and permanent staff.[314]

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Regarding core labour policies, more than sixty-four percent (64.4%) of companies conduct a regular audit, and from them, ninety-one percent (91.1%) meet their policy objectives. Companies in Bangladesh also associate unfair dismissal and violation of laws. The study revealed that more than two percent (2.2%) of the selected companies admitted their unjust dismissal, and more than four percent (4.4%) confessed to violating laws. Only sixty-seven percent of companies have official guidelines for clean, healthy, and safe

[312] Debapriya Bhattacharya, Executive Director, CPD, January 2003.
[313] 50 company executives, 70 employees and workers, and 32 Civil Society members responded.
[314] Anisatul Fatema Yousuf and Debapriya Bhattacharya, *Corporate Responsibility Practices in Bangladesh: Results from a Benchmark Study*, CPD Occasional Paper Series, 2002.

working conditions.[315] Regarding corporate governance, the study points out that about sixty-seven percent (66.7%) of the companies have good governance and more than forty-three percent (43.3%) practice compliance policy with the national and international benchmarks. Some companies, however, do not even comprehend what corporate governance is. The concept of corporate governance is not well-known to them.[316]

In formulating corporate goals and strategy by considering the stakeholder opinion, the study reveals that such practice of taking stakeholder opinion is deficient. A significantly smaller number of companies practice this to recover the issue of sustainable development and human rights. Only eleven percent (11.1%) of the companies consider stakeholders' opinions regarding sustainable development, and more than four percent (4.4%) consider human rights.[317]

Corruption and bribery are common issues in doing business. These are the maledictions in the business sector that the government of Bangladesh is trying to remove. The study revealed that only forty percent of the companies possess statements on fighting corruption and bribery. Twenty-nine percent follow "Transparency International" or other international guidelines to ensure fair practice. An unfair labour practice exists within

[315] Yousuf and Bhattacharya, *Corporate Responsibility Practices in Bangladesh: Results from a Benchmark Study*.
[316] Yousuf and Bhattacharya, *Corporate Responsibility Practices in Bangladesh: Results from a Benchmark Study*.
[317] Yousuf and Bhattacharya, *Corporate Responsibility Practices in Bangladesh: Results from a Benchmark Study*.

companies in Bangladesh, as the study revealed that about forty-four percent (43.9%) of employees get the minimum wage set by the government.[318]

Additionally, forty percent of employees claim overtime wages are less than regular. Eleven percent of employees opine they do not get extra pay for working more than their basic. For this, ninety-three percent of civil society representatives argue that the long tradition of companies engaging their employees for additional hours is in a highly abusive condition without paying correctly for the extra work. They say companies often do not provide official employee appointment letters to hide these irregularities.[319]

Some recent works on CSR in Bangladesh further reveal that the practice, as determined by the CPD, still exists in diverse business sectors in Bangladesh. In their work, "Corporate Social Reporting Practice: Evidence from Listed Companies in Bangladesh," Azim, Ahmed, and Islam represent that CSR is an ethical dilemma within financial sectors. They opine that various corrupt practices are in effect in the financial sector in Bangladesh.[320] As a result, CSR has become a subject of self-interest in the corporate sector.[321] An inferior implementation of CSR practices and standards exists in Bangladesh. It is urgent, not merely a demand, to implement CSR rules and CSR reporting in the country.[322]

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[318] Yousuf and Bhattacharya, *Corporate Responsibility Practices in Bangladesh: Results from a Benchmark Study*.
[319] Yousuf and Bhattacharya, *Corporate Responsibility Practices in Bangladesh: Results from a Benchmark Study*.
[320] Azim, Ahmed, and Islam, "Corporate Social Reporting Practice: Evidence from Listed Companies in Bangladesh."
[321] Azim, Ahmed, and Islam, "Corporate Social Reporting Practice: Evidence from Listed Companies in Bangladesh."
[322] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."

Sharma describes in her work titled "CSR Practices and CSR Reporting in Indian Banking Sector" that the CSR practice is not so rosy in developing countries, especially in the financial sectors. It is because of a lack of strict provisions relating to CSR compliances and reporting thereon. Bangladesh's organisations that practice CSR heavily emphasise things like cultural enrichment, sports, music, youth development, poverty alleviation, education, healthcare, and women's empowerment.[323]

In her work, Samina focused on Sharia for financial institutions and found that only six Islamic banks in the country practice CSR, as they disclose in their annual report.[324] Another study by Masud and Hossain focused on the annual report of listed banks and revealed that sixty percent of the sampled banks practice CSR as per Finance Act.[325] It also revealed that private commercial banks are also poor in practising the rules of the Act.[326]

Yesmine and Bhuiyah researched within the Engineering, Pharmaceutical, and Chemical industries. They discovered that forty-one percent of companies in Pharmaceutical and Chemical Manufacturing disclose more relevant information than Engineering, which is forty percent. Keep aside environmental concerns; both industries are concerned only with

[323] N. Sharma, "CSR Practices and CSR Reporting in Indian Banking Sector," *International Journal of Advanced Economics and Business Management* 1, no. 2 (2011): 58–66.
[324] Quazi Sagota Samina, "Practice of Corporate Social Responsibility in Islamic Banks of Bangladesh," *World Journal of Social Sciences* 2, no. 6 (2012): 1–13; Sayd Farook, "Corporate Social Responsibility of Islamic Financial Institutions," *Islamic Economic Studies* 15, no. 1 (2007).
[325] The Finance Act 2010 and 2011.
[326] Masud and Hossain, "Corporate Social Responsibility Reporting Practices in Bangladesh: A Study of Selected Private Commercial Banks."

products, services, and employees.[327] The study suggests formulating policies and regulations to make businesses responsible for the environment and society.

A remarkable study on CSR in Bangladesh entitled "Dynamics of Corporate Social Responsibility-Bangladesh Context" reveals ineffective corporate governance in the country. It contributes to a culture with inadequate CSR standards and unethical business practices. In addition, the legal and ethical considerations that companies offer do not conform with the laws and regulations established by the state and society. They even do not meet the obligations placed on them. In Bangladesh, business earnings demonstrate short-term durability. Because businesses mainly focus on short-term earnings and ignore responsible behaviour. As a result, they do not get public trust, which is significant for long-run success and earnings. The government needs to strengthen its ability to intervene and carry out actions efficiently to ensure compliance with the regulations.[328]

However, a study, "Corporate social responsibility in Bangladesh: the role of Islami Bank Bangladesh Limited," revealed remarkable CSR activities in the selected Islamic bank.[329] The bank is based on Sharia, and it provides a substantial contribution to the improvement of social issues as well as environmental concerns in Bangladesh. It effectively addresses the economic, social, and environmental concerns within its limits.

[327] Sabina Yesmine and Mohammad Saif Uddin Bhuiyah, "Corporate Social Responsibility Practices in Bangladesh: Evidence from Engineering and Pharmaceutical & Chemical Industry," *International Journal of Business and Management Invention* 4, no. 10 (2015): 41–51.
[328] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."
[329] Rahman and Ahmad, "Corporate Social Responsibility in Bangladesh: The Role of Islami Bank Bangladesh Limited."

The content analysis of eight years' annual reports (2009 to 2016) of the Islamic Bank Bangladesh Limited was done following the levels of Maqasid al-Sharia (necessities, complements, and embellishments) in another study titled "Maqasid al-Shariah in CSR practices of the Islamic banks: A case study of IBBL."[330] It was discovered that to adhere to the principles of Sharia, the bank prioritised addressing issues in the nation, such as education, health care, and humanitarian and disaster relief efforts.

In addition to these references, two more recent investigations have shed light on the existing procedure. Influential, well-known people were alerted to the CSR practice in Bangladesh by the research "CSR Practice in Bangladesh: Exploring Worker's Participation and Benefit." One of the expert opinions in the study is as follows;

> "My opinion is so bad about corporate social responsibility. Currently, companies are doing CSR activities, just like an advertisement and simply a method of expanding the business. The existing CSR process is fully ridiculous to me. CSR thinking is basically rooted in corporate culture. There is only one class of people who enjoy the benefits […]."[331]

One of the members of the parliament of "the People's Republic of Bangladesh" responded to the current practice of CSR in the country. She mentioned;

[330] Tarique et al., "Maqasid Al-Shariah in CSR Practices of the Islamic Banks: A Case Study of IBBL."
[331] Anu Mohammad, Professor (Economist), Jahangirnagar University, Member Secretary of Oil, Gas, Electricity, and Port to Protect Mineral Resources, as cited in Md. Habibur Rahman and Jesmin Juy, *CSR Practice in Bangladesh: Exploring Workers' Participations and Benefit* (Bangladesh Institute of Labour Studies - BILS, 2016).

> "CSR is still a closely unfamiliar issue in the business sector of Bangladesh. I am not satisfied with the existing process of CSR. Most people, especially the organisation's owners, think financial help to the poor people, making mosques, making madrasahs, and helping orphans are kinds of CSR, whereas these are social works. But when I say corporate social responsibility, then comes overall development of the society […]."[332]

However, the study analysed seven giant organisations from different trades to clearly understand CSR practice. The results found from the organisations were not satisfactory regarding their CSR performance as they mainly conduct CSR activities as they wish in lieu of any set rules or CSR policy happening as charity.[333] Furthermore, another study, "Corporate Social Responsibility in Bangladesh: Practice and Perpetuity," also analysed the CSR practice of twelve influential companies in Bangladesh and found that most of them understand the concept of CSR. However, they do not follow any CSR guidelines, policies, or advice from any consultation centre in the country. They mostly engage in charitable work and list it as their CSR activity.[334] In order to make it more transparent, some influential businesses and a brief of their CSR projects in Bangladesh are highlighted below.

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[332] Shirin Akhter, Member of Parliament (MP), Founder President, Kormojibi Nari (Working Women), as cited in Rahman and Juy, *CSR Practice in Bangladesh: Exploring Workers' Participations and Benefit*.
[333] Rahman and Juy, *CSR Practice in Bangladesh: Exploring Workers' Participations and Benefit*.
[334] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.

ACI Food Limited is one of the largest Halal-certified businesses in Bangladesh, producing Halal foods and beverages. ACI organizes an annual "Winter Cloth Distribution" initiative for its CSR efforts. This event is held regularly by the campaign to provide comfort and warmth to the nation's poor population during the shivering cold of winter. ACI fraternity members participate in the event under the phrase "An effort to be someone's reason to smile."[335] Remarkably, some of its products are identified as substandard, exemplifying legal non-compliance. The "Supreme Court of Bangladesh" ordered the authorities concerned to immediately withdraw selected food products from the market that were found sub-standard by the test of BSTI.[336]

Nestle Bangladesh Limited is another large Halal-certified business in Bangladesh. Nestle is involved in several healthcare, sanitation, environmental, and community engagement projects. Nestle's CSR or Creating Shared Value (CSV) efforts include the Nestlé Healthy Kids and Knowledge Sharing programs and initiatives on clean drinking water and responsible sourcing.[337]

Dutch-Bangla Bank Limited (DBBL) is a significant financial institution in Bangladesh. Since its inception, DBBL has offered scholarships to deserving students who require financial assistance to study at various levels of education through its social cause program. DBBL provides new scholarships each year, as well as renews existing grantees. DBBL has been one of the country's most significant CSR-funded scholarships since its

[335] ACI Food Limited, "Winter Cloth Drive," accessed January 1, 2023, https://www.aci-bd.com/csv/winter-cloth-drive.html.
[336] Bangla Tribune Report, "The 52 Food Products Banned by Court."
[337] Nestlé, "Do You Have Any Corporate Social Responsibility (CSR) Activities from Nestlé?," accessed January 2, 2023, https://www.nestle.com.bd/ask-nestle/our-company/answers/csr-activities.

foundation in 1995. To date, BDT 4,272.24 million in scholarships have been awarded to deserving students needing financial assistance.[338]

Bangladesh Steel Re-Rolling Mills Ltd (BSRM) is the country's largest producer of construction steel. Under the CSR and Sustainability initiative, BSRM operates several free schools that are completely sponsored and designed to help children from at-risk and underprivileged communities. In addition, the company offers various projects to provide social safety needs to distant and at-risk areas in Bangladesh. The company's CSR initiatives are mostly concerned with education and poverty alleviation.[339]

Prime Bank Eye Hospital (PBEH) is a well-known healthcare organisation in Bangladesh that works to give as many people as possible high-quality, affordable eye treatment. This entails serving patients from all socioeconomic backgrounds and offering the same high standard of treatment to those in need but unable to pay for it. Reduced prices, free medical clinics, and assistance for those in need are all included.[340]

Banglalink Digital Communications Limited is a major technology company in Bangladesh. Banglalink offers in-person assistance to job searchers through their CSR project "Kormo." Kormo has a physical presence throughout the capital through Banglalink outlets (both large mono-brand outlets and tiny Banglalink sales and service

[338] A BETTER TOMORROW™ and CSR SUMMIT & AWARDS, "Best CSR in Education - DBBL Scholarship Program," last modified 2021, accessed January 1, 2023, https://csrawardsbd.com/winners-from-csr-awards-2021/.
[339] CSR Window, "CSR PROFILE - BSRM Limited," accessed January 1, 2023, https://csrwindow.com/bsrm-company-csr-profile/#:~:text=CSR Focal Areas%3A Education%2C Entrepreneurship%2C Disaster Response%2C Digital,of Bangladesh Sustainability Reporting Standards%3A None at present.
[340] Prime Bank Eye Hospital, "Outreach Eye Camp of PBEH," accessed January 2, 2023, https://www.primebankeyehospital.org/community-outreach-program/.

points). When job seekers visit these locations for services, professional Brand Promoters pitch them on Kormo and sign them up for the platform, giving them access to jobs. A substantial segment of the urban young visits these venues to obtain services, allowing Kormo to reach out to a huge number of its target demographic quickly in Dhaka. With job fairs and training, the company broadens chances for the community of job seekers.[341]

These are examples of CSR from some of Bangladesh's leading companies. Based on the data above, the researcher believes that CSR in Bangladesh is largely characterised as a charitable activity. However, Islamic ideals are directly linked to compassion, welfare, and charity. Because of this, organisations in the nation that uphold Islamic values typically contribute more to social and communal development than traditional organisations.[342] The contemporary CSR culture exemplifies how religious motivation permeates the nation, motivating entrepreneurs and officials to implement various types of CSR in the name of initiatives promoting social, environmental, and economic growth. In this situation, the company owners and executive authorities need awareness and willingness to establish and activate CSR for long-lasting institutional benefit.

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2.4 Conclusion

The discussion in this chapter reveals that CSR has been and continues to be presented differently at different times, depending on social needs and requirements. As a result, many approaches have arisen in response to social situations. Day by day, CSR has been

[341] Sagar Khalasi, "How Kormo and Banglalink Are Helping the Urban Youth of Bangladesh Connect to Jobs and Develop Their Career," *Future Startup*, last modified 2019, accessed January 2, 2023, https://futurestartup.com/2019/09/26/how-kormo-and-banglalink-are-helping-the-urban-youth-of-bangladesh-connect-to-jobs-and-develop-their-career/.

[342] Shafiqur Rahman, Sadia Jahan, and Nicholas McDonald, "CSR by Islami Bank in Healthcare Stakeholders' Perception," *Bangladesh Journal of Medical Science* 9, no. 4 (2010): 208–215.

evinced as one of the most debated issues. Businesspeople, civil society, government, lawmakers, NGOs, politicians, the research community, and social workers are thinking and working on it.[343] Unfortunately, it has not been determined yet what responsibility the corporation can reasonably take on society.[344]

The discussion also covered an in-depth analysis of CSR in Bangladesh. CSR in Bangladesh exemplifies that the business community has included charitable activities from time immemorial. It is shown that the business community prefers economic prosperity and some sort of social activities (philanthropy) out of religious motivation. Though CSR covers economic, legal, ethical and philanthropic responsibility, it is proven that CSR has been practised by businesses in Bangladesh more towards philanthropic activities. They consider charity as their CSR, which they provide for the development of the society in need.

Legal responsibility usually the businesses follow because of liability and obligation set by the relevant authority. However, ethical responsibility is weak as it is also proven that businesses tend to profit even by absorbing business malpractices. In continuing the discussion, the following chapter is designed to analyse CSR in Halal-certified businesses in Bangladesh to know current practices by bringing forward various aspects of CSR in Halal-certified businesses in Bangladesh that will help develop answers to the research question and ease achieving the research objectives.

[343] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[344] Bowen, *Social Responsibilities of the Businessman*.

CHAPTER THREE

CORPORATE SOCIAL RESPONSIBILITY IN HALAL-CERTIFIED BUSINESSES IN BANGLADESH

3.1 Introduction

This chapter deals with the research question regarding the current practice of CSR in Halal-certified businesses in Bangladesh. It aims to achieve the research objective by analysing the current practice of CSR in Halal-certified businesses in Bangladesh. By deploying library research, the discussion covers the current practice of CSR in Halal-certified businesses in Bangladesh through an analytical digesting. The discussion then extensively narrows the focus on Halal-certified businesses in Bangladesh based on the data collected from the field.

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3.2 Halal-certified Business

The term Halal originated from the Arabic word, namely "*Halla, Yahillu, Hillan, WaHalalan*," which means "lawful, allowed, or permissible" by the Sharia (Islamic law), and the opposite is Haram.[345] Halal indicates conformity to essential Sharia

[345] Putra and Tucunan, "The Concept of Halal Tourism and the Fulfillment of Muslim Tourist Needs in Halal Tourism"; Galang Asmara, "Implementation of Concept 'Halal Tourism' in Nusa Tenggara Barat and Their Effect in Increasing Number of Tourists," in *2nd International Conference on Business Law and Local Wisdom in Tourism (ICBLT)* (Atlantis Press, 2021), 108–113; Khairul Anuwar Mustaffa, "Developing Halalan Tayyiban Concept in Malaysia's Food Industry," *Halal Journal* 3 (2019); Kamisah Supian, *Enhancing Halal Practices Integrity in the Malaysian Halal Food Industry*, 2016.

requirements.[346] The term's meaning covers all facets of human behaviour, including personal, cultural, economic, political, and social challenges.[347] However, the understanding of Halal has been limited to a mere permissible consumption theory for many decades. Many individuals are familiar with this term, especially regarding consumables and edible animals[348] that do not originate from Haram sources.[349]

The concept of Halal, which covers every aspect of human life, has been narrowed to simply a dietary system of Muslims due to public misunderstanding. The term "Halal" does not refer merely to consumables that are "pork-free" in their actual physical form because of the advancements in commerce and science.[350] For example, the concept regarding consumables also encompasses a wide range of newly emerging ingredients, including stabilisers, flavouring, colouring, breadcrumbs, and other culinary ingredients, including gelatin, enzymes, lecithin, and glycerin.[351] As a result, a novel idea known as *Halalan-Thoyyiban*, which denotes going beyond the fundamentals of Sharia to conjure enhanced attributes that give things authenticity and purity, has gained widespread acceptance.[352] Similarly, the simple theory of Halal could no longer work with the immense expansion of the Halal realm as it enters a new attractive global business. In

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[346] Fatin NM Nordin et al., "A Systematic Review on the Skin Whitening Products and Their Ingredients for Safety, Health Risk, and the Halal Status," *Journal of cosmetic dermatology* 2, no. 4 (2021): 1050–1060.
[347] Abdullah and Azam, "Halal Entrepreneurship: Concept and Business Opportunities."
[348] Hasan Ahmad et al., "Halal Studies in Universities: A Way Forward to Manage Halal Business," *International Journal of Arts and Sciences Conference* (2011).
[349] Laluddin et al., "The Scope, Opportunities and Challenges of Halal Industry: Some Reflections"; Ahmad et al., "Halal Studies in Universities: A Way Forward to Manage Halal Business."
[350] Zalina Zakaria, "Tapping into the World Halal Market: Some Discussions on Malaysian Laws and Standards," *Jurnal Syariah* 16, no. 3 (2008): 603–616.
[351] Christopher GJ Baker, M. D. Ranken, and R. C. Kill, *Food Industries Manual* (Springer Science & Business Media, 2012).
[352] Apnizan Abdullah, "Difference between Halal and Halalan-Toyyiban," *The Strait Times* (International Institute of Advanced Islamic Studies (IAIS) Malaysia, April 14, 2018).

economic terms, Halal has been used to refer to the Islamic economy as Halal business, Halal sector, or Halal industry.[353]

The Arabic word "Halal," when used in the context of business, refers to a coordinated effort made by people who share a sense of morality, ethics, and social responsibility to produce and market goods and services that meet the requirements of society.[354] The purpose of such a business is to earn a living by serving Halal consumers well guided by the principles of Sharia.[355] Therefore, business is the result of individuals working together in an organised way and satisfying a societal need ethically and according to Sharia.[356] Halal-certified business, therefore, refers to a business setting that observes Sharia requisites in their every activity and ensures Halalness towards stakeholders.[357] Such a business consists of certain fundamental responsibilities obligatory under every circumstance, which the following section elaborates further using Sharia.

3.3 Fundamental Responsibilities of Halal-Certified Businesses

One of the influential Islamic scholars, Imam Al-Ghazali, opines that anyone deciding to adopt or set up a business under Islam should first gain a more profound knowledge of the guidelines of business operations enshrined in Sharia. Without such knowledge, they would go off track and fail in a fatal loophole to contradiction and make their earnings

[353] Ahmad et al., "Halal Studies in Universities: A Way Forward to Manage Halal Business."
[354] Said and Elangkovan, "Halal Label and the Ethics of Business: An Analytical View from Producers"; Khurshid et al., "Developing an Islamic Corporate Social Responsibility Model (ICSR)."
[355] Islam and Chandrasekaran, "Halal Marketing: Growing the Pie."
[356] Abeng, "Business Ethics in Islamic Context: Perspectives of a Muslim Business Leader."
[357] Othman, Shaarani, and Bahron, "Evaluation of Knowledge, Halal Quality Assurance Practices and Commitment among Food Industries in Malaysia"; Ibrahim, Samsi, and Ahmad, "Halal Business Corporate Social Responsibility."

Haram.[358] Considering this, Ghazali stresses proper knowledge of the laws and guidelines governing business dealings as essential for taking business as an occupation.[359] It is, therefore, crucial for Halal-certified businesses to know how Islam dictates business and how to observe them in practice. So, Halal-certified businesses will be able to conduct business properly according to Sharia and be socially responsible as it requires.

According to Sharia, the fundamental principle for business transactions is the "*Ta'auanu Ala Birri Wa't-Taqwa*," which means "mutual cooperation for the cause of goodness or piety."[360] All business dealings must be centred on this sound principle; if not, they are Haram. Haram business dealings are led by greediness for wealth and the shocking longing to raise prestige.[361] Sharia takes root in the desire for wealth and proposes a unique criterion for measuring prestige. The Holy Quran condemns extreme amour of wealth and hoarding. It proclaims that piety and virtue are criteria for estimating the value of a human being. It says, "*Inna Akramakum `Ind-Allahi Atqakum*," which means "Verily the most honoured of you in the sight of Allah is (s/he who is) the most righteous of you."[362] In this way, Sharia reduces the temptation of illegal trade and traffic congestion in the best possible way.

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[358] Yusuf Sidani and Akram Al Ariss, "New Conceptual Foundations for Islamic Business Ethics: The Contributions of Abu-Hamid Al-Ghazali," *Journal of Business Ethics* 129, no. 4 (2015): 847–857.
[359] Sidani and Ariss, "New Conceptual Foundations for Islamic Business Ethics: The Contributions of Abu-Hamid Al-Ghazali."
[360] Abdullah Yusuf Ali, *The Holy Quran (Koran) English Translation of the Meanings* (The King Fahd Holy Quran Printing Complex, 1987), v. 5:2.
[361] Edward Skidelsky and Robert Skidelsky, *How Much Is Enough?: Money and The Good Life* (Penguin UK, 2012).
[362] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 49:13.

Following Shaira, business practice is wholly based on the notion of lawfulness and unlawfulness (Halal and Haram).[363] Hence, the motive of the business should be not only profitable but also valuable for the environment and community where the business exists.[364] As per Sharia, businesses are not inspired and driven by profit alone and try to amass wealth at any cost. It also does not guide businesses to be purely philanthropic. Sharia directs them to be profitable and maintain the well-being of the community by taking the initiative to perform good deeds all the time.

Sharia measures businesses against financial and social objectives. It recommends that the business be profitable but not spoil the social good. However, a business's financial gain often arises against social good, which conflicts with economic and social objectives. For this, Sharia provides the framework for sustainable business practice that Halal-certified business needs to achieve. To elaborate further, it needs to focus on some fundamental prerequisites that must be met in every business deal to be legitimate and lead to socially responsible and sustainable business practices, securing the interest of all the relevant stakeholders.

Before conducting Halal-certified businesses, according to Sharia, one should know the responsibility of every individual member of society. Because every individual is a part of society and a vital aspect of the Islamic way of life, every individual's responsibility is a foundation of Islam. These obligations may differ from person to person due to social rank, position, work, knowledge, and talents. These responsibilities under Sharia allude to comprehending burdens, completing obligations, preserving rights, and doing the right

[363] Mushtaq Ahmad, *Business Ethics in Islam* (International Institute of Islamic Thought (IIIT), 2009).
[364] Abeng, "Business Ethics in Islamic Context: Perspectives of a Muslim Business Leader."

thing. These requirements are designed to enhance an individual's Islamic character so that the individual member can contribute to society.[365] The following are the basic obligations of every individual according to Sharia during earthly life that Halal-certified businesses should respect and observe when conducting business operations.

a) Responsibilities toward Allah (SWT)

According to Sharia, every individual is required to keep the faith absolute and pure. It is always to remember that "there is Allah (SWT), the One and Only; Eternal, Free of all needs; on Whom depend, to Whom go back, all things; He (SWT) hath no son nor father nor partner. There is no person like unto Him (SWT)." The Holy Quran states, "In the name of Allah, Most Gracious, Most Merciful. Say: He is Allah. The One and Only; Allah, the Eternal, Absolute; He begetteth not, nor is He begotten; And there is none like unto Him."[366]

Every individual who claims to be Muslim must worship and believe in Allah (SWT) according to the teachings of Islam. Otherwise, his/her faith or worship will not be recognised and will be of no reward. Allah (SWT) commands disciples to obey Him (SWT) many times throughout the Holy Quran.[367] For example, "O ye who believe! Obey Allah…"[368] "Thy Lord hath decreed that ye worship none but Him..."[369]

[365] Jawed Akhtar Mohammad, "Corporate Social Responsibility in Islam" (Auckland University of Technology, 2007).
[366] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, vv. 112: 1–4.
[367] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, vv. 4:59; 17:23; 17:23.
[368] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 4: 59.
[369] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 17: 23.

Believing in Allah (SWT) is the primary obligation of every individual claiming to be Muslim. The Hadith of the Holy Prophet clarifies more in this regard as the Prophet (SWT) said: "He who dies without associating anyone with Allah would (necessarily) enter Paradise, and he who dies associating anything with Allah would enter the (Fire of) Hell."[370]

b) Responsibilities toward Oneself

Humankind grows in the womb of its mothers without their awareness, and they cannot exercise free will over their appearance or the characteristics they are born with. They are nurtured over the first few years of their lives to be completely helpless and unable to achieve anything. They are born with no information about themselves or the world surrounding them. The decision-making authority rests solely with the Creator (SWT), and people have no voice in the issue. Everything they have is a gift from Allah (SWT); therefore, praise be to him (SWT). If it were up to them, those who are blind would choose to see, those who are deaf would want to hear, and so on. Humankind did not create itself, nor was it able to do. So, humankind is the property of God, and it is the responsibility of every human being to protect themselves from the fire in the Hereafter by doing virtuous deeds throughout earthly life.[371]

Allah (SWT) states, "…then fear the Fire whose fuel are Men and Stones…."[372] Humankind, therefore, should endure themselves against the fire in the Hereafter. Allah (SWT) also forbids everything harmful to humankind. Any intentional killing or harming

[370] Siddiqui, "Translation of Sahih Muslim," *the Book of Faith,* Book 1, Chapter 41, 0168.
[371] Abdullah Yusuf Ali, *The Glorious Quran: Translation and Commentary* (edurigh4all, 1975).
[372] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 2: 24.

of oneself is strictly prohibited in Islam, as Allah says, "…and make not your own hands contribute to (your) destruction, but do good; for Allah loveth those who do good."[373] Indeed, humankind must answer to the Creator for how they have treated themselves.

c) Responsibilities toward Other People

Humankind has a social disposition. They interact with one another, contribute to the growth of families and communities, and are essential to continuing human existence. They are born alone so that they might live in peace with one another. Allah (SWT) says in the Quran,

> "O mankind! We created you from a single (pair) of a male and a female and made you into nations and tribes that ye may know each other (not that ye may despise each other). Verily, the most honoured of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things)."[374]

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Allah (SWT) has established rules and laws (in all aspects of life) to help people live in harmony and behave cooperatively. These principles determine individuals' rights based on their position, status, and the sum of their attributes. An individual has particular rights in Islam as a child, parent, brother, sister, young, old, relative, neighbour, etc. In the eyes of Allah (SWT), all personalities are equal; the most admired one is the best in behaviour, i.e., his/her conduct in pleasing Allah (SWT). As a result, there is no bias among people

[373] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 2: 195.
[374] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 49: 13.

in general. The sole distinction is based on faith and good works. Humankind is appreciated and respected in Islam simply for being human.

In addition, protecting and promoting human rights is an extremely high priority in Islam. When these rights are violated, it demonstrates a refusal to acknowledge the laws and rules that Allah (SWT) has established; it shows that one is prejudiced and bigoted toward other people ("this sin is not erased unless forgiven by the person who was subject to injustice"), and it demonstrates a lack of harmony and peace. True Muslims are distinguishable from other Muslims by their love for their friends and brothers out of love for Allah (SWT), a love that is unadulterated by any worries or motivations related to this world. On the Day of Resurrection, Allah (SWT) will say, "Where are those who love one another through My glory? Today, I shall give them shade in My shade, it being a day when there is no shade but My shade."[375]

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d) Responsibilities toward Other Creations

The Almighty Allah (SWT) says in the Holy Quran, "There is not an animal (that lives) on the earth, nor a being that flies on its wings, but (forms part of) communities like you. Nothing has been omitted from the Book, and they (all) shall be gathered to their Lord in the end."[376]

All other forms of life, such as animals, birds, and so on, are included in its scope in addition to humans. They are creations of Allah (SWT) that have been placed under the authority of humans. They have a prestigious position within the Islamic community. The

[375] Translation of Forty Hadith Qudsi, (*Hadith* Collection: International Islamic University Malaysia (IIUM), n.d.): 23.
[376] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 6: 38.

vast majority of them are considered to be honourable beings. The religion of Islam recognises their rights and has established a fair approach to dealing with them. Humankind needs to show their mercy and not torture them by beating, burning, distressing, grieving, loading more than they can bear, etc. Humankind needs to feed and give water if they are hungry or thirsty.

The Prophet (SWT) said: "A woman was tortured and was put in Hell because of a cat which she had kept locked till it died of hunger."[377] Also, the Prophet (SWT) cursed the one who used a live animal for the target. There are many other hadiths concerning animals.

e) Responsibilities toward Nature and the Environment

Nature refers to the characteristics of the world that surround humanity. It is the location where humanity resides. Allah (SWT), the Creator, has fashioned every aspect of the universe with a specific purpose in mind. Everything on earth is remarkable in its uniformity and equilibrium. Since humanity is granted authority and influence in some realms, they should administer them honestly and justly. Islam combats environmental degradation, pollution, devastation, tree- and plant-clearing, misuse, resource depletion, and every kind of corruption on earth. Allah (SWT) says,

> "The punishment of those who wage war against Allah and His Apostle and strive with might and main for mischief through the land is: Execution, or crucifixion, or the cutting off of hands and feet from

[377] Khan, Translation of Sahih Bukhari Distribution of Water, Book 40, Volume 3, 553.

> opposite sides, or exile from the land: That is their disgrace in this world, and a heavy punishment is theirs in the Hereafter."[378]

Allah (SWT) also says, "It is He Who sends down rain from the sky: From it, ye drink, and out of it (grows) the vegetation on which ye feed your cattle. With it, He produces for you corn, olives, date palms, grapes, and every kind of fruit: Verily in this is a Sign for those who give thought."[379] Properly using natural resources and everything around them is significant concerning their well-being, benefit, and prosperity.

Every individual is surrounded by the abovementioned obligatory responsibilities under any circumstances. There is no alternative to skip these responsibilities in this earthly life. Fulfilling these responsibilities given by Sharia ensures and exemplifies social responsibility. If humankind maintains them, they will ensure social responsibility in every area, including business activities or any other occupation, and secure rewards hereafter. These responsibilities are crucial in every aspect of life. Figure 3.1 below represents the responsibilities of every individual in Islam.

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[378] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 5: 36.
[379] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, vv. 16: 11–12.

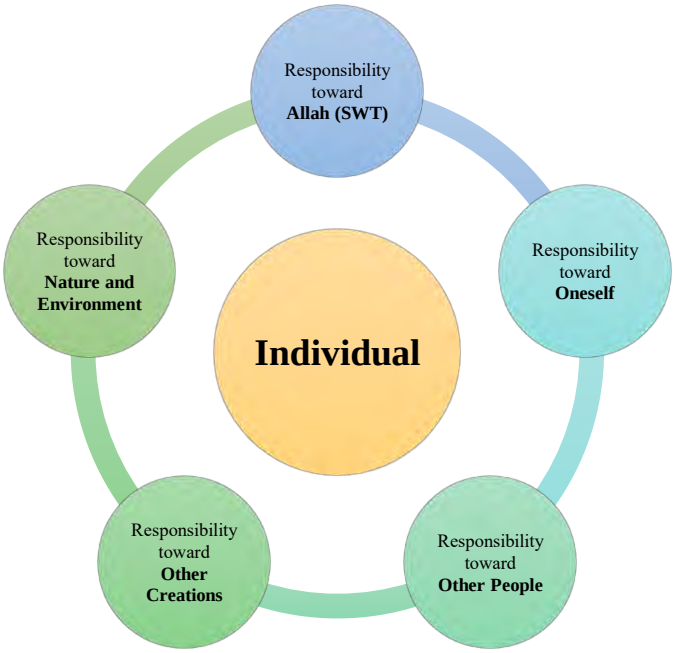

Figure 3.1: Own elaboration of Individual's Responsibility.

According to Sharia, everyone must fulfil all these responsibilities in every circumstance. Neglecting or disregarding these obligations is not acceptable in any way. These responsibilities are the most significant and practical for being socially responsible. Sharia's direct association with Halal-certified businesses indicates that paying close attention to these responsibilities is essential. If anyone wants to follow the concept of Halal, s/he has to fulfil these obligations; otherwise, there will be a deviation from the idea.

Halal-certified businesses, therefore, should consider that it has the abovementioned fundamental responsibilities that conceptually appear from the term Halal. Under the Sharia, they are responsible to society like other ordinary individuals. Scholar opines that all the operators, including the director, the manager, and the investor of a business, are

accountable and responsible for their external and internal behaviours and actions.[380] They are accountable and responsible for setting up and securing socio-economic justice within their respective role and ability. In this way, the concept of CSR that the contemporary business world emphasises appears from the responsibilities mentioned above in Halal-certified businesses, which the following section illustrates further based on Sharia.

3.4 CSR in Halal-certified Business

In general, Halal certification of businesses proclaims the protection of Muslims and Halal consumers from experiencing non-Halal products and services that may negatively affect their lives and religious faith.[381] It demonstrates that Halal-certified businesses must steer away from any unethical activities to generate profits, and all their actions require to be Sharia-compliant and socially responsible by maintaining all the responsibilities of an individual member of the society as prescribed by the Sharia.[382]

Therefore, CSR in Halal-certified businesses needs to be in line with the Sharia-centric vision of society and use Sharia's core values and principles as its guiding principles. Sharia governs all aspects of a Muslim's life as well as commercial and economic practices.[383] Unfortunately, many businesses are unaware of Sharia instructions on social responsibilities; hence, there are ambiguities as to what extent businesses must be responsible under Halal.

[380] M.K. Lewis, "Islam and Accounting," *Accounting Forum* 225, no. 2 (2001): 103–27.
[381] Ibrahim, Samsi, and Ahmad, "Halal Business Corporate Social Responsibility."
[382] Abu Saim Md Shahabuddin, Mohd Edil Abd Sukor, and Noor Hazarina Hashim, "Product-Centric Halal Business: A Critique from an Islamic Perspective," *Journal of Islamic Marketing* (2020).
[383] Mohammad, "Corporate Social Responsibility in Islam."

Sharia regulates every area of Muslim life.[384] Four primary sources—the Quran, Hadith/Sunnah, Ijma (Intellect and Wisdom), and Qiyas (Consensus of the Religious Scientist)—contribute to the core tenets of Sharia.[385] The Islamic law, known as Sharia, covers all facets of life, whether societal or personal, in this world and the Hereafter.[386] The primary object of Sharia is the well-being of humanity.[387] It is designed to shield everyone from the bad. It is to be used in all aspects of life in every phase during the following generations. Muslims are required to follow and uphold Sharia in all facets of life, including business.[388]

Trade and commerce are a substantial part of Sharia and business ethics.[389] Sharia acknowledges the value of the business, views it as a source of wealth, and encourages engagement in economic operations. The business is at the core of Islam[390] and is considered the accelerator of the nation's development.[391] Islamic history exemplifies how commerce is advantageous and supportive to the merchant, starting with the prosperous traders Prophet Mohammad (SWT) and His (SWT) wife Khadijah.[392] Throughout the Holy

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[384] Karen Hye-Cheon Kim et al., "Religion, Social Support, Food-Related Social Support, Diet, Nutrition, and Anthropometrics in Older Adults," *Ecology of Food and Nutrition* 47, no. 3 (2008): 205–228; Marco Tieman and Faridah Hj Hassan, "Convergence of Food Systems: Kosher, Christian and Halal," *British Food Journal* (2015).
[385] Norazlina Zainul, Fauziah Osman, and Siti Hartini Mazlan, "E-Commerce from an Islamic Perspective," *Electronic Commerce Research and Applications* 3 (2004): 280–293.
[386] Asyraf Wajdi Dusuki and Nurdianawati Irwani Abdullah, "Maqasid Al-Shariah, Maslahah, and Corporate Social Responsibility," *American Journal of Islamic Social Sciences* 24, no. 1 (2007): 25–45.
[387] Rusnah Muhamad, Mohd Edil Abd Sukor, and Mohd Rizal Muwazir, "Corporate Social Responsibility: An Islamic Perspective," *Asian Journal of Accounting Perspectives* 1, no. 1 (2008): 43–56.
[388] Dusuki and Abdullah, "Maqasid Al-Shariah, Maslahah, and Corporate Social Responsibility."
[389] Tamrin Amboala et al., "Development Method for Shariah Compliant E-Commerce Payment Processing," *International Journal of Computer Theory and Engineering* 7, no. 5 (2015).
[390] Muhammad Hafiz Azizan and Nabsiah Abdul Wahid, "Business in Islam: A Reviewed Essay," *Academia.edu* (n.d.).
[391] Amboala et al., "Development Method for Shariah Compliant E-Commerce Payment Processing."
[392] Azizan and Wahid, "Business in Islam: A Reviewed Essay."

Quran, several verses[393] indicate business activities and mention that business is the source of most of the sustenance of humankind.[394] Sharia business instructions strongly focus on advancing society and humanity while doing business and upholding Allah's (SWT) command.[395] The ideas and instructions in the Holy Quran apply to all facets of life, including commercial activity,[396] which are universal and applicable at all times.[397]

In Sharia, the concept of CSR relates to the teachings of the Holy Quran and Sunnah. The Holy Quran and Hadith are replete with several extensive and complete moral codes and ethical principles. Teachings of Sharia stress observing such codes and norms in human behaviour repetitively emphasised throughout the Holy Quran. It orders to raise for humanity; for example, commentary on the Holy Quran demonstrates that "We are the best of Peoples, evolved for mankind, enjoining what is right, forbidding what is wrong, and believing in Allah."[398]

Sharia guides Muslims to be religious in actions and socially responsible, considering the consequences. Every commandment of the Holy Quran exemplifies it as the verse mentioned above signifies "(a) Faith - belief in Allah (SWT), (b) Doing right - which includes setting a good example for other people to follow and having the ability to ensure that justice is served, (c) Eschewing wrong - setting a good example for other people to

[393] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, vv. 4:29; 83:1; 4:29; 3:130.
[394] Azizan and Wahid, "Business in Islam: A Reviewed Essay."
[395] Sayyid Fayyaz Ahmad, "The Ethical Responsibility of Business: Islamic Principles and Implications," *Journal of objective studies* 3, no. 1 (1991): 23–43.
[396] Amboala et al., "Development Method for Shariah Compliant E-Commerce Payment Processing."
[397] Zainul, Osman, and Mazlan, "E-Commerce from an Islamic Perspective."
[398] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 3: 110.

follow by avoiding doing wrong and having the authority to ensure that injustice and wrongdoing are defeated."[399]

Sharia secures humanity and provides numerous comprehensive and underlying rights that are compulsory under all circumstances for the followers. Sharia prescribes legal safeguards and an effective moral system to achieve those rights. Sharia emphasises that everything that leads to social welfare is morally good and vice versa. It focuses on the importance of love between God and His (SWT) creatures, especially humans. Every aspect of its followers attaches to this relationship of loving God, as it makes it clear in the Holy Quran;

> "It is not righteousness that you turn your faces towards East or West, but it is righteousness to believe in Allah and the Last Day and the Angels, and the Book, and the Messengers; to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask; and for the freeing of captives; to be steadfast in prayer, and practice regular charity; to fulfil the contracts which you made, and to be firm and patient in pain (or suffering) and adversity and throughout all periods of panic. Such are the people of truth, the God-conscious."[400]

The nature of a righteous and God-conscious individual is mentioned in this verse. One must obey salutary regulations but not keep aside the love of God. They must focus their

[399] Mohammad, "Corporate Social Responsibility in Islam."
[400] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 2: 177.

attention on their love for God and their love for their fellow humans. In this way, the verse mentioned above reflects comprehensible characteristics of social responsibility and guides its followers not to deny such responsibility. Sharia warns against the denial of social responsibility. Whoever denies is despised by the divine commandment as it testifies via Sura Al-Maun (Neighbourly Needs) as;

> "Seest thou one who denies the Judgment [to come]? Then such is the [man] who repulses the orphan [with harshness] And encourages not the feeding of the indigent. So, woe to the worshippers. Who are neglectful of their prayers, those who [want but] to be seen [of men], But refuse [to supply] [even] neighbourly needs."[401]

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According to Sharia, true worship demonstrates that the heart and mind must be applied sincerely to realise the presence of God and perform according to God's guidance. Anyone who leads an arrogant, selfish life, does not care about helpless people, and treats them with contempt is not socially responsible, and s/he is detested in this Holy verse. A socially responsible individual loves all fellow living beings, performs charity to the needy and helpless, and feeds the indigent, a noble virtue extolled throughout the Holy Quran.

The verse mentioned above detests everyone who denies social responsibility by behaving the feckless with disdain and who leads a pretentious, egoistic life. Such behaviours are opposed to Sharia and show a lack of true worshipping. Throughout the Holy Quran,

[401] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, vv. 107:1–7.

including this verse, love for fellow living beings or the virtue of charity has been extolled. In Sharia, true worship is not limited to prayer only. This verse mentions that true worship manifests in being empathetic, caring, and responsible towards one another and coming forward with neighbours' help, which is an essential aspect of social responsibility.

In addition, it indicates that the real form of worship is not limited to just praying to God. It requires earnestly applying the heart and mind to realise that everything is happening in front of Allah (SWT). It is to realise the presence of Allah (SWT) and perform everything per the will of the Almighty. Thus, to please Allah (SWT), one should assist those in need and care for their neighbours., representing a vital part of social responsibility.

In any case, where there is confusion, the Prophetic traditions dispel it. The Holy Quran offers a full path of living. In addition to the exclusions of the Quran, the Hadith of the Holy Prophet Mohammad (SWT) is an example of a very high social responsibility standard. One of the companions of the Holy Prophet (SWT), Abu Hurayrah, describes;

> "Do you know who is poor? They (the Companions of the Holy Prophet) said: A poor man amongst us is one who has neither dirham with him nor wealth. He (the Holy Prophet) said: The poor of my Umma would be he who would come on the Day of Resurrection with prayers and fasts and Zakat, but (he would find himself bankrupt on that day as he would have exhausted his funds of virtues) since he hurled abuses upon others, brought calumny against others and unlawfully consumed the wealth of others and shed the blood of others and beat others, and his virtues would be credited to the account of one (who suffered at his hand). And if his good deeds fall short to clear the account, then his sins

would be entered in (his account), and he would be thrown in the Hell-Fire."[402]

Sharia demonstrates the duties and responsibilities that are incumbent upon the individual, the corporate entity, and the nation-state. The final sermon of the Holy Prophet (SWT) is an excellent example of making all conscious of the concept. The Holy Prophet (SWT) warns everyone not to act immorally under any circumstances. True Muslims must not make any excuse in supporting immoral deeds that the circumstances lead to immoral acts or it is the social influence to act immorally. In Sharia, everyone is responsible for their actions and bears conclusive liability. In His (SWT) final sermon, the Holy Prophet (SWT) said;

> "Verily, you will meet your Lord, and He will ask you about your actions. You will neither commit injustice nor will you be wronged. No Muslim is allowed from his brother's property except what he gives away with a good heart, so do not wrong each other. The most honourable of you with Allah is that believer who has morality."[403]

Generating a pleasant society where the universe exists in peace is the onus of each Muslim. Muslim's thinking and actions will not go against others under any

[402] Abdul Hamid Siddiqui, Translation of Sahih Muslim, *The Book of Virtue, Good Manners and Joining of The Ties of Relationship*, Book 32, Chapter 13, (Hadith Collection: International Islamic University Malaysia (IIUM), n.d.), 6251.
[403] M.H. Haykal, *The Life of Mohammad* (New Delhi: Crescent Publishing Co., 1976), 486–7.

circumstances. The Quran warns everyone not to do any bad and encourages good. Quranic verses emphasise the primacy of personal dignity and the sacredness of human life. It states, "The taking of one life is equated with taking the life of all humankind, and likewise, the saving of one life is equated to the saving of all humankind."[404]

The concept of social responsibility per Sharia makes it evident that it ensures the overall interest of society. Sharia provides a broader system that establishes justice because there is no peace or freedom unless justice is achieved. The justice system per Sharia represents a fine form since it is Allah's (SWT) attribute. Standing firm for justice per Sharia is considered a witness to Allah (SWT). Sharia teaches everyone to behave similarly in every situation irrespective of self-interest (as conceived) or the interest of the dearest and nearest people.

The Holy Quran primarily provides the message about the establishment of justice as the Almighty Allah (SWT) says in the Holy Quran;

> "O ye who believe! Stand out firmly for justice, as witnesses to Allah, even as against yourselves, or your parents, or your kin, and whether it be (against) rich or poor: For Allah can best protect both. Follow not the lusts (of your hearts), lest ye swerve, and if ye distort (justice) or decline to do justice, verily Allah is well acquainted with all that ye do."[405]

[404] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 5: 32.
[405] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 4: 135.

Commentary on the verse suggests that justice is the finest attribute of Almighty Allah (SWT). Thus, to be unwavering in one's commitment to justice is to bear testimony to Allah (SWT), even if doing so goes against one's own interests or those of one's loved ones. Sharia-based justice is incisive and uncovers hidden motivations that are not accessible through any human law's formal judicial system. According to Sharia, people must conduct themselves in front of Allah (SWT), the Knower of the Invisible and Aware of All Things, Acts, and Motives (Aalim-ul-Ghayb).

The Quranic verses point out the virtue of justice as; "Allah forbids you not, with regard to those who fight you not for (your) Faith nor drive you out of your homes, from dealing kindly and justly with them: For Allah loveth those who are just."[406] Again, in another verse, "Allah doth command you to render back your Trusts to those to whom they are due; and when ye judge between man and man, that ye judge with justice: Verily how excellent is the teaching which He giveth you! For Allah is He Who heareth and seeth all things."[407]

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In Sharia, all living beings are equally treated, and it prohibits any form of discrimination that promotes justice. In keeping with this, the Holy Quran demonstrates the objective of the creation of humankind. It says, "O mankind! We created you from a single (pair) of a male and a female and made you into nations and tribes, that ye may know each other (not that ye may despise each other) […]."[408]

[406] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 60: 8.
[407] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 4: 58.
[408] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 49: 13.

Sharia always focuses on justice for human beings. The Quran demonstrates that all the messages that Allah (SWT) conveyed to humankind through all His (SWT) Prophets (SWT) are to establish justice. It says, "We sent aforetime Our apostles with clear signs and sent down with them the Book and the Balance (of Right and Wrong), that men/women may stand forth in justice […]."[409]

Furthermore, Sharia aims to establish a society based on ethics or morality. An Islamic society that upholds justice and social responsibility is built on ethics or morals. It is based on the divine commandment that makes it unique. The Almighty Allah (SWT) has created Islam. It is a divine religion where the Holy Prophet (SWT) represented supreme morality and focused on setting up religious values and commandments based on the social system. Social responsibility is highly valued in the Islamic ethical system, which is forever divine.

The Sunnah of the Holy Prophet (SWT) exemplifies that moral values are Sharia's super-priority. Vast commands in the Holy Quran mention good morals. Abu Hurayra reported that the Messenger of Allah (SWT) said, "I have been sent only for the purpose of perfecting good morals."[410] One of the companions of the Holy Prophet (SWT), Muadh Ibn Jabal, said the last advice the Messenger of Allah (SWT) gave me when I put my foot in the stirrup was that He (SWT) said, "Make your character good for the people."[411] There are numerous commandments from the Holy Quran and comprehensive teachings of the Holy Prophet (SWT) about moral codes and ethical forms. Sharia strongly and repeatedly

[409] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 57: 25.
[410] As cited in Ibn Taymiyyah, *Enjoining Right and Forbidding Wrong* (Fortress iPublications, n.d.).
[411] A'isha Abdarahman at-Tarjumana and Ya'qub Johnson, Translation of Malik's Muwatta, *Good Character*, Book 47, (*Hadith* Collection: International Islamic University Malaysia (IIUM), n.d.): 47.1.1.

emphasises humankind to be morally and ethically sound. Human behaviour would reflect ethical principles and moral codes in every action.

Sharia advises every individual to be morally good. One must not perform immoral deeds even if there is extreme pressure to do so or other members of society are behaving immorally. No one can make excuses or shift responsibility to vicarious saviours or saints for his/her deeds. In Sharia, every individual is responsible for his/her actions as the Holy Quran authenticates; "Every soul will be (held) in pledge for its deeds."[412]

The Sharia-centric ethical or moral system leads everyone to a socially responsible lifestyle. Ethics or ethical behaviour generally refers to "the general nature of morality and the study of certain moral preferences by an individual. It is a set of principles of proper conduct. A theory or system of moral values. It sets out rules or standards for the conduct of individuals or members of a profession, for example, medical ethics."[413] However, A relevant term closely related to ethics from the Sharia perspective is Khuluq (Character). The Holy Quran mentions, "…And thou (standest) on an exalted standard of character."[414]

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[412] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 74: 38.
[413] Tom L. Beauchamp and Norman E. Bowie, *Ethical Theory and Business* (Upper Saddle River, NJ: Prentice Hall, 1997); Adrian Sir Cadbury, *Ethical Managers Make Their Own Rules* (Harvard Business Review Case Services, 1987); Richard T. De George, "Theological Ethics and Business Ethics," *Journal of Business Ethics* (1986): 421–432; K. Goodpaster, "Business Ethics and Stakeholder Analysis," *Business Ethics Quarterly* 1 (1991): 53–73; H. Kung, *A Global Ethic for Global Politics and Economics* (New York: Oxford University Press, 1998); H. Kung, *Global Responsibility: In Search of a New World Ethic* (New York: Continuum, 1993).
[414] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 68: 4.

Islamic scholars depicted the same reference as; "…for, behold, thou keepest indeed to a sublime way of life…."[415] The scholar continues the word Khuluq as the "Way of Life."[416] He describes, in its broadest sense, Khuluq as the "Character" of a person, "Innate Disposition," "Nature," or "Habitual Behaviour." The Holy Quran uses several different terms to describe goodness or good behaviour. It includes "Khayr (Goodness), Birr (Righteousness), Qist (Equity), Adl (Equilibrium and Justice), Haqq (Truth and Right), Ma'roof (Known and Approved), and Taqwa (Piety), all of these contribute to the formation of character." The Quran defines it as "…inviting to all that is good, enjoining what is right, and forbidding what is wrong …."[417]

In this verse, Allah (SWT) urges everyone to learn what is right and good and what is wrong and evil and do good and right deeds through life. He (SWT) warns;

> "O ye who believe! Eat not up to your property among yourselves in vanities: But let there be among you traffic and trade by mutual goodwill: Nor kill (or destroy) yourselves: For verily Allah hath been to you Most Merciful! If any do that in rancour and injustice, --soon shall We cast them into the Fire: And easy it is for Allah."[418]

The verse above reveals the profound meaning of justice and social responsibility. It contends that humans are the trustees of wealth or property on this earth. The verse also

[415] Mohammed Asad, *Message of the Quran* (Melksham, Wiltshire, Great Britain: Redwood Press Limited, 1980).
[416] Asad, *Message of the Quran*.
[417] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 3: 104.
[418] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, vv. 4: 29-30.

warns about greediness and the wastage of property or wealth. However, it encourages economic use for prosperity. It enables ethical behaviour in management in all sectors.

Therefore, Muslims must be careful and conscious about their deeds, attitudes, thoughts, and intentions. Muslims must observe moral and ethical codes prescribed in Sharia while dealing with fellow human beings, business operations, and social affairs. Such an ethical system applies to all aspects of Muslim life, and adhering is a significant part of Iman (Faith). Social responsibility, therefore, is regarded as an adjunct to the Muslim faith that provides solid internal authorisation and enforcement for observing social norms.

Sharia instructs the followers to adhere to the same cohesive code of conduct in all areas of life, including prayer, earning, or performing other aspects of life. Muslim's actions are for Allah (SWT), and it is only Him (SWT) to be feared. It is pointed out in the Holy Quran; "Say: Truly, my prayer and my service of sacrifice, my life, and my death, are (all) for Allah, the Cherisher of the Worlds."[419]

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This philosophy makes Muslims selfless and aware of justice and social responsibility. The various commandments from the Holy Quran and Hadith illuminate the justice and social responsibility that reflect righteousness. Sharia stresses hospitality, tolerance, brotherhood, sharing and caring, fellowship and ethics. It aims at sustainable development through stewardship and promotes returning more than received from society.

Based on the information provided, the researcher opines that various references from the Holy Quran and the Hadith of the Holy Prophet (SWT) guide every person (i.e.,

[419] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 6: 162.

humankind, business) to be socially responsible for their actions. The divine commandments reveal various attributes that ensure justice and social responsibility. It is mentioned in the Holy Quran to support social obligations, be fair in dealings, perform honesty, take care of neighbours, perform ethics, and many other attributes that are crucial and mandatory requirements for everyday dealing. Performing those attributes in businesses ensures a super level of social responsibility and the interest of diverse stakeholders relevant to the business, which can be illustrated as follows.

3.4.1 Interest of Employees

Sharia eliminates discrimination among people and emphasises equality. It emphasises that employees are under the employer's authority, but it does not mean they will be inferior and the employer will be superior. In Sharia, they are all equal as human beings. The Holy Quran mentions;

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> "O mankind! We created you from a single (pair) of a male and a female and made you into nations and tribes that ye may know each other (not that ye may despise each other). Verily, the most honoured of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things)."[420]

This verse means that the foundation of superiority is not the riches of this world or a better worldly status; instead, the foundation of superiority is taqwa (piety). Employees

[420] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 49: 13.

may have financial shortcomings and may be reliant on the organisation; nonetheless, they may have more taqwa or credentials than those in higher positions, according to how Sharia evaluates and prioritises people and their accomplishments. Allah (SWT) has revealed the rules through His (SWT) messengers to provide financial benefits to subordinates regarding recruitment, promotion, performance appraisal, or any other aspect. The holy Quran mentions, "Allah doth command you to render back your Trusts to those to whom they are due; and when ye judge between man and man, that ye judge with justice: Verily how excellent is the teaching which He giveth you! For Allah is He Who heareth and seeth all things."[421]

3.4.2 Interest of Debtors

Sharia teaches disciples to perform benevolence while dealing with the debtors. It encourages benevolence as the Holy Quran states, "If the debtor is in difficulty, grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew."[422]

A Hadith narrated by Hudhaifa that the Holy Prophet (SWT) exemplifies the importance of benevolence as; "Before your time, the angels received the soul of a man and asked him, Did you do any good deeds (in your life)? He replied I used to order my employees to grant time to the rich person to pay his debts at his convenience. So, Allah said to the angels; Excuse him."[423] Both descriptions clearly describe the exalted position of the

[421] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 4: 58.
[422] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 2: 280.
[423] Khan, "Translation of Sahih Bukhari," Sales, and Trade, Book 34, Volume 3, 291.

debtors. Sharia is a provision of peace that applies to every moment and event. It shows the way to peace for both the lender and the borrower.

3.4.3 Interest of Creditors

Sharia instructs to forgive those in distress and strictly advises them to repay the loan on or before the set date in an attractive manner. The hadith of the Holy Prophet (SWT) states, "The best amongst you is he who pays his debts in the most handsome manner."[424] Sharia balances everything in the world. It recommends forgiveness of debtors considering the state of emergency. Furthermore, borrowers are advised to repay their loans on time unless there is a particularly urgent reason. Sharia has warned those who do not repay their debts on time without reason. In a Hadith of the Holy Prophet (SWT), it is clearly said that; "Procrastination (delay) in paying debts by a wealthy man is injustice."[425]

3.4.4 Interest of Competitors

Sharia presents all the business rules that protect the interests of every competitor. For example, The Messenger of Allah (SWT) said; No one hoards but the sinner."[426] In the business world, those competing with one another often attempt to undermine one another to protect their market share. Believers have been instructed by the All-Powerful Allah (SWT) to place their faith in Allah (SWT) alone. If they do, God Almighty is sufficient for them, and He (SWT) provides them benefits from their source that they cannot even begin to conceive. In light of this, a believer does not need to be concerned about new

[424] Sahih al-Bukhari, Book 43, Hadith 6; as cited in Auwal Adam Saad and Syed Musa Bin Syed Jaafar Alhabshi, "Debt Theories in Islamic Commercial Transactions and Their Implications for the Islamic Capital Market," *International Journal of Management and Applied Research* 6, no. 4 (2019): 296–306.
[425] Sahih al-Bukhari, Book 38, Hadith 1; as cited in Saad and Alhabshi, "Debt Theories in Islamic Commercial Transactions and Their Implications for the Islamic Capital Market."
[426] Siddiqui, "Translation of Sahih Muslim," the book of transactions, Book 10, Chapter 30, 3911.

converts and should make no effort to harm them in any manner. The Holy Quran states, "And He provides for him from (sources) he never could imagine. And if anyone puts his trust in Allah, sufficient is (Allah) for him. For Allah will surely accomplish His purpose: Verily, for all things has Allah appointed a due proportion."[427]

These are some of the significant features of the Sharia rule of doing business. It is evident that in Sharia, every element of a business establishment is well described, and maintaining them in business operation ensures the interests of all. Sharia leads to absolute peace and a way of success. Doing business in a prescribed manner assists its operator in achieving God's blessings while earning a living. It is, therefore, essential to consider all the rules of business under Sharia.

Based on the information, adhering to Sharia ensures worldly success and prosperity in the Hereafter. The business aims to uphold Sharia values while also making a living. The provisions mentioned above demonstrate that if a business conducts its operations following the prescribed rules and procedures, then every party relevant to the business, including creditor, debtor, buyer, seller, supplier, employees, environment, society, and so on, is protected and the business world is peaceful. In order to make the understanding much clearer, Islamic scholars have introduced several paradigms and concepts in explaining CSR per Sharia. The following sections elaborate on some of the CSR paradigms and concepts that may enhance knowledge of CSR per Sharia in Halal-certified businesses.

[427] Ali, *The Glorious Quran: Translation and Commentary*, v. 65: 3.

3.5 CSR Paradigms

Social responsibility is an essential part of Islamic society and has been applied to businesses since the beginning of Islam. "Tawhid Paradigm" is a concept which refers to the belief that the sole owner of everything is Allah (SWT), the Absolute and the Ultimate. Therefore, everyone, including the business entity, must consider a relationship with Allah (SWT), other human beings, and the environment.[428] Businesses must ensure Sharia compliance in every aspect of their operation and performance for the best interest of the current and future generations.[429] Following the Tawhid Paradigm, "Each of the creations of Allah (SWT) has its functions and responsibility on the earth. In every situation, one must remember there is no choice unless pursuing the Sharia requisites and the Creator is watching the actions follow Sharia."[430]

Similarly, the "Taqwa Paradigm" refers to the understanding that everyone's role in this earthly life is to oversee and improve the world under the Sharia. Humans are granted to use their full potential but have a great responsibility to advance the universe.[431] This spiritual acceptance is of fundamental importance for the business sector as well. Moreover, no one will break the rules of the social limits of private liberty. Such a constraint does not weaken social freedom but prevents imperious, arrogant social

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[428] H. F. H. Othman, *Attributes of Virtuous Executives and Administrators in Islam*, ed. S. O. Alhabshi and A. H. Ghazali, Islamic Va. (Kuala Lumpur, Malaysia: Institute of Islamic Understanding Malaysia (IKIM), 1994); S. O. Alhabshi, *Islamic Values: Its Universal Nature and Applicability*, ed. S.O. Alhabshi and A. H. Ghazali, Islamic Va. (Kuala Lumpur, Malaysia: Institute of Islamic Understanding Malaysia (IKIM), 1994).
[429] Rusnah Muhamad, "Corporate Social Responsibility: An Islamic Perspective," in *Global Academy of Business and Economic Research* (Bangkok, Thailand, 2007).
[430] Mohd Rizal Muwazir, Rusnah Muhamad, and Kamaruzaman Noordin, "Corporate Social Responsibility Disclosure: A Tawhidic Approach," *Jurnal Syariah* 14, no. 1 (2006): 125–142.
[431] Zahid Parvez, *Building A New Society: An Islamic Approach to Social Change* (Leicester, UK: The Islamic Foundation, 2000).

behaviour.[432] In Sharia, all are equal and should be interacted based on trust, equity, and justice.[433] Everyone should work together and back each other toward meeting their part of equality.[434] The concept from a business perspective demonstrates that business is the financial resource of both the shareholders and society, trusted for utilising the property for their benefit with an ultimate aim to attain the blessings of God.[435]

Furthermore, the concepts of "Maqasid al-Sharia" (the Sharia Objectives) and the "Maslahah" (the Public Good) emphasise that "Sharia requisites are the centre of Islam's basic beliefs, values, and objectives that cannot be separated or isolated." It objects to promoting the well-being of all humanity, their posterity, and wealth. Maslahah refers to everything that leads to the preservation of mind, life, religion, prosperity, and wealth.

These two concepts are complementary to each other and interdependent. These two concepts deal with the protection of the essential human elements and their security level, which are significant for business and its responsibility.[436] They provide ample ethical steerage to a business practitioner who needs to choose which course to follow and how far to devote to it, especially concerning CSR.[437]

[432] Syed Nawab Haider Naqvi, *Perspectives on Morality and Human Wellbeing: A Contribution to Islamic Economics* (Leicester, UK: The Islamic Foundation, 2003).
[433] Parvez, *Building A New Society: An Islamic Approach to Social Change*.
[434] Mohd Nasir Omar, "Miskawayh on Social Ethics: Love and Friendship," *Institute of Islamic Understanding Malaysia (IKIM) Journal* 4, no. 1 (1996): 36–47.
[435] Asyraf Wajdi Dusuki, "What Does Islam Say About Corporate Social Responsibility," *Review of Islamic economics* 12, no. 1 (2008): 5–28.
[436] Faizah Darus et al., "Islamic Corporate Social Responsibility (i-CSR) Framework from the Perspective of Maqasid Al-Syariah and Maslahah," *Issues in Social & Environmental Accounting* 7, no. 2 (2013): 102–112.
[437] Dusuki and Abdullah, "Maqasid Al-Shariah, Maslahah, and Corporate Social Responsibility," 25.

Apart from this, in Islam, CSR possesses both mandatory and recommended forms. Business under Sharia primarily accords with a collective spiritual responsibility (Fard Kifayah). It goes through a broader scope of responsibility compared to an individual Muslim. Secondarily, it has an exemplary influential role in society. These reasons lead to a composition of CSR guidelines based on recommended and mandatory behaviour. Mandatory forms refer to the conduct that a business must accept or avoid in its role as a representative institute according to the collective Islamic religious obligation. Recommended forms refer to conduct that goes beyond the compulsory obligations and is done voluntarily following the capability and capacity of the business to carry them out.[438]

Similarly, the "Maslahah" (Public Interest) concept concerns CSR. Implementing CSR doctrines based on the Holy Quran and Sunnah propels the economy of the individuals, not just profits for shareholders alone, but also gains the larger environment for economic empowerment of society. Following Maslahah, "When managers are confronted with possible conflicts that arise from the varied expectations and interests of any corporation's stakeholders, the use of Maslahah gives a better framework that managers may apply."[439]

"Tawhid and Sharia paradigm" also concerns CSR.[440] The "Aqidah or Tawhid" is an underlying principle in the Islamic belief that refers to the pledge to Allah (SWT). Its roots

[438] Farook, "Corporate Social Responsibility of Islamic Financial Institutions."
[439] Muhammad Yasir Yusuf and Z. B. Bahari, "Islamic Corporate Social Responsibility in Islamic Banking: Towards Poverty Alleviation," *Ethics, Governance, and Regulation in Islamic Finance* 73 (2015).
[440] Fathiyyah Abu Bakar and Mohd Atef Md Yusof, "Islamic Concept of Corporate Social Responsibility (CSR) From the Perspective of CSR Players at Bank Islam Malaysia Berhad," in *International Conference on Accounting Studies (ICAS)* (Johor Bahru, Johor, Malaysia, 2015).

in the idea that on the Day of Resurrection, Allah (SWT) will hold everyone responsible for all their actions that took place during their time in this earthly life.[441]

Individuals who manage a Muslim business entity, i.e., Halal-certified business, must contemplate the social obligations and responsibility while conducting business operations per Allah's (SWT) commands prescribed by the Sharia principles. Therefore, all business actions must work toward achieving justice and show the company's commitment to becoming a model Muslim corporate citizen while upholding the principles of Sharia. In Sharia, CSR is a significant part of worship governing the relationship between business, humanity, and Allah (SWT).[442]

The Islamic justice system requires humankind to act all the time like they are acting in the presence of Allah (SWT). Justice is the finest attribute of Allah (SWT) that is penetrative and focuses on the most profound motive. Allah (SWT) knows all the invisible things (Aalim-ul-Ghayb). Hence, humans should perform their justice as Allah (SWT) sees them. The Holy Quran also suggests they will ensure justice with clean hands as they perform in front of Allah (SWT).[443] The Quran also justifies that "Allah forbids you not, about those who fight you not for (your) faith nor drive you out of homes, from dealing kindly and justly with them: For Allah loves those who are just."[444]

These are paradigms and concepts of CSR per Sharia. Based on the information provided, the researcher concludes that CSR per Sharia is well-admitted and is an act of noble virtue.

[441] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 4: 86.
[442] Bakar and Yusof, "Islamic Concept of Corporate Social Responsibility (CSR) From the Perspective of CSR Players at Bank Islam Malaysia Berhad."
[443] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 5412.
[444] Ali, *The Holy Quran (Koran) English Translation of the Meanings*, v. 60: 8.

Numerous Hadith of the Holy Prophet (SWT) exemplify that the Prophet (SWT) has preached and performed social responsibility. The Holy Quran evidenced that since the founding of Islamic civilisation in the seventh century, the idea of CSR has been an essential component. The Sharia guidelines address the issues of both business and social well-being.[445] Additionally, Islamic jurisprudence explains every individual's everyday activity (Fiqh-Ul-Muamalaat), including humankind, business establishments, and the nation.

Sharia provides a magnificent way of life. Every aspect of human life is superbly and fluently explained in Sharia, which shows how to live a peaceful life. In Sharia, the rules of good and consistent business conduct have explicitly been explained to ensure the safety and interests of all those involved in the business. Maintaining the rules and regulations given by Sharia is considered one of the conditions of business that Halal-certified businesses should always observe. Observing CSR per Sharia ensures all the elements of CSR, such as economic, legal, ethical and philanthropic responsibilities, that the current business world acknowledges. To this end, in order to ease CSR implementation, the following section highlights CSR in Halal-certified businesses from an international perspective and provides a view on an international Sharia-based CSR reporting approach so that Halal-certified businesses may get relevance and implement CSR accordingly.

[445] Muhamad, Sukor, and Muwazir, "Corporate Social Responsibility: An Islamic Perspective."

3.6 CSR in Halal-Certified Businesses from an International Perspective

CSR is closely related to the concept of Halal, as both share similar values and principles, such as justice, fairness, transparency, accountability, sustainability, and social welfare. Halal-certified businesses are morally obligated to uphold these values and principles in their business operations, as they reflect Muslim consumers' Islamic teachings and expectations.[446] CSR policy for Halal-certified businesses may vary from country to country, depending on the level of development, regulation, and awareness of the Halal concept and industry. Similarly, CSR practices may differ from country to country depending on the legal, cultural, religious, and economic contexts.

The International Trade Centre (ITC) describes that CSR policy for the Halal industry can be classified into four categories: mandatory, voluntary, incentive-based, and market-driven.[447] Mandatory policy refers to the legal and regulatory requirements businesses must comply with to operate in the Halal industry, such as obtaining Halal certification, adhering to Halal standards, and disclosing relevant information. Voluntary policy refers to the self-regulation and initiatives businesses adopt to go beyond the mandatory requirements, such as implementing best practices, engaging in social and environmental activities, and adopting ethical codes of conduct. Incentive-based policy refers to the rewards and benefits that businesses receive for engaging in CSR activities, such as tax breaks, subsidies, grants, and recognition. Market-driven policy refers to the consumer and stakeholder demand and preference for CSR activities, such as customer loyalty,

[446] Mohd Rafiq Abdul Rahim, "The Relationship Between Corporate Social Responsibility (CSR) and Malaysia Halal Industry," *Journal of Islamic Social Sciences and Humanities (Al-'Abqari)* (2020).
[447] Abdalhamid Evans and Sadiq Syed, *Niche to Mainstream: Halal Goes Global*, 2015.

reputation enhancement, and competitive advantage.[448] ITC further highlights CSR in Halal-certified businesses in Malaysia as the following:

3.6.1 CSR in Halal-Certified Businesses in Malaysia

Malaysia has a well-established and comprehensive Halal certification system that is mandatory for all Halal products and services. The Halal Malaysia Council administers the system, which refers to the "Department of Islamic Development Malaysia (JAKIM)," the country's sole authority for Halal certification.[449] JAKIM works to foster the Halal sector in Malaysia by providing an all-inclusive and credible Halal certification system that ensures the compliance of products and services with the Sharia principles and standards. The system covers various sectors, such as food, pharmaceuticals, cosmetics, logistics, tourism, and finance. JAKIM also cooperates with other agencies and bodies to monitor and enforce Halal standards, such as "the Ministry of Domestic Trade and Consumer Affairs, the Royal Malaysian Customs Department, and the Halal Professional Board."[450]

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JAKIM recognises and collaborates with foreign Halal certification bodies that meet the requirements and standards set by JAKIM. The council has recognised over eighty foreign Halal certification bodies from forty-six countries, facilitating the trade and export of halal products and services from Malaysia. JAKIM conducts audits, inspections, and monitoring activities to verify and enforce the Halal standards among the certified

[448] Evans and Syed, *Niche to Mainstream: Halal Goes Global*.
[449] Zainalabidin Mohamed et al., "Clients' Perception Towards JAKIM Service Quality in Halal Certification," *Journal of Islamic Marketing* 3 (2012): 59–71.
[450] Business Today Editorial, "MITI: Halal Roadmap Now Paves The Way To Strengthen Malaysia's Leadership In Global Halal Industry," March 23, 2023.

companies and premises. The council also handles complaints and reports from the public regarding any issues or violations related to Halal matters. JAKIM additionally offers training, consultation, and guidance to the industry players and stakeholders on the Halal certification process and requirements. The council also organises programs and events to promote awareness and education on the Halal concept and industry.[451]

In addition, Malaysia has a "Halal Industry Master Plan 2030 (HIMP 2030)," a strategic roadmap intended to position Malaysia as the uncontested worldwide leader in the halal industry. The HIMP 2030 lays out seven strategic thrusts and twenty-three initiatives to accomplish five key target outcomes, including having a strong and diverse domestic Halal industry, providing end-to-end Sharia compliance, improving the ease of doing business in Malaysia, having a competitive business ecosystem and promoting "Halal Malaysia" internationally.[452]

In achieving the targets mentioned above, Malaysia has taken various measures to secure CSR in the Halal industry, one of the key sectors of its economy and a source of pride for its Muslim population. Malaysia has built a thorough and reliable Halal certification system to guarantee that goods and services adhere to Sharia principles and requirements.[453]

[451] Business Today Editorial, "MITI: Halal Roadmap Now Paves The Way To Strengthen Malaysia's Leadership In Global Halal Industry."
[452] Mohd Afandi Mat Rani, Shahirah Said, and Siti Sarah Izham, "Asnaf Entrepreneur Strategy in the Development of the Halal Industry in Malaysia," in *Selected Proceedings from the 1st International Conference on Contemporary Islamic Studies (ICIS 2021)* (Singapore: Springer Nature Singapore, 2022), 119–126.
[453] Rahim, "The Relationship Between Corporate Social Responsibility (CSR) and Malaysia Halal Industry."

Malaysia encourages more research and innovation in the Halal industry, fosters thought leadership and produces more home-grown Halal champions. Malaysia has established several institutions and platforms to support the development of Halal knowledge and technology, such as "the Halal Industry Development Corporation (HDC), the International Institute for Halal Research and Training (INHART), and the World Halal Summit (WHS)." Malaysia also recognises and rewards its Halal industry players' outstanding achievements and contributions through various awards and accolades, such as "the Halal Excellence Awards, the Halal Journal Awards, and the Prime Minister's Hibiscus Award."[454]

Although CSR is voluntary in Malaysia, since the term Halal were being regulated in a good way- it promotes good CSR practice in Halal-certified businesses in Malaysia. It is complemented by various laws that impose liability on businesses.[455] Several laws and regulations in Malaysia relate to CSR. One of the main laws is the "Consumer Protection Act 1999" (CPA), which aims to promote a fair and ethical market for consumers and traders. The CPA covers various aspects of consumer rights, such as product safety, quality, information, redress, and education. The CPA also establishes "the National Consumer Advisory Council, the Tribunal for Consumer Claims, and the Consumer Protection Fund."[456]

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[454] Business Today Editorial, "MITI: Halal Roadmap Now Paves The Way To Strengthen Malaysia's Leadership In Global Halal Industry."
[455] Rokshana Shirin Asa, "Effectiveness of the Existing Halal Laws in Malaysia," *Jurnal Syariah* 26, no. 1 (2018): 141–166.
[456] Habib Ahmed and Ili Rahilah Ibrahim, "Financial Consumer Protection Regime in Malaysia: Assessment of the Legal and Regulatory Framework," *Journal of Consumer Policy* 41, no. 2 (2018): 159–175.

Another relevant law is the "Companies Act 2016", which requires companies to disclose their CSR activities in annual reports. The Companies Act also encourages companies to adopt good corporate governance practices, such as having a code of ethics, a whistle-blowing policy, and a board diversity policy. Other sector-specific laws and guidelines also address CSR issues, such as "the Environmental Quality Act 1974, the Occupational Safety and Health Act 1994, the Malaysian Code on Corporate Governance 2017, and the Bursa Malaysia Sustainability Reporting Guide 2015."[457]

Therefore, by complying with the relevant laws and regulations, businesses in Malaysia demonstrate their social responsibility and protect their consumers' interests. Moreover, by engaging in voluntary CSR initiatives that go beyond the legal requirements, businesses create positive social and environmental impacts and gain a competitive edge in the market.

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3.6.2 Islamic Reporting Initiative (IRI)

A reporting standard for environmental, social, and corporate governance based on Islamic principles and values is being developed by the independent, interdenominational nonprofit organization known as the Islamic Reporting Initiative (IRI). The IRI was established in 2015 by and for businesses globally to lead the creation of an Islamic principle and value-based Corporate Sustainability and Social Responsibility reporting framework.[458]

[457] Amy Chu-May Yeo, Sky Xiu-Mei Lee, and Steve Carter, "The Influence of an Organisation's Adopted Corporate Social Responsibility Constructs on Consumers' Intended Buying Behaviour: A Malaysian Perspective," *Social responsibility journal* 14, no. 3 (2018): 448–468.
[458] "Islamic Reporting Initiative (IRI)," accessed June 16, 2021, https://islamicreporting.org/who-we-are/

IRI has been established with a mission to enable worldwide business entities to examine the values and principles that dominate their activities. It also enables them to articulate their commitment to a sustainable environment and society with clarity and simplicity. By incorporating the principles of kindness, environmental stewardship, human dignity, peace, social justice, and tolerance into business culture, IRI aspires to a sustainable economy that would actively contribute to the environment and society. IRI wants to make it easier for businesses to become more open about how their values and principles are being implemented. This will allow businesses to explain better how they contribute to the economy and society to stakeholders.[459]

Islamic values and principles exist to encourage everyone, including business entities, to be responsible and take care of the society in which they exist, the local community – its inhabitants, through education and practice. Consequently, business entities operating in accordance with Islamic values and principles are inclined to adopt a practice culture based on accountability, morality, and trust. These cultural nuances influence and shape the business entity's behaviour and sculpt a consistent and sustainable development path infused with CSR.[460]

IRI is creating the world's first Islamic value-based reporting framework for CSR. The IRI framework benefits business organisations such as Halal-certified businesses that focus on Islamic religious values in their business activities. IRI should be implemented in business organisations involved with the concept of Halal, as it is a fast-growing sector presently. IRI provides various benefits to business organisations as it thrives through

[459] "Islamic Reporting Initiative (IRI)."
[460] "Islamic Reporting Initiative (IRI)."

sustainable and responsible practices, represents progressive transformation, creates a steady, prosperous, and consistent environment, and achieves world-class standards of CSR and sustainability.[461]

Furthermore, IRI intends to furnish a range of business standards, guidelines, and tools to boost the mainstream application of the goals of the Post-2015 shared framework as delineated in both "the OIC-2025 Plan of Action and the UN Sustainable Development Goals 2030." IRI provides principles that enable business organisations to be more transparent for a better sustainable business culture. To achieve a sustainable business culture, IRI aims to drive corporate transparency via general faith, enhance resilience by fostering innovation, modernisation, and education, focus on investing and financing prospects and organisational challenges and risks, and unite the Islamic world around shared sustainability performance.[462]

According to the information provided, the researcher opines that by giving value to the Islamic principles of every aspect of life, including business, IRI aims to facilitate worldwide business entities to examine the values and principles that develop responsibility, social justice, unity, and vicegerency. IRI standard applies to any organisation regardless of geography, industry, legal form, shape of influence, and size. It guides the implementation, execution, and assessment of actions that meet the

[461] "Islamic Reporting Initiative," *Preamble to the IRI Standards*, accessed May 16, 2021, https://islamicreporting.org/iri-standard/.
[462] "Islamic Reporting Initiative (IRI)."

environmental and social responsibilities inherent in Islam's influences, practices, teachings, and traditions.[463]

The above sections are the conceptual understanding of Halal-certified businesses and their responsibilities towards diverse stakeholders. The discussion interlinked the conceptual understanding of Halal and fundamental responsibilities and introduced an organized way of implementing CSR per Sharia. Taking into account the concept of CSR per Sharia in Halal-certified businesses, the following section moves forward to know the current practice of CSR in Halal-certified businesses in Bangladesh using data collected from the field. The discussion highlights some critical issues and challenges valuable in providing practical explanations about CSR in Halal-certified businesses in Bangladesh.

3.7 CSR in Halal-Certified Business in Bangladesh

Islamic Foundation Bangladesh (IFB) is comprised of a Halal Certification Department that has been operational since 2007. The IFB only issues a Halal certification after receiving a quality certification from the relevant agency. As the Halal certificate includes religious affiliation, the IFB is the proper authority for Halal certification. Today, the Halal sector has emerged as a crucial component of trade and business in nearly all nations, regardless of Muslim or non-Muslim populations.[464] By obtaining Halal certificates for their goods, Bangladeshi producers and manufacturers can export Halal products to several other countries and earn substantial amounts of foreign currency. The issuance of

[463] "Islamic Reporting Initiative."
[464] Sarkar, *The Activities of the Department of Halal Certification*.

Halal certifications is currently viewed as an important future sector in developing the nation's economy.[465]

There is a roughly three trillion-dollar market for Halal items on the international market. Bangladeshi goods manufacturers have been unable to reach the global market for a long time due to the absence of Halal certification. On June 17-18, 2017, Halal Expo 2017 was organised in Bangladesh to provide the opportunity for Bangladeshi products to access the international Halal market. It was suggested to give Halal certifications following verification and selection by a powerful committee of knowledgeable individuals from several departments, including Muftis, Muhaddis, and Mufassirs of IFB.[466]

The options to promote consumer goods without certifications in various nations are similarly restricted, just as customers in Bangladesh are interested in purchasing by accessing Halal certificates. In this regard, the IFB offers Halal certificates and logos in response to local and international demand and to export and promote Bangladeshi consumer goods per the Halal certificate policy established by the applicable government. The IFB has given Halal certificates and emblems for three hundred items manufactured by one hundred fifteen companies.[467]

The primary factor instilling customer trust in the quality of Halal in Bangladesh is said to be the Halal certification and verification system. IFB's Halal certification protects Islamic cultural and religious precepts, where businesses benefit from legal claims,

[465] Sarkar, *The Activities of the Department of Halal Certification*.
[466] Sarkar, *The Activities of the Department of Halal Certification*.
[467] Sarkar, *The Activities of the Department of Halal Certification*.

customer confidence, and expanded market opportunities.[468] When thinking about CSR in Halal-certified businesses, the first thing that comes to attention is the Halal certificate, which is the primary condition for entering this sector. Although the Halal sector is expanding day by day, from a business point of view, the concept of Halal, which has been discussed earlier, has not flourished among the public. Public understanding is weak to date as they consider Halal merely a dietary standard. Research respondents reveal that the most frequent issue and challenges faced in the Halal certification process are about the knowledge of Halal. One respondent opines that "New clients mostly do not know about the precise application of the concept of Halal in business."[469]

Compliance with relevant rules and regulations is one of the components of CSR. Every business needs to conduct business following the necessary rules and regulations. One respondent opines, "Applicants are not well-versed in the standards and requirements of applying for a Halal certificate application. Moreover, many do not effectively comply with the mandatory requirements after getting the certificate, and they consider the requirements only for the sake of the application process."[470]

The importance of information availability and modernisation from the appropriate authorities to inform and make the public aware of any issue is immense. It is fair to say that many people cannot follow the right path despite their interests due to a lack of correct information and ideas. One of the respondents opines, "We face difficulties complying

[468] Regenstein, Chaudry, and Regenstein, "The Kosher and Halal Food Laws."
[469] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.
[470] Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019.

with Halal certification due to changes in the online system category and requirements from authority."[471]

Such discrepancy between Halal authority and practitioners leads to the researcher's assumption that further discrepancy may exist regarding CSR. Hence, the researcher distinguishes the following discussion based on specific topics to get authentic findings based on diverse opinions from the field. The discussion below seeks positive suggestions to advance and secure CSR in Halal-certified businesses in Bangladesh by identifying practical differences in Malaysia.

3.7.1 Perception of CSR

In Bangladesh, the Halal authority strictly maintains Halal standards and takes relevant initiatives from time to time. They take the implementation of prescribed Halal standards seriously, but the CSR remains unsettled, as one of the research respondents reveals;

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> *"We are the only authority in the country to work with Halal certification of businesses. We are working on behalf of the government to oversee, control and advise the country's Halal sector. We have a Sharia Experts Team (Mufassir, Muhaddis, Mufti, Ulama, Imam, and other Islamic Scholars) and a Scientific Experts Team (Chemist, Pharmacist, Micro-Biologist, and other relevant experts) to work together in the process of Halal certification. We inspect and justify through the teams. Then, the appointed committee examines all the relevant reports, such as reports of Bangladesh Standards & Testing Institution (BSTI), Institute of Nutrition and Food Science, Department*

[471] Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019.

of Environment, Department of Agriculture, Department of Health, Department of Fisheries, Department of Drug Administration, and the Personal/Self Declaration of the applicant before providing Halal Certificate to its applicant. There is no chance to skip any step throughout the Halal certification process. However, it is true that although we monitor various aspects of Halal-certified businesses, CSR remains untouched as there is no legal directive to compel CSR performance."[472]

Another respondent opines;

"Our task is to introduce the Halal industry of Bangladesh globally with confidence. We are working to make it easier and safer to produce and supply Halal products. Our priority is to ensure hundred (100) percent Halal products and quality. To this end, we provide clear ideas, training, and information about Halal standards to Halal-certified businesses in the country. We regularly check and verify so that there is no fear of Halal. We are doing many things consistent with the concept of CSR, but we do not conduct specific activities in the name of CSR performance. It is subject to government-designated CSR-related institutions."[473]

[472] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[473] Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

One respondent from CSR-related organisations in Bangladesh opines;

> *"Our organisation is one of the few organisations working privately with CSR in Bangladesh. We have been working with CSR in Bangladesh for a long time. Our mission is to inspire businesses to conduct business ethically and responsibly. We assist businesses with training, information, and CSR-related advice to conduct business according to existing laws and regulations in Bangladesh and expand the business in a socially responsible manner. We also assist in formulating policies for business expansion with the government. CSR is a new concept in Bangladesh, and we are inspiring businesses. We consider Halal-certified businesses similar to others in terms of CSR."*[474]

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Another respondent opines;

> *"We are working with CSR privately. We are working towards a greater spread of CSR in the business community. Our priority is to establish a socially conscious and responsible business society. Meetings, seminars, open discussions, etc., are notable among our various activities on CSR. We are organising these regularly, which inspires socially responsible business. However, we do not have any special*

[474] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019.

focus or specific activity for Halal-certified businesses. They hold similar attention like the conventional businesses in terms of CSR."[475]

In discussing CSR in Halal-certified businesses, it became clear from the respondents' opinion that everyone's basic idea about CSR is the same and reflects traditional ideas. No one focuses on CSR in Halal-certified businesses. In searching for positive suggestions regarding CSR, the researcher received a similar practical experience from Malaysia. CSR in Halal-certified businesses is also traditional in Malaysia as one of the research respondents from Malaysia opines that;

"Currently, we are not looking at our Halal-certified clients separately from the traditional businesses in terms of CSR. We are working with Halal standards as the responsible institution of the government. We ensure it does not affect Muslims' confidence and religious sentiments. The concept of CSR in Halal-certified businesses is not an ongoing activity for us. If the government has any institutional directive on CSR, we will cover it."[476]

In Malaysia, private organisations also work to better the Halal sector besides the governmental organisation. One respondent's comment;

[475] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[476] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.

> *"Our institutional work is limited to ensuring the quality of Halal products. We are working to promote the Halal sector as an authorised agent of the government and continue our activities to develop the country's Halal industry. We advise Halal-certified businesses to conduct business properly and give advice regarding Halal from time to time. We promote our clients to be socially responsible by maintaining Halal standards; however, we do not have any direct activity under the name of CSR."*[477]

The perception of Halal in practice is constrained to certain aspects of business activities, especially maintaining production and material standards. One respondent makes it clear;

> "*Our main job is to provide training and clear ideas about Halal production. We help businesses follow government provisions regarding the production and supply of Halal products. Nevertheless, indeed, we do not work with CSR in that sense. We aim to promote safe, authentic, wholesome, and pure Halal products."*[478]

Halal practitioners maintain the standard prescribed by the relevant authority for producing and supplying goods and services. Although comparative measures have been

[477] Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.
[478] Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019.

taken by Halal-certified businesses to ensure prescribed Halal standards, there is no specific adherence to CSR, as one respondent opines;

> *"As Halal practitioners, we produce and supply Halal products while maintaining the standards set by the government. Our products are manufactured and marketed subject to proper supervision and investigation. We confidently adhere to Halal standards at every stage of our supply chain. We are at the forefront of CSR compliance and are constantly aware. We consider our employees as family members, providing all possible benefits to protect their interests. Our environmental protection policy is taken seriously here, and business activities are conducted accordingly."*[479]

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The statements from the respected respondents from Bangladesh lead the researcher to assume that the perception of CSR in Halal-certified businesses is not strong enough. The researcher concludes that in Bangladesh, a misconception exists regarding the concept of Halal from the business point of view. Businesses are considering Halal as merely a standard of the dietary system. Halal relates everything, including CSR; this ideology is not practical currently. The data also reveals that most respondents are concerned about CSR, focusing on the traditional concept of mere philanthropy.

[479] Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019.

3.7.2 Awareness of CSR

Awareness is the knowledge or comprehension of a certain topic, state, circumstance, or substance. Awareness in the context of CSR means being particularly interested, experienced or well-notified about the proper knowledge of the concept. Previous discussions have shown that CSR in Halal-certified businesses has not been discussed much, and the researcher's fieldwork also proves that. Although the research respondents are well-versed in Islamic knowledge and business law, they lack the focus on CSR in Halal-certified businesses. The reason for this, they point out, is that;

> *"We get a variety of explanations and examples from traditional concepts that drive our thinking in a certain direction (philanthropy). We are easily tempted to set a limit, which is why traditional ideas have spread so much in the business society. There are many discussions, research, and applications; as a result, we know about traditional ideas."*[480]

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NGOs, voluntary groups, and Civil Service Organisations (CSOs) play an important part in the sign of CSR everywhere. They significantly impact CSR endeavours by acting as watchdogs and observing business activities, bringing stakeholders together for shared action on social issues, and partnering with businesses to employ CSR plans. However, the research respondents emphasise that one of the primary reasons behind the non-spread of CSR in Halal-certified businesses is that "Most of the local communities, CSOs, and

[480] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

NGOs working on CSR issues are still not focused on CSR in Halal-certified businesses."[481]

Some research respondents also emphasise that the Halal authority lacks the initiative to raise public awareness of CSR in Halal-certified businesses. According to them, the most effective step should be taken by Halal authorities if CSR is to be implemented in Halal-certified businesses.[482] One participant added further;

> *"The Islamic Foundation Bangladesh, the only authority for Halal business in Bangladesh, has an active role in this regard. They can add CSR as a pre-condition for Halal registration."*[483]

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However, research respondents said the Halal authority has ongoing initiatives promoting good business practices. For example, they explain,

> *"We train applicants before and after giving a certificate that makes applicants conscious of what they should do or abstain from doing while*

[481] Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[482] Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[483] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

holding a Halal certificate and operating business activities. In addition to this, we promote applicants by arranging pre-certificate training, seminars, and open discussion to perform business activities decently that protects the interest of both the insider (workforce) and outsider (the local community and the society).''[484]

Some other respondents stated;

''We provide proper guidelines, engage with others, and train entrepreneurs toward economic development while improving the overall business platform. Additionally, we organise briefing sessions, workshops, Halal awareness seminars, etc. However, the concept of CSR is not acknowledged much since it is not mandatory in our country, and we do not have any particular activity.''[485]

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Based on the information provided above, the researcher concludes that currently, there are various activities within the Halal authorities to promote the Halalness of goods and services in Bangladesh. However, they are not to raise awareness about CSR within the current business community. Relevant authorities and practitioners are not well aware of

[484] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[485] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

CSR in Halal-certified businesses compared to their present understanding of the traditional concept of philanthropic activity. NGOs, civil societies, and other voluntary groups are also unaware and are not working to raise public awareness of CSR in Halal-certified businesses.

As a result, Halal-certified businesses are not getting any information and awareness. Relevant authorities are working to advance the process of Halal, but they are not promoting CSR. The data from Malaysia reveals that Halal authorities are working for the betterment and progression of Halal-certified businesses. They organise various events to promote the concept of Halal. Bangladesh also organises various events to aware Halal-certified businesses. Bangladesh should organise additional activities to promote Halal and CSR simultaneously. So that Halal-certified businesses would get betterment.

3.7.3 Integrity in CSR

Integrity is the manner of being sincere and demonstrating reliable and unbending loyalty to ethical and moral beliefs and principles. The integration of the research respondents with the Halal concept has shown the confidence and acceptance mentality of CSR in Halal-certified businesses. Most research respondents feel that Halal-certified businesses should implement CSR.[486]

[486] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019; Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka,

CSR in Halal-certified businesses is essential in securing vast numbers of Halal consumers as they are worried about their selected Halal consumables. This belief further expresses their thinking, which is uttered in their discourse. Most research respondents strongly feel that Halal-certified businesses should obey and implement CSR.[487] In supporting their feeling, they plea government officials at the national and sub-national levels to execute Halal standards and set up guidelines to implement CSR in Halal-certified businesses.[488]

Based on the information, the researcher concludes that apart from the disagreement of the study respondents, it has become clear that they believe if the concept of CSR spreads widely, then Halal-certified businesses will voluntarily follow it. CSR in Halal-certified businesses is an essential element that is not observed due to unconsciousness. So, the conceptual gap needs to be bridged. Regarding the integrity of CSR, Bangladeshi research respondents are confident in considering the relevance of Halal-certified businesses and CSR. The data from Malaysia reveal that the respondents feel it necessary to spread the concept of CSR. They feel the significance of CSR considering the religious obligations

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Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[487] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019; Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[488] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019.

and practical needs. Bangladesh should take the effective initiative to spread CSR as it has a beneficial influence in developing a CSR-based business society.

3.7.4 Trust in CSR

Transparency and accountability are the most significant components of the CSR program. Both are necessary conditions of the CSR program. A transparent CSR program delivers information so that key stakeholders may receive correct insight into problems pertinent to them. Research respondents show their trust in CSR in Halal-certified businesses by saying, "We strongly believe that CSR in Halal-certified businesses can ensure business sustainability and Halal standards implementation more transparent and accountable."[489]

The conservation and protection of the environment is a component of CSR. Considering this aspect, the research respondents expressed that CSR in Halal-certified businesses would ensure maximum protection of the environment. One respondent says, "I strongly believe that CSR in Halal-certified businesses may help prevent and minimise environmental destruction in the community."[490]

[489] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019; Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019; Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[490] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.

Making a profit should always be the primary focus of any company. According to CSR, economic growth is the primary condition because, without economic prosperity, a business will not survive. Considering this philosophy, research respondents opine that "CSR in Halal-certified businesses will provide overall economic growth."[491]

Based on the information, the researcher concludes that the research respondents believe that following CSR will make Halal-certified businesses much more accountable and transparent. It will also be much more effective in protecting the environment. Above all, CSR in Halal-certified businesses will ensure business prosperity. The research respondents from Bangladesh and Malaysia have a good impression of trust in CSR in Halal-certified businesses.

3.7.5 Coordination on CSR

Coordination reduces conflict and eliminates competition, waste, delay, indifference, and other organisational problems. It confirms the efficient functioning of the organisation. Through coordination, an organisation can meet its objectives instantly. CSR is weak in Bangladesh, and there is no initiative on CSR in Halal-certified businesses. Respondents opine that there should be coordination among relevant authorities and parties involved in CSR implementation. One respondent states, "I strongly feel that each Ministry/agency

[491] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

should coordinate with each other to produce guidelines on CSR in Halal-certified businesses."[492]

An important piece of information has emerged in the context of CSR guidelines. Inter-ministerial coordination is not active currently as there are no official initiatives on CSR. One respondent stressed that such coordination would not be accessible in implementing CSR. She says, "I do not feel that each Ministry/agency will coordinate with each other to produce guidelines on CSR."[493]

The respondents also mentioned the understanding and facilitation between the local and central governments to implement CSR. Most research respondents opine that local governments should coordinate with the central government to implement CSR.[494] They also plead for an independent agency to supervise CSR implementation. They say establishing an independent agency that will supervise CSR programs in Halal-certified businesses is urgent to enhance coordination matters.[495]

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[492] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.
[493] Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019.
[494] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[495] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal

However, the respondents presented some more exciting information that indicates that CSR is flourishing on their behalf. Some examples of the need for coordination that awaken their thinking are included in their ongoing activities. As one respondent states, "We work with JAKIM (Malaysia), SMIIC[496] (Turkey), OIC[497] member countries, SAARC[498] member countries, and D8[499] member countries. We focus on OIC Halal standards for food and beverages."[500] Another respondent states, "We focus and follow VSO,[501] UNDP,[502] and Save the Children; those are mostly foreign standards to deal with CSR."[503]

Based on the information, coordination in promoting CSR in Halal-certified businesses is challenging in Bangladesh. However, considering the prospect, there should be well-coordinated among the relevant organisations. Based on the data, the Halal authority collaborates with various national and international organisations, and CSR-related organisations also work with various international standards. It is, therefore, expected that there should be coordination among relevant ministries, organisations, NGOs, civil

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Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[496] Standards and Metrology Institute for the Islamic Countries.

[497] The organisation of Islamic Cooperation.

[498] South Asian Association for Regional Cooperation.

[499] Developing-8.

[500] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[501] A British organisation that sends skilled people to developing countries to work on projects that help the local community. VSO is an abbreviation for Voluntary Service Overseas.

[502] The United Nations Development Programme is the United Nations' global development network. It advocates for change and connects countries to knowledge, experience, and resources to help people build a better life for themselves.

[503] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

societies, and others to foster CSR in Halal-certified businesses in Bangladesh. The data from Malaysia suggest that there may be difficulties among various organisations relevant to CSR implementation; hence, Bangladesh should consider a balanced and smooth coordination opportunity to foster CSR practice.

In summarising the field data, it is clear that Halal-certified businesses, relevant authorities, and CSR-related organisations focus on traditional concepts in Bangladesh. However, the practitioners, governing authorities, and volunteer organisations that work on CSR encourage socially responsible businesses in the country. Their primary concern is making Halal-certified businesses legally compliant in conducting business operations. However, they lack the initiative to make Halal-certified businesses ethically strong in dealing with Halal consumers and securing religious faith by spreading CSR per Sharia. Therefore, they are expected to think anew about the relevance of CSR in Halal-certified businesses and work for CSR in Halal-certified businesses. They should take the initiative to promote CSR per Sharia in Halal-certified businesses, which is essential for advancing the Halal industry in Bangladesh.

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3.7.6 CSR Activities

The most popular concept of CSR that the current world acknowledges involves economic, legal, ethical and philanthropic responsibilities.[504] However, in Bangladesh, the current status of CSR reveals that businesses prefer mere economic and philanthropic responsibilities by doing charitable activities.[505] Businesses mainly conduct CSR activities

[504] Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders."
[505] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."

as they wish in lieu of any set rules or CSR policy happening as charity. Halal-certified businesses are no exception, as they mostly do some philanthropic activity and declare that as their CSR activity. They do not have any CSR guidelines, policies, or advice from any consultation centre in the country.

For example, Pran Agro Limited is one of the popular Halal-certified businesses in Bangladesh. Regarding CSR, Pran includes initiatives on health, education, community development, and the environment. Pran claims to contribute to society's betterment, envision a healthy and safe community and work to bring learning opportunities to every corner of the country. Additionally, it states that Pran is committed to preserving communities, enhancing their standard of living, reducing environmental effects, and fostering an ecosystem that is clean, healthy, and wholesome.[506] Unfortunately, many of its products are substandard and banned by the relevant authority, exemplifying failure to comply with legal responsibility.[507]

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ACI Food Limited is another Halal-certified business in Bangladesh, producing Halal foods and beverages. ACI organizes an annual charity program, the "Winter Cloth Distribution" initiative, for its CSR efforts. This event is held regularly by the campaign to provide comfort and warmth to the nation's poor population during the shivering cold of winter.[508] Remarkably, some of its products are identified as substandard, exemplifying legal non-compliance. The supreme court of Bangladesh ordered the authorities concerned

[506] PRAN AGRO LIMITED, "PRAN In Society."
[507] Bangla Tribune Report, "The 52 Food Products Banned by Court."
[508] ACI Food Limited, "Winter Cloth Drive."

to immediately withdraw selected food products from the market that were found sub-standard by the test of BSTI.[509]

Taking into account the current CSR in Halal-certified businesses in Bangladesh, one respondent opines;

> *"CSR in Halal-certified businesses refers to various social activities that result from religious motivation. Islamic religious motivation dominates Halal-certified businesses in the country, due to which Halal-certified businesses perform charitable donations to advance society."*[510]

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Another respondent opines;

> *"CSR is a new concept in the business community in Bangladesh; however, the concern over CSR is growing very fast, which is why various social activities are also emerging in the Halal sector. Halal-certified businesses practice CSR activities in promoting society through donations to academic (scholarship, funding, etc.) and nonacademic (medical, hospitality, etc.) purposes to support poor and needy people*."[511]

[509] Bangla Tribune Report, "The 52 Food Products Banned by Court."
[510] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[511] Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

Another respondent shares an interesting fact regarding CSR activities in Halal-certified businesses in Bangladesh;

> *"CSR requires businesses to be economically, legally, ethically and philanthropically responsible. Unfortunately, many incidents revealed that Halal-certified business has failed to comply with legal responsibilities, and ethical requirements are in question. There is a misconception as many consider CSR merely a philanthropy activity that can be done by donating or performing charity to virtuous causes."*[512]

Another respondent opines;

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> *"Current CSR activities reflect charity and donation, which are mostly the philanthropic activity of Halal-certified businesses. Business in Bangladesh prefers profits even by achieving short-term sustainability, which is why other aspects of CSR are not identical, making the practice weak and questionable."*[513]

[512] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[513] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019.

Based on the information, the researcher opines that CSR in Halal-certified businesses is weak as they consider it a mere philanthropic activity. Halal-certified businesses lack a conceptual understanding of CSR under Halal, which requires them to be socially responsible by observing Sharia. Unfortunately, this philosophy is impractical as Halal-certified businesses prefer profit (economic responsibility) and perform charity and donation (philanthropic responsibility). They fail to comply with other aspects of responsibility (legal and ethical responsibilities) in many cases that Halal-certified businesses need to absorb in terms of CSR.

3.8 Issues with Current Practice of CSR in Halal-Certified Businesses in Bangladesh

This chapter concentrated on Halal-certified businesses to portray the practice of CSR in Bangladesh. Several findings of fact connected to the implementation of CSR in Bangladesh have been developed based on the results of field research. The research respondents provided important information crucial for implementing CSR in Halal-certified businesses. The research respondents from different sectors opined on various issues in the field and suggested possible ways to recover. This part presents an analytical overview of the topical concerns as they evolved in light of the research objectives that guided the study.

The dealt research question in this chapter sought to find out the current practice of CSR in Halal-certified businesses in Bangladesh. This search has revealed some key issues - institutional weakness, lack of knowledge, initiatives, and focus on CSR impacting CSR practice in Halal-certified businesses in the country. This discussion elaborates on the findings on the role of each issue in the study.

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3.8.1 Institutional Weakness

In Bangladesh, the Halal sector has been developed under the supervision of IFB, which is the sole authority in the country to deal with religious matters, including the Halal sector, since there is religious sensitivity. All the Halal-certified businesses in the country follow the Halal guidelines.[514] However, the data reveals a lack of particular sectors for dealing with CSR in Halal-certified businesses in Bangladesh.[515] As the data reveals, the Halal certification authority in the country is concerned about CSR in Halal-certified businesses;[516] hence, it is time to rethink the implementation. Since Halal-certified businesses need to compete in local and global Halal markets to succeed, they must comply with CSR as Halal consumers worldwide are worried about and curious to know the CSR practice of the company before selecting Halal products and services.[517]

The data also reveals a religious motivation among the Halal-certified businesses to perform and maintain Halal in the best way possible while having Halal certification;[518] the Halal division should take the initiative to introduce CSR in Halal-certified businesses. Thus, the CSR practice in Halal-certified businesses would be better.

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[514] Sarkar, *The Activities of the Department of Halal Certification*.
[515] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[516] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[517] Pam Scholder Ellen, Deborah J. Webb, and Lois A. Mohr, "Building Corporate Associations: Consumer Attributions for Corporate Socially Responsible Programs," *Journal of the Academy of Marketing Science* 34, no. 2 (2006): 147–157; Sankar Sen, Chitra Bhanu Bhattacharya, and Daniel Korschun, "The Role of Corporate Social Responsibility in Strengthening Multiple Stakeholder Relationships: A Field Experiment," *Journal of the Academy of Marketing Science* 34, no. 2 (2006): 158–166.
[518] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

3.8.2 Lack of Knowledge

The data reveals that many companies do not understand the concept of Halal from a business perspective.[519] The Halal practitioner needs much knowledge in the current situation. Because without an adequate understanding of Halal, they might fall off track.[520] In the country, most businesspeople consider Halal as the religious dietary standard. As a matter of this, they show their interest in producing Halal consumable products by maintaining Halal quality in their materials and production process only.[521]

The data also reveals that the Halal certification authority faces difficulties dealing with new clients. Most of them do not clearly understand their responsibility and duty to get a Halal certificate for their businesses. There is a knowledge disparity regarding the vast operation of Halal since businesses consider Halal as the parameter for food and beverages only. Due to such a knowledge gap, applicants mostly do not understand their responsibilities in dealing with Halal-certified businesses.[522]

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Knowledge gap results in unethical business practices using fake Halal certificates, expired Halal logos, inappropriate placement of Halal products, i.e., mixed with non-Halal

[519] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.
[520] Sidani and Ariss, "New Conceptual Foundations for Islamic Business Ethics: The Contributions of Abu-Hamid Al-Ghazali."
[521] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[522] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

products, hiding product information, etc.[523] Considering the business progress in the Halal sector, businesspeople have a growing interest in entering the Halal market. They think the Halal logo or certificate is their key to the market. Such motive leads them to use fake or expired logos or certificates without adequately complying with the Halal standard.[524] To address this issue, the Halal division should promote the concept of Halal widely for a responsible business culture.

The interview data reveal that the research respondents are well-concerned about the concept of CSR, and they consider the importance of CSR in Halal-certified businesses.[525] However, they are not dealing with this currently. Further, they are concerned about the lack of knowledge among Halal-certified businesses about CSR. Many of them even do not clearly understand the concept of Halal.[526] Since Halal-certified businesses are

[523] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; and Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.
[524] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; and Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.
[525] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019; Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019; Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[526] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018; Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019; Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019; Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019; Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department

motivated to follow Islamic values and principles, it will be fruitful to have proper CSR knowledge.

3.8.3 Lack of Focus

In Bangladesh, the core CSR-related establishments work for sustainable business practices by doing business ethically. They focus on CSR-related matters, including child protection, women's empowerment, and other significant aspects of CSR. However, they do not have any initiative to promote CSR in Halal-certified businesses. They do not focus on the concept of Halal from the business perspective, i.e., Sharia compliance. Their primary focus is traditional CSR; charity and donation are their main CSR agenda in responding to social issues.[527]

The data reveals that CSR-related organisations do remarkable work arranging briefing sessions, workshops, and focus group discussions. However, regarding Halal, the scenario is different in CSR-related organisations. They do not have the initiative to promote the concept of CSR in Halal-certified businesses. CSR-related organisations should also promote Halal and CSR simultaneously to boost the Halal sector so that Halal-certified businesses can better understand their responsibility.

The research data reveals that the current focus of Halal-certified businesses and Halal authority in the country is on dietary standards, i.e., product materials and their processing

of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[527] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

only. There is no focus on CSR activities among any.[528] Since the concept of Halal remains undiscussed and unsettled regarding CSR, their practice is weak.

Suppose the Halal sector knows very well how to achieve CSR. In that case, it will motivate them to go through a systematic way of doing business and achieving blessings of Allah (SWT) what they wish by doing philanthropic activities currently. The Halal certification division of the IFB is a proper body in the country to take the initiative. Halal-certified businesses should take the initiative to achieve sustainability by performing CSR.

By analysing various aspects of Halal-certified businesses and reviewing the ongoing activities, it is found that the current CSR in Halal-certified businesses is as weak as other sectors, and CSR is the result of the Western concept. CSR is a philanthropic activity in Bangladesh conducted under the influence of religion as a solution to various urgent needs of society. Although such philanthropic or social service activities are conducted under religious influence, the religious guidelines of CSR in Halal-certified businesses are not being implemented in Bangladesh. The concerned departments and institutions have not taken any steps to implement CSR in Halal-certified businesses. No organisation has yet played an influential role in this regard, and the CSR in Halal-certified businesses remains weak.

[528] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

3.9 Conclusion

This chapter aimed to know the current practice of CSR in Halal-certified businesses in Bangladesh. The discussion in this chapter begins by defining Halal-certified business and provides a conceptual understanding of the term Halal from the business perspective. The discussion also provides a clear understanding of CSR under the concept of Halal by referring to the Sharia directive.

Apart from this, the discussion in this chapter shows that Halal-certified businesses in Bangladesh are growing fast and reaching vast markets worldwide. It reveals that the Halal-certified businesses in Bangladesh are focusing on the Halal standard of products and performing philanthropic activities regarding CSR. They contribute to social development out of religious motivation. Hence, this chapter suggested that Halal-certified businesses should give more emphasis on the concept of CSR per Sharia in responding to legal and ethical issues.

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Currently, the relevant authority is responsibly working to improve the Halal sector. Their primary focus is to ensure the quality of the product and production process, whether Halal compliant. Unfortunately, they are not focusing on CSR implementation other than their limited focus on the quality of the products and production process. As a result, Halal-certified businesses are not getting CSR-related knowledge, resulting in the weak implementation of CSR in Halal-certified businesses.

This chapter discussed the current practice of CSR in Halal-certified businesses in Bangladesh and identified weak implementation based on the data presented. This study further considers that the government plays an influential role everywhere in

implementing CSR by providing legal enactment that makes the businesses responsible for performing their activities to contribute to society's advancement. Hence, in the following chapter, the study discusses the current legislation relating to CSR in Bangladesh to explore the strengths and weaknesses that may affect the practice of CSR in Halal-certified businesses in the country. It examines the laws relevant to CSR in Halal-certified businesses to know if they can ensure CSR in Halal-certified businesses in Bangladesh. Business always has to obey the law; hence, the following discussion is practical for business, policymakers, and others to know whether there are any obligations of law to perform CSR in Halal-certified businesses in Bangladesh.

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CHAPTER FOUR

LEGISLATIONS RELATING TO CORPORATE SOCIAL RESPONSIBILITY IN HALAL-CERTIFIED BUSINESSES IN BANGLADESH

4.1 Introduction

This chapter deals with the research question regarding the relevant laws, regulations, or guidelines relating to CSR in Halal-certified businesses in Bangladesh. It aims to critically examine them to gain insight and determine the strengths and weaknesses of whether they direct CSR in Halal-certified businesses in Bangladesh. The study signifies existing CSR-related major laws of the country in a sense that whereby an unwanted behaviour is noticed, laws and regulations are established to forbid or control them.[529] Hence, the following discussion is beneficial for the Halal practitioners and governing bodies to know whether they have any legal directives regarding CSR in Halal-certified businesses.

4.2 Legislations Relevant to CSR in Halal-Certified Businesses in Bangladesh

According to research on CSR regulatory regulations in Bangladesh, no special legislation directly or exclusively pertains to the issue within corporate self-regulation procedures.[530] Corporate internal strategy and self-regulation are the common factor in Bangladesh that

[529] Hess, *Corporate Social Responsibility, and the Law*.
[530] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

negatively affects CSR activities and legislation.[531] Self-regulation does not adapt to a socially responsible corporate culture since the country's legislation is insufficiently dominant to enforce it.[532] In the country's CSR regulation, the most related laws which are often used to promote and advance CSR are "the Companies Act of 1994, the Bangladesh Labour Act of 2006, and the Environmental Conservation Act of 1995." Furthermore, Bangladesh has several laws governing Halal-certified businesses, including "the Food Safety Act of 2013, the Food (Special) Court Act of 1956, the Special Power Act of 1974, the Bangladesh Standards and Testing Institution Act of 2018, the Consumer Rights Protection Act of 2009", etc. The following is an attempt to analyse these relevant laws of Bangladesh to go deep into the concern over CSR in Halal-certified businesses in Bangladesh.

4.2.1 The Companies Act (Bangladesh), 1994

In Bangladesh, the parent legislation regarding CSR in Halal-certified businesses is "the Companies Act (Bangladesh) of 1994" (after abbreviated BDC Act), which has been published by "the Ministry of Commerce."[533] It includes the specifications required for a corporation to be formed.[534] Additionally, it outlines the ownership structure, pertinent qualities, and corporate governance attributes.[535] It takes into account the rights and responsibilities of a corporation, as well as those of its owners, directors, managers, and shareholders. Unfortunately, neither a provision nor their management procedures

[531] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[532] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[533] Notification No. SRO 177-law dated 1-10-95.
[534] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[535] Section 104 of Schedule 1 of the Companies Act 1994 (Bangladesh).

describe the social responsibilities of directors. The management of corporations is not explicitly required by law to fulfil its social responsibilities.[536]

Moreover, the BDC Act represents a dilemmatic approach. For example, the BDC Act holds business directors liable for giving false, misleading, or inadequate information in the company prospectus.[537] Again, it includes a clause that reduces the liability to reimburse investors who relied on the relevant prospectus.[538] Appropriate court guidance is also deficient in the BDC Act's social responsibility provisions.

This discussion intends to analyse features of CSR in Halal-certified businesses under the BDC Act, if any. To evaluate the effectiveness of CSR, two of the most popular ways are a) analysing and assessing the quality of the material included within the reports that businesses have produced about their social performance[539] and b) analysing the internal processes that businesses have in place to address the requirements of the community, the environment, and social norms.[540] Implementing these two strategies enables a company

[536] Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh."
[537] Section 139 of the Companies Act 1994 (Bangladesh) is related to this issue. It states: '(1) If any prospectus is issued in contravention of sections 136 or 137, the company and every person, who is knowingly a party to the issues thereof, shall be punishable with fine which may extend to 5,000 taka.'
[538] Section 146 of the Companies Act 1994 (Bangladesh) denotes that directors stating false information in their company's prospectus will not be liable if they can prove that the 'statement was immaterial or that he had reasonable ground to believe, and did, up to the time of the issue of the prospectus, believe the statement was true.' Moreover, the due diligence provision of this Act is not clearly defined.
[539] Heledd Jenkins and Natalia Yakovleva, "Corporate Social Responsibility in the Mining Industry: Exploring Trends in Social and Environmental Disclosure," *Journal of Cleaner Production* 271, no. 14 (2006): 3–4; Francesco Perrini, "Building a European Portrait of Corporate Social Responsibility Reporting," *European Management Journal* 23, no. 6 (2005): 611; MaryAnn Reynolds and Kristi Yuthas, "Moral Discourse and Corporate Social Responsibility Reporting," *Journal of Business Ethics* 78, no. 1 (2008): 47.
[540] Andrew Griffin, *New Strategies for Reputation Management: Gaining Control of Issues, Crises and Corporate Social Responsibility*, 2008; Mette Morsing and Majken Schultz, "Corporate Social Responsibility Communication: Stakeholder Information, Response and Involvement Strategies," *Business Ethics: A European Review* 15, no. 4 (2006): 323; William S Laufer, "Social Accountability and Corporate Greenwashing," *Journal of Business Ethics* 43, no. 3 (2003): 253; M L Barnett, "Stakeholder Influence Capacity and the Variability of Financial Returns to Corporate Social Responsibility," *Academy of Management Review* 32, no. 3 (2007): 794.

to build an independent social account, which in turn boosts the transparency and responsibility of the company. The adequacy of the legal provisions pertaining to these concerns is worthy of discussion. It will assist in evaluating the effectiveness of the BDC Act in making the corporation socially responsible. As a result, the next section focuses on the BDC Act's strengths and drawbacks in terms of corporate social performance reporting, which is a document that allows organisations to analyse their ethical, environmental, charitable, and economic effect.[541]

a) Corporate Social Performance Reporting

Disclosure of corporate information is an essential mechanism for management to communicate with outside investors on the performance and value of the corporation. Enhanced disclosure processes aid in bridging the information gap between a business and its stakeholders. Corporate social performance reporting is the most frequent compilation of information about a company's ambitions, operations, and public views about environmental, community, employee, and energy usage, fair trade, equal opportunities, consumer issues, and other matters.[542] Notably, there may be a variety of methods for company reporting, including employee councils, focus groups, company annual reports, booklets, commercials, school classes, etc.[543]

The analysis of the BDC Act reveals that companies registered under the BDC Act are required to publish/disclose yearly financial performance reports. It is a proposal to

[541] Imam, "Corporate Social Performance Reporting in Bangladesh."
[542] Rob Gray et al., "Social and Environmental Disclosure and Corporate Characteristics: A Research Note and Extension," *Journal of Business Finance and Accounting* 28, no. 3–4 (2001): 329.
[543] D. Zeghal and S.A. Ahmed, "Comparison of Social Responsibility Information Disclosure Media Used by Canadian Firms," *Accounting, Auditing and Accountability Journal* 3, no. 1 (1990): 38.

introduce business strategies to corporate constituencies using indirect means. It has also mandated environmental transparency regarding a company's energy expenditures.[544] Surprisingly, the annual report is not obligated to include information about non-financial performance.[545]

In analysing the BDC Act, scholar opines that the laws and regulatory bodies in Bangladesh prioritise the "Discloser concept to emulate established markets without making corresponding changes to the regulations that apply to prospectuses."[546] As a result, the tort laws of Bangladesh[547] and the Securities and Exchange Ordinance of 1969[548] (later abbreviated SE Ordinance) have created some legal provisions concerning the effects of publishing or divulging "Untrue Statements."[549] Unfortunately, most of them are inconsistent in many aspects and do not offer the support needed to build an accountability system, i.e., a "Liability Regime" for corporate distrust.[550]

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[544] Under Part II of Schedule XI of the Companies Act 1994 and Part II of Schedule 1 of the Securities and Exchange Rules 1987, the total amount spent on the use of energy is to be shown in notes in the financial statements under a separate heading of expenditure.
[545] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[546] S. M. Solaiman, "Investor Protection and Civil Liabilities for Defective Prospectuses: Bangladeshi Laws Compared with Their Equivalents in India and Malaysia," *Journal of Law and Commerce* 25 (2005); Moazzem Hossain, "Some CA Firms Fail to Perform Duties in Capital Market," *The Financial Express (Dhaka)* (Dhaka, Bangladesh, March 22, 2011); Belal, *Corporate Social Responsibility Reporting in Developing Countries: The Case of Bangladesh*.
[547] The private law tort is applied in Bangladesh under the common law and civil law jurisdiction. A suit for private law tort can originally be filed in the appropriate civil courts and tribunals. On the other hand, the constitutional tort is applied under the joint effect of Article 44 and Article 102(1) of the Constitution.
[548] Ordinance NO. XVII OF 1969.
[549] According to s. 143(1) of the Companies Act 1994, 'untrue statement' includes the statements misleading in the form and context in which it is included, and any omission from a prospectus which is calculated to mislead. As cited in Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[550] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

For instance, Section 145 is a dilemmatic approach to make the directors liable for disclosing or revealing untrue statements. It skips other self-regulated and influential professionals, such as auditors, lawyers, underwriters, etc., involved in preparing and publishing the prospectus. They are rarely disciplined in Bangladesh.[551] Even if they are taking advantage of the naivety and innocence of investors, this Section serves as a defence for them.[552] It says, "A prospective director may withdraw his or her consent provided in the prospectus without giving any public notice before publishing the prospectus, and the withdrawal of this consent may be used as a defence in any legal action brought against the concerned director."[553] The BDC Act does not require any public notice of such withdrawal.

Additionally, the BDC Act bares a company for indemnifying its agent, officer, or director against any legal responsibility and liability imposed under any law regarding default, negligence, breach of duty, or trust where they may be guilty.[554] Important from a practical standpoint, the BDC Act lacks a comprehensive list of acts of trust violations or negligence. It imposes a few duties on the directors and executives of a company that are simply administrative. It does not make the directors and officers accountable for failing to execute their day-to-day financial performance, even if their breach of trust produces damage.[555]

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[551] Rahim, "Legal Regulation of Corporate Social Responsibility."
[552] M S Rahman, "AIMS Backs Down on Pledge to Underwrite Modern Food: Audited Accounts Differ from Prospectus Statement," *The Daily Star* (Dhaka, Bangladesh, July 3, 2000).
[553] Section 145 (2).
[554] Section 102.
[555] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

It is fair to say that the BDC Act is designed to guide against misappropriation by the directors and managers of corporations. Unfortunately, it has no specifically designed tool for addressing CSR. It does not address the social responsibilities of corporate directors and stockholders. It makes no CSR provisions for directors and shareholders of corporations in Bangladesh imply that such directors and shareholders can easily engage in activities that constitute abuse of human rights without facing any challenges or repercussions.[556]

However, it has been argued that the BDC Act can strengthen positive CSR since Section 139 imposed some liabilities. It equates to promoting positive CSR on directors of corporations in Bangladesh.[557] According to the Section, directors can be disciplined in the case of false information involving their companies' performances. Thus, the Section can be perceived and utilised as a robust legal basis for managing alongside practices resulting in adverse CSR.

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Furthermore, the BDC Act has made publishing Corporate Social Disclosure (CSD) mandatory.[558] It is an effective legal and regulatory tool of CSR in Bangladesh.[559] Notably, three of the most regularly advocated CSD types in Bangladesh include;

[556] Rahim, "Legal Regulation of Corporate Social Responsibility"; David Kinley and Sarah Joseph, "Multinational Corporations and Human Rights: Questions about Their Relationship," *Alternative Law Journal* 27, no. 1 (2002): 7–11.
[557] Rahim, "Legal Regulation of Corporate Social Responsibility."
[558] Rahim, "Legal Regulation of Corporate Social Responsibility."
[559] Ataur Rahman Belal, "A Study of Corporate Social Disclosures in Bangladesh," *Managerial Auditing Journal* 16, no. 5 (2001): 274–289.

a) Standard Disclosure: Focuses on employees' issues such as employee appreciation, pay and benefits, health and safety, trade unions, and other issues.[560]
b) Ethical disclosure: Revolves around issues directly or indirectly linked to corporate ethical values such as customer relations, investment policies, charitable and political connections, product safety, and equal opportunities.[561]
c) Environmental Disclosure: Describes the health, safety, and environmental performance metrics and the environmental management practices businesses employ to reduce the negative environmental consequences of their activities.[562]

All these disclosures usually require capturing most of the influential CSR issues in Bangladesh.[563] Hence, implementing these obligatory CSDs in companies in Bangladesh can bring transparency to various CSR issues. These also can culminate in the regulation of the CSR approach. The statistical investigation reveals that the scope and volume of information published or revealed by different firms in Bangladesh based on CSDs are frequently insignificant.[564] Hence, the credibility and reliability of CSDs as an effective means for directing, monitoring, or regulating the CSR of companies in Bangladesh remains susceptible to question.

Research on the types of information companies and corporations usually divulge in Bangladesh in their CSD Report found that most companies refuse to disclose mandatory

[560] Carol A. Adams, Wan Ying Hill, and Clare B. Roberts, *Environmental, Employee, and Ethical Reporting in Europe* (London: Certified Accountants Educational Trust, 1995).
[561] Carol A. Adams, Wan Ying Hill, and Clare B. Roberts, "Corporate Social Reporting Practices in Western Europe: Legitimating Corporate Behaviour?," *The British accounting review* 30, no. 1 (1998): 1–21.
[562] Christina Tri Setyorini and Zuaini Ishak, "Corporate Social and Environmental Disclosure: A Positive Accounting Theory Viewpoint," *International Journal of Business and Social Science* 3, no. 9 (2012).
[563] Yousuf, "Corporate Social Responsibility (CRS) in Bangladesh: Regulation and Practice."
[564] Belal, "A Study of Corporate Social Disclosures in Bangladesh."

information regarding their foreign currency transactions.[565] From a microeconomic standpoint, it is reasonable to claim that the economy depends on releasing this information. The absence of such crucial information in CSD Reports suggests that Bangladesh's CSR regulation frameworks are seriously faulty, insufficient, and ineffectual.

However, in addition to the BDC Act, the country's tort laws and the SE Ordinance also have some legal requirements that limit and regulate the disclosure of incorrect statements.[566] Undeniably, they are all defective and unable to establish a liability framework for corporate distrust.[567] To this end, the BDC Act's strengths and weaknesses regarding financial reporting and analysis—the recording of financial data in the books of accounts—are discussed in the following section. Financial statements, notes to accounts, director's reports, auditor's reports, corporate governance reports, and prospectus are used to expose a company's financial status.[568]

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b) Financial Reporting

The legal framework of financial reporting in Bangladesh is obligated due to the provision of the BDC Act.[569] In observing the obligation of producing financial reports, the "Institute of Chartered Accountants of Bangladesh (ICAB)" developed the financial reporting standard. Noticeably, ICAB follows "The International Accounting Standards (IAS)" for

[565] Belal, "A Study of Corporate Social Disclosures in Bangladesh."
[566] According to Section 143(1) of the Companies Act 1994 (Bangladesh), 'Untrue Statement' includes statements that are misleading in the form and context in which they are included and any omission from a prospectus that is calculated to mislead.
[567] Rahim, "Legal Regulation of Corporate Social Responsibility."
[568] Lawrence Revsine et al., *Financial Reporting and Analysis* (McGraw Hill, 2012).
[569] H Miazee, "Problems of Implementing of International Financial Reporting Standards in Bangladesh," *European Journal of Business and Management* 6, no. 36 (2014): 81–174.

designing and developing "the Bangladesh Accounting Standard (BAS) and International Financial Reporting Standards (IFRS)" for designing and developing "the Bangladesh Financial Reporting Standard (BFRS)." "The International Accounting Standard Board (IASB)" issued both modelled standards.[570]

A standing committee of the ICAB, namely the Technical and Research Committee, reviews further pronouncements and updated standards in the national and international arena on auditing, accounting, and other related affairs. A thorough technical evaluation in the context of the country is also advised before adopting and approving any necessary updates. Further interpretations, standards, and other pertinent items may also be granted and implemented by the council as appropriate. Recently, ICAB has adopted all IAS and IFRS for corporate financial reporting in Bangladesh.[571] However, ICAB excluded IAS 29 on "Financial Reporting in Hyperinflationary Economies" and IFRS 9 on "Financial Instruments."

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As per "the Securities and Exchange Rules, 1987," BAS and BFRS legally apply to listed public companies of Bangladesh, but they are not implementable via the by-laws of ICAB. The auditor's report and presentation notes under IAS also apply to Bangladesh. SEC regulates the financial reporting of listed public companies. Similarly, "the Bank Company Act of 1991" prescribes banks' reporting format and disclosure based on BAS

[570] Mohammad Hossain, Md Hasan, and Mohammad Safiuddin, "Adoption of International Financial Reporting Standards in Bangladesh: Benefits and Challenges," *IOSR Journal of Business and Management (IOSR-JBM)* 17, no. 8 (2015): 16–24.
[571] As of January 2013, a version of all IFRS and IAS issued by the IASB had been adopted as BFRS by the ICAB.

30.[572] Also, the insurance companies in the country lack legal bindings to comply with BAS or BFRS. "The Insurance Company Act of 1938" has no provision to follow these BAS or BFRS for financial reporting. Out of these, no law of the country or by-laws of the ICAB can require unlisted companies to comply with BAS or BFRS in the country.[573]

Substantial compliance with BAS and BFRS in the country varies widely in various companies. The SMEs are huge in number in the country, and ICAB prescribed BFRS based on IFRS for SMEs.[574] However, BFRS for SMEs excluded Section 31[575] on hyperinflation, inconsistent with the non-adoption of IAS 29.[576] The ICAB believes that it is presently not practical in the Bangladeshi context. Hence, it is fair to say that the financial reporting system in Bangladesh needs to be amended to cover all businesses.

Apart from this, corporate due diligence must be carefully considered since it is an essential tool for risk management and ensuring that businesses make prudent investments. To assess a company's appropriateness as a business partner, it is necessary to look into its operations and financial standing. The common goals of corporate due diligence are assessing a company's financial condition, comprehending its business strategy, and determining its competitive position, which the following section discusses based on references made under the BDC Act.

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[572] The principle of going concerned. BAS 30 is similar to IAS 30: Disclosures in the Financial Statements of Banks and Similar Financial Institutions.
[573] Sumon Bhattacharjee and Muhammad Zahirul Islam, "Problems of Adoption and Application of International Financial Reporting Standards (IFRS) in Bangladesh," *International Journal of Business and Management Invention* 4, no. 12 (2009): 165–175.
[574] In June 2011, the ICAB published the BFRS for SMEs.
[575] Section 31 deals with the accounting requirements of a company whose functional currency is in a hyperinflationary economy and requires the accounts to be adjusted for the effects of hyperinflation.
[576] IAS 29 applies to any entity whose functional currency is the currency of a hyperinflationary economy.

c) Corporate Due Diligence

Due diligence is a fine attribute performed to confirm facts or details of a matter under consideration. It is commonly expected that the managerial authority of a corporation will demonstrate incredible determination, prudence, care, judgment, and activity. Given the conditions, they will function in a way that an average man can reasonably expect or is likely to exert. In particular, the director must act in the best interests of the firm in good faith and with the necessary effort and care.[577]

The BDC Act's rules are generally flexible or insufficient regarding possible concerns with due diligence. For instance, the misleading, false, untrue, or insufficient information-based prospectus of a company may cause damage to its investors, but these are not regulated in the BDC Act. The BDC Act defends the responsible officer, such as executive, manager, director, etc., regarding default or negligence in breaching their duty or trust. Under Section 102 of the BDC Act, a company is even prohibited from compensating or indemnifying them against any obligation or liability that would otherwise be connected to them concerning any possible misbehaviour.

It also appears that the BDC Act enacts responsibilities on company directors for providing misleading, erroneous, false, or inadequate information in the business prospectus. Section 145 of the BDC Act serves as an illustration. Only directors and officers will be held responsible if the prospectus includes false representations. Other responsible individuals, such as underwriters, auditors, lawyers, and others engaged in preparing the prospectus, are excluded from the provisions. These groups are the

[577] Harvey L. Pitt, "The Changing Standards by Which Directors Will Be Judged," *St John's Law Review* 79, no. 1 (2005): 1.

influential and self-regulated source of normalising force on corporate governance and regulations. However, they are not institutionalised, and disciplinary actions against them are rarely taken.[578]

In addition, directors and officials are not subject to proof of authenticity examination before court proceedings concerning false, incomplete, or insufficient information they provided publicly via the business prospectus. They may raise due diligence arguments without a particular level of skill. The BDC Act permits them to use a due diligence defence to avoid legal liability.[579] The directors or officers are not required to demonstrate such competence in any legal action arising from inaccurate, misleading, or insufficient information contained in the prospectus. Whether they conducted an investigation or autopsy, no verification of the statement or information's veracity or validity is required.[580]

They can confidently assert this, as it accurately reflects the information they acquired from the company's expert who advises them. The law does not highlight the need for the director or other officials to assess their competency reasonably. In order to avoid or escape legal liability under the BDC Act, directors and officials are, therefore, in a favourable and comfortable position to construct a due diligence defence.[581] Malaysian

[578] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[579] Solaiman, "Investor Protection and Civil Liabilities for Defective Prospectuses: Bangladeshi Laws Compared with Their Equivalents in India and Malaysia."
[580] Rahim, "Legal Regulation of Corporate Social Responsibility."
[581] Solaiman, "Investor Protection and Civil Liabilities for Defective Prospectuses: Bangladeshi Laws Compared with Their Equivalents in India and Malaysia."

courts have acknowledged that conducting a reasonable investigation by the defendant is necessary for relying on the due diligence defence concerning such matters.[582]

The legal sanction of disclosing an untrue, misleading statement is also inadequate, even when made fraudulently.[583] As a result, the provisions that require them to be responsible become less effective. Thus, it can be stated that the BDC Act is a director-friendly effort as it holds several provisions that are either flexible or incomplete concerning the liabilities of the director. Directors benefit from options to evade most legal mandates by exploiting ambiguities and inconsistencies in current legal frameworks.[584]

Given the limitations mentioned above, the next part examines corporate governance and legal requirements in Bangladesh under the BDC Act, as this is the set of guidelines, procedures, and practices that regulate and control corporations. Corporate governance, in essence, balances the interests of stakeholders, including shareholders, financiers, clients, senior management, suppliers, and the community. Since it serves as the cornerstone for attaining a company's objectives, corporate governance encompasses almost every management area, from action plans and internal controls to performance evaluation and corporate transparency.[585]

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[582] *Globallink Container Line v. Bhumiputra Commerce Bank* (Suit No. S7-22-1502-2003, Civil Division of the High Court of Malaya at Kuala Lumpur).
[583] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[584] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[585] Linda S. Spedding, "Due Diligence and Corporate Governance," *Elsevier* (2005).

d) Corporate Governance

Corporate governance in Bangladesh is primarily dominated by direct means of control. There is a lack of a solid legal framework and a well-developed adequate stock market[586] and capital market.[587] This results in a centralised corporate ownership system in the country.[588] Sometimes, the most significant ordinary shares belong to those from the same family, making the company an influential family-oriented decision-making trend.[589] The existing legal provisions allow sponsor directors to retain even half of the issued capital.

Additionally, regulatory agencies, the stock exchange, strong capital markets, efficient NGOs, media, and organised civil society groups are practical market-driving tools influential in corporate regulation. However, due to the absence of those drivers, corporate governance merely enhances the core owners' demands.[590] It is because of the deficiency of market-based controlling and monitoring. As a result, ownership-based controlling and monitoring is Bangladesh's unwritten core corporate governance mechanism.[591] Since the BDC Act lacks direct interference in the social responsibility aspects of the directors of a

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[586] Bangladesh has two stock exchanges, the Dhaka Stock Exchange and the Chittagong Stock Exchange. These Stock Exchanges, though established in 1954 and 1995, have not flourished. The member of listed companies is still small compare to neighbour countries i.e., India and Srilanka. http://www.secbd.org/ and http://www.secbd.org/

[587] The capital market of this country is still in a primitive stage. The banking sector supplies most business capital; excessive liquidity and competition drive this sector to pass credit leniently. Bangladesh Bank, http://www.bangladesh-bank.org/ and the Securities and Exchange Commission of Bangladesh, http://www.secbd.org/.

[588] Javed Siddiqui, "Development of Corporate Governance Regulations: The Case of an Emerging Economy," *Journal of Business Ethics* 9, no. 2 (2010); Asian Development Bank, *Bangladesh Quarterly Economic Update* (Manila: Asian Development Bank, 2010).

[589] Omar Al Farooque et al., "Corporate Governance in Bangladesh: Link Between Ownership and Financial Performance," *Corporate governance: An International Review* 15, no. 6 (2007): 1453–1468.

[590] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

[591] Farooque et al., "Corporate Governance in Bangladesh: Link Between Ownership and Financial Performance"; G. K. Chau and S.J. Gray, "Ownership Structure and Corporate Voluntary Disclosure in Hong Kong and Singapore," *The International Journal of Accounting* 37, no. 2 (2002): 247.

company, it is still ineffective regarding CSR to date. For example, the BDC Act requires listed companies to have regular annual general meetings. However, the listed companies mostly do not fulfil this legal directive.[592]

These are some of the essential provisions that can boost CSR activities as the BDC Act is transparent in some issues related to corporate economic, social, and legal advancement. For example, the provision for false statements in any balance sheet, certificate, report, return, or other documents imposes a strong legal binding such as "Whoever, in any return, report, certificate, balance sheet, or other document required by or for the purposes of any of the provisions of the BDC Act, knowingly makes a materially false statement shall be punished with imprisonment of either description for a term that may not exceed five years, and shall also be liable to a fine."[593]

Based on the information, the researcher concludes that the BDC Act lacks direct provisions for CSR. It cannot ensure a socially responsible business culture. However, some provisions hint at some sorts of CSR activities in Bangladesh. It has some legal sanctions and jurisdiction to cover issues that can enhance corporate performance toward sustainability. Still, the penalties involving misconduct and disobeying the provisions are weak and need upgrading to protect and ensure a better business operation.

[592] M Reaz and T Arun, "Corporate Governance in Developing Economies: Perspective from the Banking Sector in Bangladesh," *Journal of Banking Regulation* 7, no. 1 (2006): 94 and 101.
[593] Section 397.

4.2.2 The Bangladesh Labour Act, 2006

The labour law approach in Bangladesh is more than a century old. The first labour law came into force in the country (Former Indian Subcontinent) in 1881 through British governance. During the British period, numerous laws on labour issues, such as wages, working hours, maternity benefits, trade union activities, employment of children, etc., were enacted. Some of the significant laws were namely "the Factories Act of 1881, the Workmen's Compensation Act of 1923, the Trade Unions Act of 1926, the Trade Disputes Act of 1929, the Payment of Wages Act of 1936, the Employment of Children Act of 1938 and the Maternity Benefit Act of 1939." They were enforceable in the country by being amended and modified based on its needs before and after its independence until the latest enactment came in 2006. The presidential order[594] retained all the previous laws until the newest version came into force. The government passed several pieces of legislation, including the labour law, which was recently approved, in response to the country's changing circumstances as well as the needs and demands of the working class.

The labour laws of Bangladesh intend to cover four major areas[595] : (1) employment and wages, (2) industrial disputes and trade unions, (3) workplace safety and professional wellbeing, and (4) employee management and industrial relations. These are some of the focal points of the International Labour Organisation (ILO). Before 2006, forty-four labour-related laws in Bangladesh covered these four major labour issues. The government of Bangladesh then attempted to establish a comprehensive single labour law, repealing all the previous forty-four and consolidating those major areas into a single

[594] President's Order No. 48.
[595] As prescribed by the Employment Policy Convention 1964 (ILO Convention No. 122).

ambit. As part of the effort, it established the Labour Commission, consisting of legal experts, employers, government delegates, and workers. Based on the report from the Commission and discussion with relevant representatives from different sectors on October 11, 2006, the government of Bangladesh passed the "Bangladesh Labour Act" (later abbreviated BL Act). The BL Act of 2006 is the country's prime legislation regarding labour regulation.

Research on Bangladesh labour laws reveals that 2006's effort reflects an analysis and comparison with the most influential international standards of conduct regarding labour issues.[596] In doing so, it has made some changes to all its prior editions. For example, employers are bound to give all employees the appointment letter and Identification (ID) card within the new edition.[597] Female workers have been entitled to claim maternity leaves of sixteen months upon working for more than a month in the company.[598] Along with retirement benefits, it provides thirty days of gratuity or wages, whichever is greater, for the sudden death of any worker.[599] It has also revised the scheme of termination of the contract,[600] monthly payment day,[601] one day of leave for every eighteen days of work,[602] wage period,[603] an accident arising out of and during employment,[604] calculation of

[596] The SA8000 of Social Accountability International, Base Code of the Ethical Trading Initiative, Fair Labour Association, Fair Wear Foundation, Business Social Compliance Initiative, Worldwide Responsible Apparel Production, and Joint Initiative on Corporate Accountability and Workers' Rights and conclude that, if the manufacturing units of a company of Bangladesh were 100 percent compliant with the Code, it would address 85 percent of the requirements of the general codes of conduct just mentioned in Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh."
[597] Section 5.
[598] Section 46.
[599] Section 19.
[600] Section 26.
[601] Section 123.
[602] Section 117.
[603] Section 123.
[604] Section 150.

overtime,[605] sick leave,[606] four unfair labour practices from employers,[607] the formation of a trade union[608] and so on. Besides these internal changes, it aims to cover labour-related international practices that stakeholders have praised and acknowledged.

As a naturally prescriptive attempt, the BL Act has numerous shortcomings. It lacks a focus on fostering a socially responsible working atmosphere and appropriate enforcement mechanisms. As a result, practically all its rules are not prioritised for implementation by employer organisations and government initiatives, leading to frequent abuses of workers' rights nationwide.[609] These lessen the chance that the BL Act will be necessary for building a responsible and organised system of labour administration through company self-regulation. Significant contributing elements include the Act's inability to administer key labour regulatory problems, the insufficiency of its implementation bodies, and the lack of sufficient strategies to encourage company owners and industrial managers to abide by the Act's obligations. In order to understand the strengths and weaknesses of the BL Act, the following sections focus on various issues involving labour-related matters.

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[605] Section 108.
[606] Section 115 and 116.
[607] Section 195.
[608] Section 180.
[609] Hamida Hossain, Roushan Jahan, and Salma Sobhan, *Industrialization and Women Workers in Bangladesh: From Home-Based Work to the Factories*, ed. Noeleen Heyzer, Daughters. (Kuala Lumpur, Malaysia: Asian and Pacific Development Center, 1988); Repon Chawdhury and Sayeed Ahmed, *Social and Economic Costs of Post-MFA Phase Out: Workers' Perspective, RMG Industry, Post-MFA Regime and Decent Work: The Bangladesh Perspective* (Thailand: International Labour Organisation (ILO), 2005); Kevin Kolben, "Trade, Monitoring, and the ILO: Working to Improve Conditions in Cambodia's Garment Factories," *Yale Human Rights & Development Law Journal* 7, no. 79 (2004); Salma Chudhury Zohir, *Emerging Issues in the RMG Sector of Bangladesh: Insights from an Enterprise Survey* (Dhaka, Bangladesh: Bangladesh Institute of Development Studies and OXFAM, 2003).

a) Notion of Employment

The study finds that the BL Act is subordinate to corporate law. It considers employees as the resources or limbs of the corporation. Employment is about livelihood, identity, and citizenship, yet they are not emphasised as the primary goal of the BL Act.[610] Simply, it does not make any sense in relation to either the ownership of shares or the support of a customer.[611] The underlying object of this BL Act fails to demonstrate to the employer that the employees are not commodities. In this way, it demolishes the objective of the employment concept.[612] This BL Act suggests that all compensation and hiring/firing decisions should be made precisely following institutional guidelines without regard to productivity.[613] Besides this, it makes workers very distinguishable from other stakeholders.

b) Corporate Control

Close observation of the BL Act further reveals that the BL Act does not acknowledge corporate control over employment and working conditions. It is not stated that the company is the regulatory actor. Consequently, it becomes predominantly prescriptive. Scholars have determined that the BL Act addressed only the interests and roles of workers at the core of the regulatory endeavour.[614] These result in poor work conditions in the

[610] Objectives of employment as mentioned in ILO, 'Decent Work', accessed 23 June 2019, http://www.ilo.org/global/topics/decent-work/lang--en/ index.htm.
[611] Jill Murray, *Corporate Social Responsibility: An Overview of Principles and Practices* (Geneva: Policy Integration and Statistics Department, World Bank, 2004).
[612] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[613] Muhammed Muqtada, *Promotion of Employment and Decent Work in Bangladesh. Macroeconomic and Labour Policy Considerations* (Geneva: Employment Strategy Department, ILO, 2003).
[614] Fair Labour Association (FLA), 2006. 2006 Annual Public Report. http://www.fairlabor.org/2007report/, in Gitinseli Berik and Yana van der Meulen Rodgers, *The Debate on Labour Standards and International Trade: Lessons from Cambodia and Bangladesh* (Department of Economics of the University of Utah: Salt

country. Additionally, the BL Act of the country lacks proper enforcement and adequate penalty features. As a result, it cannot change the existing corporate approaches and the conventional mindset of the corporate owner/managers. Without addressing this lack, the law faces obstacles in its implementation phase.[615]

Subsequently, national-international labour organisations, including the International Labour Organisation (ILO), demanded a review of this BL Act 2006. They urge to consider and maintain the ILO Convention No. 87 and 98 ("Freedom of Association and Protection of the Right to Organise, and Right to Organise and Collective Bargaining"). In response to the claim, the country's government retook the initiative to amend the BL Act to make it apt in line with those Conventions. This resulted in the publication of "gazette notification of the Bangladesh Labour (Amendment) Act, 2013."[616] The amendment has brought several changes in the following areas.

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c) Fundamental Rights at Work

The latest amendment has included several provisions to improve workplace safety. For instance, it guides establishing the health centre and welfare officer.[617] It has provisions for arranging Welfare Officers where the number of workers is more than five hundred, but less than five thousand are employed in any establishment. More than this range of workers requires establishing a health centre.[618] The latest edition requires establishments

Lake City, 2006), 39; Muqtada, *Promotion of Employment and Decent Work in Bangladesh. Macroeconomic and Labour Policy Considerations*, 2.

[615] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

[616] On July 22, 2013.

[617] Amendment to Section 89 of Act No. 42 of 2006, new Sub-Sections (6 and 7).

[618] Amendment to Section 89 of Act No. 42 of 2006, new Sub-Sections (6).

to create a safety committee containing over fifty workers.[619] Safety Inspectors include additional responsibilities to conduct workplace safety and well-being condition inspections and immediate site reviews.[620] Under the law, employers must provide complete treatment when workers suffer from occupational disease at their own cost and responsibility.[621] In addition to the earlier enactment, it has added the provision of accidental death occurring during work at the rate of forty-five days for each full year.[622] Earlier edition provided thirty days' wages for normal death while serving the company.

The earlier version of the BL Act required group insurance by the employer if there are more than two hundred workers in the establishment. The latest effort revised it to a minimum of one hundred workers.[623] Within the group insurance, the latest version introduces new accident insurance for the treatment of workers where the establishment employs more than ten workers.[624]

The most recent endeavour includes modifications to the freedom of collective bargaining and association. It eliminates the requirement to provide the employer with the names of union officials upon union registration at the factory or federation level. It permits employees to seek the opinions of independent specialists regarding collective bargaining.[625] The BL Act allows workers to elect ten percent of outsider executives unless they are in the private sector. It encourages female workers' participation in the trade

[619] Insertion of Section 90a of Act No. 42 of 2006.
[620] Amendment to Section 319 of the Act No. 42 of 2006.
[621] Amendment to Section 89 of Act No. 42 of 2006, new Sub-Sections (7).
[622] Replacement of Section 19 of the Act No. 42 of 2006.
[623] Replacement of Section 99 of the Act No. 42 of 2006.
[624] Amendment to Section 160 of the Act No. 42 of 2006.
[625] Insertion of Section 202a into Act No. 42 of 2006.

union's executive committee. A minimum of ten percent of women must be on the union's executive committee in any workplace with a female worker population of twenty percent or more.[626] Remarkably, there is no direction about the thirty percent minimum membership requirement to form a trade union. The abovementioned freedom of association is not extended to employees in EPZs (Export Processing Zones) in the country.[627]

It is fair to say that labour law refers to the rules and regulations attached by the state by which the relationship between employer and labour is formed to protect harmony in the industrial field. Capital and labour are equally crucial in the eyes of labour law. In modern times, the primary purpose of labour law is to create an exclusive relationship between capital and labour. The current BL Act is one of the latest labour and employment legislation in Bangladesh. It has been amended several times to cope with the needs and overcome the drawbacks.

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However, despite the initiatives taken by the state regarding labour law, the actual practices are not reflected in the industries as expected. Many companies perform well in terms of labour law, but most companies, predominantly local and government agencies, have consistently failed to practice labour law. Legal and practical concerns are the two main categories of challenges that prevent labour disputes from being resolved quickly.[628]

[626] Amendment to Section 176 of the Act No. 42 of 2006.
[627] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[628] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

d) Ratification

Nonetheless, the labour law of Bangladesh attempted to ratify several core conventions of the ILO, such as "the Convention on Forced Labour,"[629] "Freedom of Association and Protection of the Right to Organise," [630] "Right to Organise and Collective Bargaining,"[631] "Equal Remuneration,"[632] "Abolition of Forced Labour,"[633] "Discrimination in Employment and Occupation,"[634] and "Elimination of the Worst Forms of Child Labour."[635] Another core convention, namely "the Minimum Age Convention",[636] is not ratified in the current BL Act. However, it states that a minimum age of fourteen is required to work. Besides this, a particular clause states that twelve-year-old children can only be employed for light and soft work if it does not jeopardise their health, education, and overall growth.

e) Feature of CSR

Remarkably, the BL Act has some salient features that can promote CSR. It attempts to define employment standards as the BL Act provides provisions regarding various employment classes. They are the following: Apprentice,[637] Badli,[638] Casual,[639]

[629] Forced Labour Convention, International Labour Organisation (ILO), No. 29. (1930).
[630] Freedom of Association and Protection of the Right to Organise Convention, International Labour Organisation (ILO), No. 87, (1948).
[631] Right to Organize and Collective Bargaining Convention, International Labour Organisation (ILO), No. 98, (1947).
[632] Equal Remuneration Convention, International Labour Organisation (ILO), No. 100, (1951).
[633] Abolition of Forced Labour Convention, International Labour Organisation (ILO), No. 105, (1957).
[634] Discrimination (Employment and Occupation) Convention, International Labour Organisation (ILO), No. 111, (1958).
[635] Worst Forms of Child Labour Convention, International Labour Organisation (ILO), No.182, (1999).
[636] Minimum Age Convention, International Labour Organisation (ILO), No. 138, (1973).
[637] A worker who is employed in an establishment as a trainee and during the period of training he is paid an allowance is called an apprentice.
[638] A worker who is employed in an establishment for the period of temporary absence of a permanent or probationer worker
[639] A worker employed on a casual basis.

Temporary,[640] Probationer,[641] and Permanent.[642] The BL Act has made it mandatory to provide every employee with an Identification (ID) card, appointment letter, and service book. It also specifies the extent and type of information that should be in the service book and the appointment letter. It is obligatory to sign the appointment letter by the employer and the employee.

The BL Act also stipulates who is responsible for paying salaries. It holds accountable the employer, manager, chief executive officer (CEO), person in charge, and contractor who selects workers for payment of salaries. In the event that a contractor fails to pay compensation for work performed, the principal owner is liable for paying the wages and amending the contractor's accounts accordingly.

The BL Act provides some provisions that promote occupational safety and health issues. It makes the company responsible for ensuring a first aid box and a trained person for every one-hundred-fifty worker. It also requires a well-equipped dispensary consisting of a patient room, nursing staff, and a physician. Under the BL Act, the company requires protection against fire.[643] Every company needs to take appropriate measures to keep the premises and workplace clean and tidy and should not be congested and detrimental to the

[640] A temporary worker in an establishment for work that is basically temporary in nature and is likely to be finished within a limited period
[641] A worker provisionally employed in any establishment to fill up a post of permanent vacancy and his probationer period has not to be completed.
[642] A worker is employed to fill up a permanent post or if he completes satisfactorily his probation period in the establishment.
[643] Section 62.

physical condition of the workers.[644] Every workplace must have adequate lighting and ventilation, clean drinking water, and separate toilets for men and women.[645]

Regarding the welfare and social protection of the worker, the BL Act provides some provisions. It defines gratuity as a separation payment of at least thirty days for a worker (working for not less than one hundred eighty days) discharged from work. The BL Act requires the industrial establishment to have an in-house canteen for workers exceeding one hundred.[646] The BL Act requires the employer to form a "Provident Fund" if seventy-five percent of the worker requests it by written application. The employers are also responsible for developing "the Workers' Participation Fund and Workers' Welfare Fund." Any establishment with two hundred labourers must create group insurance.[647]

In the event of a death, incapacity, or injury at work, the employer is required to pay compensation. The BL Act also addresses several women's employment-related issues, including sixteen-week maternity leaves, prohibitions on wage discrimination, prohibitions on working underground or underwater, prohibitions on working between the hours of 10:00 p.m. and 6:00 a.m. without proper authorisation, and prohibitions on handling or operating dangerous machinery without adequate training.[648]

The BL Act enables workers to form and join any trade union as their preference. It also allows trade unions to develop their constitutions, necessary rules and regulations, and elect representatives. Trade unions are also admitted to form and join the federation. Trade

[644] Section 51.
[645] Section 52 and 57.
[646] Section 92.
[647] Section 99.
[648] Section 87.

unions and federations can affiliate with any trade union confederation and transnational organisation. Lastly, The BL Act recognises the labour union as a legitimate collective bargaining representative. A trade union can submit strike and lockout notifications as a collective bargaining agent.[649]

Based on the information provided above, the researcher concludes that the BL Act attempts to cover most areas concerning labour and employment. It is a decent initiative from the government to impose legal bindings that protect both employers and employees. However, there needs to be advancement as the BL Act still associates gaps and weaknesses in several areas compared to the advanced issues. For instance, the BL Act fails to include many workers, such as agriculture workers, school workers, and domestic workers.

One of the crucial weaknesses of the BL Act is the "Termination Clause." Following Section 26, an employer may terminate the employment of a permanent worker by giving him written notice of one hundred twenty days if he is a monthly rated worker or sixty days under the case of other workers unless doing so would be specifically authorised in Chapter II.

When a worker's employment is terminated without cause, the employer is required to pay the worker's wages for the notice period in lieu of notice. By this clause, the employer is granted ample authority to terminate a worker from his or her employment. It must carefully evaluate whether four months' notice or compensation in lieu of the same time

[649] Section 176.

are sufficient grounds for terminating an employee without cause. There is a possibility that a worker will not find suitable employment within four months. Due to this termination clause, employers attempt to exploit the numerous BL Act 2006 gaps. Therefore, this provision should be eliminated from the BL Act.

Additionally, it lacks clear provisions for the following issues, making it weaker regarding safety and security:

a) Specific weight restrictions based on age, physical condition, gender, and sex (for loads carried by industrial workers);

b) Fire-prevention stair ratio;

c) Workers-toilet ratio.

Another significant weakness of the BL Act is the lack of enforcement. Under the BL Act, there is no provision for the imposition of fines or other sanctions for infractions of its directives. In particular cases, the law is silent, like forced labour prohibition, maternity benefits, and health and safety of workers. In other cases, the penalty is insufficient and needs proper amendment. Additionally, the number of Labour courts available in Bangladesh is inadequate compared to the volume of cases. There are only seven Labour Courts in Bangladesh. It is challenging to maintain many labour-related cases with few courts. So, the number of labour courts should be increased to cope with the volume of cases.

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4.2.3 The Bangladesh Environment Conservation Act, 1995

Regarding the environment, the research found roughly two hundred relevant laws in Bangladesh that describe rights and liabilities, provide measures, and offer protection against offences by proposing or eliminating certain activities connected to the environment and its conservation.[650] However, industrial contamination and pollution and corporate administration on environmental contamination and pollution are primarily focused and within the ambit of "the Bangladesh Environmental Conservation Act of 1995, the Environment Conservation Rules of 1997, and the Environment Court Act of 2000." Among these three, the Bangladesh Environmental Conservation Act[651] (later abbreviated BEC Act) relates much of the substantive corporate environmental issues. The following discussion focuses on environmental issues concerning CSR.

a) No-Objection Certificate

This BEC Act[652] is adopted to safeguard and enhance environmental norms and regulate environmental contamination and pollution. However, the BEC Act cannot work alone as it depends on the public institutions and governmental authorities for enforcement. The BEC Act also involves non-governmental control. Section 7 of the BEC Act exemplifies this as it requires an initial no-objection permit and certificate from the local government agency for establishing business units. Such a no-objection certificate accompanies the application for the mandatory environmental clearance certificate.[653] Remarkably, this no-

[650] Salahuddin M. Aminuzzaman, "Environment Policy of Bangladesh: A Case Study of an Ambitious Policy with Implementation Snag," last modified 2010, accessed December 14, 2019, www.monash.edu.au/ research/.../asia... /paper-salahuddin aminuzzaman.pdf.
[651] Act No. 1 of 1995.
[652] The Bangladesh Environment Conservation Act, 1995 (Act 1 of 1995). This Act has come into force all over Bangladesh from 5 June 1995 through a Gazette Notification of the Ministry of Environment and forest dated 31 May 1995.
[653] Section 12.

objection certificate involves a local government authority to issue such no-objection under the BEC Act without having any elaborative procedure. Practically, such a certificate is crucial as it is the step where the prospects of an establishment are presumable. The consequences that such an establishment creates are considerable and need careful justification.

Unfortunately, no prescribed justification procedures are mentioned in the BEC Act for issuing a no-objection certificate. The benefits, hazards, and restrictions placed on the commercial establishment concerning their application for a certificate can be ascertained without using a special observational approach. Considering such a critical situation, India and some other countries open public hearings to decide.[654] Such a hearing enables them to justify the proposed establishment's impact and consequences, particularly good and bad effects. In Bangladesh, the BEC Act prescribed the manner of assessing an application for environmental clearance for the DG, but that is also not substantive.

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b) Corporate Commitment to the Environment

The primary purpose of enacting this BEC Act is to reduce the detrimental and damaging effects of business actions and increase the company's commitment to environmental protection. However, the BEC Act does not encourage businesses to uphold fundamental environmental commitments. It does not require companies to demonstrate their commitment to the environment throughout operations. No provision in the BEC Act

[654] *The Environmental Impact Assessment of Development Projects Notification* (1994 and as amended in 1997) under the Environment (Protection) Act 1986, accessed January 13, 2019, http://envfor.nic.in/divisions/ic/wssd/doc2/ch2.html.

compels corporate governance to consider the environmental repercussions of all their plans.

The BEC Act makes a commendable effort by requiring companies to submit a report containing layout blueprints illustrating stream plants, process flow charts, and waste clearance measures. However, it does not mandate that companies maintain and operate efficient environmental auditing processes that can gauge the success of other environmental initiatives. Otherwise, a company-level environmental commitment might be ineffectual. The "Environmental Impact Assessment" is another method for determining the amount and kind of trash and emissions an industrial activity may produce.[655] It is frequent to deliver only subjective judgment considering the project's likely environmental effect. Such effects are mostly counted in physical stipulations deprived of evaluating monetary consideration.[656] This is because the BEC Act does not mandatorily require a company to implement an environmental impact assessment.

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c) Environmental Strategy

Stakeholders' involvement in corporate commitment to the environment develops an effective environmental responsibility system. It is not only about those whose work precisely links to the environment but all. The BEC Act is limited; corporate management

[655] Bangladesh first prepared a Guideline for Environmental Impact Assessment (EIA) in 1992 under the Flood Action Plan. Afterward, A Manual for Environmental Impact Assessment was prepared in 1995 to clarify the technical aspects of EIA. There is another instrument, namely The Guidelines on Environmental Issues Related to Physical Planning, developed by the Local Government Engineering Department in 1994. The Environmental Conservation Rules 1997 require all projects to have their environmental impact assessment follow these guidelines and manuals. Khorshed Alam, *The Environment and Policymaking in Bangladesh* (Erschienen: Verlag University Press, 2007), 255.

[656] This makes the task difficult for environmental policymakers. It becomes hard for them to decide whether the welfare gains of a project will outweigh the ensuing loss (i.e., cost). If the projection of such impact were to be valued in monetary terms, it would be easier for them to project the impact more clearly.

has no guidance to guarantee that environmental matters are carefully addressed. For an environmentally conscientious corporate culture, legal strategies should include a more precise implementation at the corporate level that ensures stakeholder involvement.

The buying habits of a company reveal how committed it is to the environment. A firm can be environmentally responsible if it procures ingredients from ethical sources that are environmentally friendly. The BEC Act contains no provision that ensures the examination of such corporate procurement policies. There are few provisions requiring businesses to purchase greener goods and services from their suppliers in the BEC Act. It could offer recommendations to help companies join buyer groups to manage their collective buying power and to help suppliers think about more environmentally friendly goods and procedures.[657]

The most significant limitation of this BEC Act is that it does not have the necessary features to assist or ensure the environment-friendly production of products. Laws primarily aim to secure corporate dedication and pledge to protect the environment. Rules and regulations are made to minimise negative impacts and encourage responsibility.[658] The BEC Act lacks such encouragement to promote the management and production toward an environment-friendly approach. There is no urge to invest in eco-friendly aspects such as minimising energy consumption, noise, emissions, and health and safety risks.

[657] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[658] Hess, *Corporate Social Responsibility, and the Law*.

d) Environmental Protection

The BEC Act was created to generate, enhance, and protect environmental standards while limiting environmental pollution in Bangladesh via mitigation and subsidence.[659] The BEC Act relates to the environment, environmental pollutants, conservation, ecosystems, pollution, hazardous material, wastage, occupant, the DG, and the Department of Environment.[660] It contains rules for assessing environmental impact and issuing clearance certificates. It has provisions for the penalty regarding any violation of the provisions of the BEC Act and makes a more straightforward implementation process.[661]

Nevertheless, the BEC Act is important since it seeks to prevent and safeguard the environment and integrate the environment and development via the sustainable use of natural resources.[662] The BEC Act objects to regulating environmental-related social

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[659] Section Preamble.

[660] Section. 2 of (a to m) "Department" – means the Department 0f Environment established under section 3 of this Act. "Pollution" - It means any contamination or alteration of the physical, chemical, or biological properties of air, water, soil, including change of their temperature, taste, odour, density, or any other characteristic, or such discharge soil or any elements of the environment will be injurious, harmful or destructive to public health or domestic, commercial, industrial, agricultural, recreational or other useful activity, as well as to air, water, soil, livestock, wild animal, bird, fish, plant or other forms of life. 'Environment" –the interrelationship existing between physical properties of the earth (water, air, soil) and living organisms (human beings, plants, micro-organisms) "Environment Pollutant"- means any solid, liquid, and gaseous substance which causes a harmful effect to the environment (heat, noise, radiation, smoke, etc) "Environment conservation"-the improvement of qualitative and quantitative characteristics of different components of environment as well as the prevention of degradation of those. "Ecosystem"- the interdependent and balanced complex association of all components of the environment, which can support and influence the conservation and growth of all living organisms. "Person"- any human being or beings also includes any company, association, or corporation, whether registered or not. "Use" – relating to any material, in manufacturing, processing, treatment, package, storage, transportation collection, destruction, destruction, conversion, offering for sale, transfer of the like of such material "Hazardous material"- the material, which due to possessing chemical or biochemical properties is such that its manufacture, storage, discharge or unregulated transportation can be harmful to the environment. Waste"-any solid, liquid, gaseous and radioactive substance, the discharge disposal and dumping of which may cause harmful change to the environment "Director-General"- the highest position of the Department.

[661] Noor Mohammad et al., "Overview of the Bangladesh Environment Conservation Act 1995," *Australian Journal of Basic and Applied Sciences* 7, no. 2 (2013): 156–174.

[662] The Independence, Dated 24.03.2000. The writer is Minister for Law, Justice and parliamentary Affairs, as cited by Mohammad et al., "Overview of the Bangladesh Environment Conservation Act 1995."

behaviour through a sustainable framework. It also initiates converting sustainable and environmental development into an easily applicable and enforceable standard. Furthermore, the BEC Act promotes the government to achieve a sustainable strategy comparatively from available global standards and accelerate national capabilities in addressing environmental issues from a sustainability perspective.[663]

To secure environmental protection, the BEC Act includes provisions that provide policy to enhance the protection and accelerate fast response to the issue. The BEC Act consists of provisions regarding the declaration of ecologically critical areas. Through publication in the Official Gazette, the government may designate a certain region as being of crucial ecological importance if it finds that it is in an environmentally critical condition or the ecosystem of that area is degrading.[664] So far, eleven ecologically critical areas are in Bangladesh. They are ancient monuments, archaeological sites, biodiversity, forest areas, forest sanctuaries, game reserves, human settlements, mangroves, national parks, wetlands, and wildlife habitats. [665]

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e) Environmental Clearance

The BEC Act consists of provisions regarding environmental clearance. It has made it mandatory to obtain an environmental clearance certificate before establishing or undertaking an industrial unit. The DG issues certificates in the manner prescribed by the BEC Rules, 1997. Usually, a location clearance is given first to a proposed industry, then

[663] Mohammad et al., "Overview of the Bangladesh Environment Conservation Act 1995."
[664] Section 5.
[665] Mohammad et al., "Overview of the Bangladesh Environment Conservation Act 1995."

an environmental clearance. However, at his/her discretion, the DG may approve the environmental clearance certificate instantly before a location clearance certificate.[666]

The BEC Act offers remedial advantages for minimising and regulating environmental contamination. Following the BEC Act, DG may implement remedial steps by holding public hearings to prevent and reduce environmental pollution. To the extent that anyone impacted or expected to be harmed by environmental pollution or degradation will take measures to reduce environmental pollution. Everyone is accountable for maintaining the environmental pollution limit established by the BEC Rules. Therefore, if the DG or an authorised officer determines that a particular activity directly or indirectly damages the ecosystem, s/he may direct or instruct the responsible party to take remedial measures.[667]

Furthermore, four categories of industrial units and projects are stated in the BEC Act's provisions to grant environmental clearance certificates depending upon environmental impact and location. Establishing or initiating any kind of industrial unit or project without first obtaining an environmental clearance certificate is prohibited under the BEC Act.[668]

According to the provision of the BEC Act, to grant environmental clearance certificates, industrial units or projects are grouped like (a) Green, (b) Orange A, (c) Orange B, and (d) Red. All the existing industries or projects and the category of Green are eligible for environmental clearance. Then, the proposed industry and project of the remaining categories, one after another, shall be granted for location, clearance, and environmental

[666] Mohammad et al., "Overview of the Bangladesh Environment Conservation Act 1995."
[667] Mohammad et al., "Overview of the Bangladesh Environment Conservation Act 1995."
[668] Section 12.

clearance. However, upon satisfaction of the DG, an environment clearance certificate may be issued without first giving a location clearance certificate.

However, the government may offer an economic instrument for environmental preservation and protection. It might be in a way that encourages economic growth plans that respect and preserve the environment, an environmental-financial system, and the provision of incentives and disincentives for environmental conservation. In addition, the BEC Act mandates that business organisations audit high-risk business operations on the environment and business organisations that do not comply with environmental standards.[669]

In summing up the examination of CSR-related regulations in Bangladesh, the researcher concludes that there are insufficient social responsibility-fulfilment mechanisms in the applicable laws. The country's business culture lacks the non-legal elements required to hold corporations accountable for promoting public policy goals for CSR development.

In addition, there are no specialised law enforcement agencies, viable techniques, suitable equipment, or skilled administrators to address CSR-related issues. Moreover, the existing rules pertaining to business and CSR lack the necessary focus and tactics to require corporations to fulfil their social responsibilities. The country's primary laws are prescriptive and lack substantive measures to facilitate the creation of a system of corporate self-regulation.

[669] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

The BDC Act does not put enough emphasis on CSR or the responsibilities of corporate governance, which are both required for the development of social responsibility. It has no initiatives requiring corporate governance to direct company management to place corporate social responsibility at the forefront of its internal plans. In addition, while the BL Act outlines a comprehensive set of worker protections, it does not provide a method for their consistent application. As a consequence of this, it is unable to design a method of workplace management that is focused on the well-being of its employees. Similarly, the BEC Act proposes some cutting-edge strategies to control industrial pollution but does not mandate their use. It consists of provisions of penalties, and again, it has no adequate directions to impose them effectively. As a result, all the major laws related to CSR in Bangladesh are less effective in developing a responsible corporate culture system.

Under these circumstances, the country's legal system should play an essential role in reconsidering the legal revolution in the corporate sector to foster socially responsible business practices. However, besides the abovementioned laws, Halal-certified businesses in Bangladesh must strictly comply with several food safety laws crucial in ensuring CSR. In Bangladesh, Halal-certified businesses are mostly producers, manufacturers, or distributors of various Halal consumables. Hence, the following section performs a critical analysis of the food safety laws in understanding CSR in Halal-certified businesses in Bangladesh. It will make understanding the importance of CSR in the country's legal infrastructure easier and ease identifying the legal responsibility of Halal-certified businesses in Bangladesh, if any.

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4.3 Food Safety Laws in Bangladesh

Food safety is a major concern for consumers and entails handling, preparing, and storing food correctly to prevent foodborne illnesses. This also contains certain practices that ought to be performed to prevent serious possible health risks.[670] Bangladesh is one of the nations most vulnerable to the dangers of contaminated food.[671] Bangladesh faces many challenges with food safety, such as adding impurities to food, using dangerous chemicals to preserve or ripen food, having poor quality control standards, producing food in unclean or unhealthy ways, using ingredients that are of low quality or contaminated, marketing food in unsanitary places, and preparing food in dirty environments.[672]

Bangladesh's long-standing problem with food safety has been a major weakness. Premature deaths, higher healthcare expenditures, infections, reduced productivity due to illness, environmental pollution, and other problems result from eating unsafe food in Bangladesh.[673] Unsafe food affects almost everyone, even though most people are ignorant of it.[674] According to a study, contaminated foods are thought to cause renal illness in more than three crore people in the country.[675] The level of adulteration is so severe that it has been dubbed a "silent killer."[676]

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[670] Fred Fung, Huei-Shyong Wang, and Suresh Menon, "Food Safety in the 21st Century," *Biomedical journal* 41, no. 2 (2018): 88–95.
[671] M. A. Rifat et al., "Food Safety Knowledge and Practices among Food Handlers in Bangladesh: A Systematic Review," *Food Control* (2022): 109262.
[672] M. D. Khairuzzaman et al., "Food Safety Challenges towards Safe, Healthy, and Nutritious Street Foods in Bangladesh," *International journal of food science* Khairuzzam (2014).
[673] Rifat et al., "Food Safety Knowledge and Practices among Food Handlers in Bangladesh: A Systematic Review."
[674] Ali, "Food Safety and Public Health Issues in Bangladesh: A Regulatory Concern."
[675] "Adulterants in Food: More than 3 Crores Suffering from Kidney Disease," *The Daily Janakantha*, August 24, 2014.
[676] "Speakers Liken Food Adulteration to Genocide," *The Financial Express (Dhaka)*, August 5, 2010.

The country has taken various measures to address food safety issues in order to safeguard public health. Several laws, rules, standards and services for administration, inspection, and laboratory testing make up the legal framework that ensures food safety and quality control in Bangladesh.[677] The following are Bangladesh's current legislative and regulatory frameworks for securing the safety of its food supply.

a) The Constitution of Bangladesh

As per the Constitution of the People's Republic of Bangladesh, the State is responsible for securing the basic necessities of life for its citizens. The Constitution states in Article 15 that the State will ensure the basic necessities of life for its people, such as food, clothing, medical care etc. Moreover, Article 18 (1) of the Constitution says that the State is primarily responsible for improving public health and nutrition. Therefore, food safety was taken into account when drafting the Constitution. However, both provisions are part of Part II of the Constitution, the fundamental principles of state policy, which makes them legally non-binding.[678]

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The court of Bangladesh has often upheld the rights given in Part II of the Constitution by interpreting Article 32, which protects the right to life, a fundamental right guaranteed by the Constitution. A prominent example of such a case is *Dr Mohiuddin Farooque v. Bangladesh and Others*,[679] also known as the Radioactive Milk Powder case. In this case, Kazi Ebadul Hoque J. ruled that "No one has the authority to endanger the people's lives, including their health and the normal lifespan of an average person, by selling in the

[677] Ali, "Food Safety and Public Health Issues in Bangladesh: A Regulatory Concern."
[678] Article 8(2) of the Constitution of the Peoples Republic of Bangladesh.
[679] 48 DLR (1996) 438.

country any food item harmful to the people's health."[680] Thus, the Constitution itself facilitates food safety enforcement.

b) The Bangladesh Food Safety Act, 2013

The country's main legislations for food safety were the Pure Food Ordinance of 1959 and the Pure Food Rules of 1967, but both have been replaced by the Food Safety Act of 2013. This Act is the most important law for food safety in Bangladesh, enacted by the "Bangladesh National Parliament" on 10 October 2013. This Act aims to create a competent and effective authority and regulate, through coordination, the activities related to food production, import, processing, stock, supply, marketing and sales. The Act seeks to ensure the rights toward access to safe food through the proper application of the scientific process.[681]

Previously, in Bangladesh, several ministries and their supporting agencies were in charge of regulating food safety. Unfortunately, there was weak coordination between ministries and regulatory authorities.[682] Due to the overwhelming number of state-related operations, the Cabinet, the country's central coordination authority, could not function properly.[683] As a result, the "Pure Food Ordinance of 1959" was amended in 2005, establishing the "National Food Safety Advisory Council (NFSAC)" as the governing authority for food safety in Bangladesh. However, since the Act of 2013 was passed, the NFSAC is now in charge of giving guidance on food safety management. The Minister of Health serves as

[680] 48 DLR (1996) 438, Para 20.
[681] Ali, "Food Safety and Public Health Issues in Bangladesh: A Regulatory Concern."
[682] G. M. R. Islam and M. M. Hoque, "Food Safety Regulation in Bangladesh, Chemical Hazard and Some Perception to Overcome the Dilemma," *International Food Research Journal* 20, no. 1 (2013): 47.
[683] Ali, "Food Safety and Public Health Issues in Bangladesh: A Regulatory Concern."

the council's president, with twenty-nine members. Following Section 5 of the Act, the BFSA has been established to carry out the Act's mandate to guarantee everyone's access to safe food.[684]

The Act states that the BFSA is to help entities interested in maintaining and upgrading food safety standards or recommendations and coordinate the efforts of numerous authorities and organisations engaged in managing food safety.[685] Under Section 13(1) of the Act, the BFSA oversees and coordinates, using suitable scientific techniques, all operations related to the production, importation, processing, storage, distribution, and sale of food.

c) The Food (Special) Court Act, 1956

This Act is an addition to the "Control of Essential Commodities Act 1956." It was passed on 13 November 1956. This Act set up courts for the quick prosecution of food-related offences. The Act states that any breach of any notified order on foodstuffs must be tried and punished by Special Magistrates appointed under this Act, and no other court shall have any authority to deal with any such offence.[686]

In addition, the government may appoint as many Special Magistrates as required to try and punish offences under this Act.[687] When a Special Magistrate gets a complaint of the

[684] Md. Hasan Al Banna et al., "Factors Associated with Food Safety Knowledge and Practices among Meat Handlers in Bangladesh: A Cross-Sectional Study," *Environmental Health and Preventive Medicine* 26, no. 1 (2021): 1–12.
[685] Aniruddha Sarker et al., "Heavy Metals Contamination and Associated Health Risks in Food Webs—A Review Focuses on Food Safety and Environmental Sustainability in Bangladesh," *Environmental Science and Pollution Research* 29, no. 3 (2022): 3230–3245.
[686] Section 3, The Food (Special) Court Act 1956.
[687] Section 4, The Food (Special) Court Act 1956.

facts that make up an offence, a written report of those facts from any police officer, information from a source other than a police officer, or knowledge or suspicion that an offence has been committed, he or she may deal with any offence punishable under this Act that happened within the limits of his or her jurisdiction.[688]

A person who breaks this Act will face punishment, which can include imprisonment for up to three years, a fine, or both. Also, the Court of Special Magistrates that tries the case can order that any foodstuffs involved in a breach of a notified order be given to the government.[689] A Special Magistrate who tries an offence under this Act can try such offences in a summary way, and in doing so, such Magistrate shall follow the procedure given in the Code of Criminal Procedure, 1898, for summary trials. However, such Magistrate shall not need to record more than a note of the evidence. All matters related to, arising from, or following a trial by a Special Magistrate appointed under this Act shall be guided by the provisions of the "Code of Criminal Procedure, 1898", as far as they are relevant and not in contradiction with the requirements of this Act.[690]

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d) The Special Powers Act, 1974

On 9 February 1974, "the Special Powers Act 1974" came into force. This Act aimed to prevent certain activities that were harmful to the public interest and to ensure quick and effective justice for certain serious offences and related matters. The Act established Special Tribunals to deal with offences under this Act and some other offences, such as food safety. The Act also specified the procedure of these Special Tribunals, which had

[688] Section 5, The Food (Special) Court Act 1956.
[689] Section 6, The Food (Special) Court Act 1956.
[690] Section 7, The Food (Special) Court Act 1956.

the authority to conduct summary trials.[691] The High Court Division has the power to hear appeals from the verdicts of these Special Tribunals.[692]

The government also has the authority under the Act to order the detention or removal of certain persons if it thinks it is essential to stop them from engaging in any prejudicial act.[693] The Act describes a "prejudicial act" as any activity that could jeopardise the security of Bangladesh, endanger public safety or the preservation of public order, aim or tend to weaken Bangladesh's sovereignty or defence, impair the country's ability to maintain amicable relations with other countries, create hostility or hatred among its various communities, classes, or sections of the people, obstruct the administration of the law, or otherwise promote or provoke such obstruction.[694]

e) The Bangladesh Standards and Testing Institution Act, 2018

An institution for goods' standardisation, testing, metrology, quality control, grading, and marking has been established by the "Bangladesh Standards and Testing Institution Act 2018." This Act replaced the "Bangladesh Standards and Testing Institution Ordinance of 1985." The BSTI is the national body for standardisation, quality control, metrology, and certification per this Act.[695] The Ministry of Industries, Government of Bangladesh, has administrative control over the BSTI. The BSTI's main roles are to develop national standards for products in the industrial, food, and chemical sectors, ensure the quality of

[691] Section 27, The Special Powers Act, 1974.
[692] Section 30, The Special Powers Act, 1974.
[693] Section 3, The Special Powers Act, 1974.
[694] Section 2, The Special Powers Act, 1974.
[695] Preamble of the Bangladesh Standards and Testing Institution Ordinance, 1985.

the products according to the specific national standards, and apply the metric system of weight and measures in the country.[696]

The standard mark is a license that the manufacturers or importers can use on the goods they produce or import if they comply with the relevant Bangladesh Standard (BDS). The BSTI issues this license under the certification marks scheme. The scheme is regulated by the Bangladesh Standards and Testing Institution Act, 2018 and its rules.[697] The scheme applies to industrial and agricultural processed products, not drugs and pharmaceuticals.

f) The Consumer Rights Protection Act, 2009

The Consumer Rights Protection Act of 2009 was enacted to protect consumers' legal rights. The Act protects consumers' rights from the exploitation of unscrupulous traders in various ways. Some acts or omissions are explicitly defined as violations of consumer rights. The "National Consumer Rights Protection Council (NCRPC or Council)" was created to monitor consumer rights protection in the country. Members of the Council come from several sectors, including ministries, national security intelligence, BSTI, the "Consumer Association of Bangladesh (CAB)," NGOs, law enforcement agencies, and other trade organisations.[698]

The Consumer Rights Council operates through various district committees, including "the Deputy Commissioner, Police Super, District Chamber of Commerce President, consumer rights-based organisations' representatives, persons with experience in the

[696] Section 4, the Bangladesh Standards and Testing Institution Act, 2018.
[697] Under section 16 The Bangladesh Standards and Testing Institution Act, 2018, BSTI issues quality assurance certificates on various products either produced in the country or imported from other countries.
[698] Section 5 of the Consumer Rights Protection Act 2009

trade, industry, public administration," etc.[699] The "National Consumer Rights Protection Directorate" is headed by a DG who has the authority to take any measures to safeguard and prevent the infringement of consumer rights and deal with complaints regarding the violation of consumer rights.[700] The DG or any person authorised by the Government can investigate any offence under the Act, issue a warrant, detain or arrest the offenders, and temporarily shut down shops, factories, business places, etc., for the alleged infringement of consumer rights with the help of law enforcement agencies, if necessary.[701]

Under the Act, businesses must protect the rights and interests of consumers by providing them with safe, quality, and fair products and services. The Act prohibits unfair trade practices, such as adulteration, misrepresentation, hoarding, profiteering, or false advertising of goods and services. The Ac also empowers the consumers to file complaints against any violation of their rights and seek redressal through the Consumer Rights Protection Directorate (CRPD) or the Consumer Court.[702]

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The Act is significant in securing CSR in Halal-certified businesses as CSR and consumer protection are closely related, as both aim to ensure that businesses act responsibly and ethically towards their customers and society at large. By adopting CSR practices, businesses can enhance their reputation, customer loyalty, employee satisfaction, and social impact. By complying with consumer protection laws, businesses can avoid legal actions, penalties, fines, or bans from the authorities. Therefore, CSR and consumer

[699] Section 5 of The Consumer Rights Protection Act 2009
[700] Section 21 of The Consumer Rights Protection Act 2009
[701] See sections 23, 24, 25, 26, 27, 28 of The Consumer Rights Protection Act 2009
[702] Md Abul Kalam Azad, "Development of Consumer Protection Law in Bangladesh: An Empirical Study," *Journal of Business* 34, no. 1 (2013).

protection are complementary and mutually reinforcing business conduct.[703] Although there is no specific CSR-related provision under the Act, it mentions some aspects of CSR in its preamble and objectives, such as:

a) To protect the rights and interests of the consumers by ensuring the availability of safe, quality, and fair goods and services in the market;
b) To prevent any unfair trade practices, such as adulteration, misrepresentation, hoarding, profiteering, or false advertising of goods and services;
c) To promote the awareness and education of the consumers about their rights and responsibilities;
d) To establish an effective and efficient mechanism to redress consumer complaints and disputes.

These aspects of CSR align with the international standards and principles of CSR, such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the ISO 26000 Guidance on Social Responsibility. These standards and principles emphasise businesses' importance in respecting human rights, labour rights, environmental protection, consumer interests, anti-corruption, and social development. Therefore, even though there is no specific section on CSR under the Act, businesses operating in Bangladesh are expected to comply with the Act and the relevant international standards and principles of CSR. By doing so, they can demonstrate their commitment to ethical and socially responsible conduct towards their customers and society at large.[704]

[703] Mizanur Rahman, "Consumer Protection in Bangladesh: Law and Practice," *Journal of Consumer Policy* 17, no. 3 (1994): 349–362.
[704] Azad, "Development of Consumer Protection Law in Bangladesh: An Empirical Study."

Above are the most significant laws involving food safety in Bangladesh. Close observation of the abovementioned laws reveals that Bangladesh has several food safety and consumer protection laws. Unfortunately, the absence of a food safety system deprives consumers of their legal rights. No authority can support a consumer who wants to ensure their rights through the legal system in the current situation. Therefore, consumers have no recourse against the food producer, distributor, and seller for violating food safety and consumer rights. In addition, the Mobile courts have a positive role in food safety but do not safeguard consumer rights. They impose fines on the food makers, distributors, and sellers, but the consumers do not receive any compensation, leaving consumer satisfaction unsecured.[705]

The Mobile Court also faces administrative challenges due to the lack of magistrates.[706] A drawback of the Mobile Court is that it forces the person fined for a criminal offence to pay immediately or face imprisonment.[707] This is not a fair option for the accused. The accused may not have the money or prefer to challenge the fine in a regular court.[708] Interestingly, the Food Safety Act 2013 has the provision to establish food courts in every district and metropolis as needed,[709] but this has not been implemented yet. The only food court in the country is located in the Dhaka South City Corporation area.[710]

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[705] Gazi Delwar Hosen and Syed Robayet Ferdous, "The Role of Mobile Courts in the Enforcement of Laws in Bangladesh," *Northern University Journal of Law* 1 (2010): 82–95.
[706] Azad, "Development of Consumer Protection Law in Bangladesh: An Empirical Study."
[707] Section 9, Mobile Court Act 2009
[708] Azad, "Development of Consumer Protection Law in Bangladesh: An Empirical Study."
[709] Section 64, The Food Safety Act 2013
[710] Khairuzzaman et al., "Food Safety Challenges towards Safe, Healthy, and Nutritious Street Foods in Bangladesh."

The field level of food safety supervision in Bangladesh suffers from a severe shortage of human resources. The health department, local government organisation and BSTI are responsible for this important task.[711] However, they do not have enough sanitary inspectors to cover the scope and geographical area of their work. The statement of the Organogram of the Health Department reveals that only seventy-eight sanitary inspectors work in three hundred seventy municipalities and eleven city corporations. At the same time, the health department has five hundred sixty-six sanitary inspectors in the country, which is still insufficient for their work and coverage area.[712]

The safe food surveillance process is also hampered by the lack of human resources required in the Field Regional Operations of BSTI in five divisional cities, including Dhaka. Only thirty-eight people are working against sixty-eight posts of Field Officers in this area. Moreover, BSTI has another limitation of having only thirty officers for monitoring and controlling and lacking modern analytical laboratories and trained human resources. The district and municipal levels have six hundred fifty inspectors, while the Dhaka City Corporation (DCC) has only twenty-eight inspectors to check food adulterations. [713]

Another weakness of food safety control is that the legal system of Bangladesh does not have any corporate capital punishment for food safety control.[714] This means that the food

[711] Asit Datta and Krishnan Srinivasan, "Bangladesh," *Handbuch der Dritten Welt* 7 (1994): 162–191.
[712] Jannatul Islam, FIM Muktadir Boksh, and Ashraful Begum, "Food Safety: A Study on Policy Framework of Protecting Food Adulteration in Bangladesh" (2015): 43–53.
[713] Islam, Boksh, and Begum, "Food Safety: A Study on Policy Framework of Protecting Food Adulteration in Bangladesh."
[714] Md Hasnath Kabir Fahim, "Exploring the Threats of Corporate Crime as a Rising Trend of White Collar Crime in Bangladesh: An Empirical Study in the Light of Criminal Law," *Journal of Asia Pacific Studies* 6, no. 1 (n.d.): 2021.

manufacturers who violate the law can only face criminal penalties from the trial courts. However, they can appeal to the higher courts against the trial court's verdicts. The appellate court makes the final decision. But there are no further steps or levels of punishment that the judicial enforcement can apply after the criminal penalty. This makes the penalty very low in the liability regime and allows convicted food manufacturers to resume business.[715]

The problems with the Sanitary Inspectors also hamper the enforcement of food safety regulations in Bangladesh. The Sanitary Inspectors are responsible for ensuring food safety throughout the country. However, they do not have a clear inspection strategy that is essential for the proper administrative enforcement of food safety regulations.[716] Food safety is not the main focus of the Sanitary Inspectors. They have many other tasks related to health and sanitary issues in the rural, city corporation and municipal areas. Therefore, they do not have much time to monitor food safety. The Sanitary Inspectors have eighteen responsibilities, but only three are related to food safety. They have to inspect all food establishments in their local area, collect samples of doubtful or adulterated food for laboratory testing, and check the food adulteration, hygiene and sanitary conditions in food premises.[717]

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[715] Md Arifur Rahman et al., "Food Adulteration: A Serious Public Health Concern in Bangladesh," *Bangladesh Pharmaceutical Journal* 18, no. 1 (2015): 1–7.
[716] Abu Noman MA Ali, "Application of Responsive Regulation in the Food Safety Regulations of Bangladesh," *Journal of South Asian Studies* 1, no. 1 (2013): 01–09.
[717] Mohammad Shafiqul Islam and MohammadWoli Ullah, *People's Participation in Health Services: A Study of Bangladesh's Rural Health Complex*, *Bangladesh Development Research Working Paper Series*, 2009.

The sources of information for Sanitary Inspectors are newspapers, electronic media and consumer victims. They hardly go to the distant areas where there is no adequate public transport. As a result, food manufacturers in these areas are mostly not inspected. Every Sanitary Inspector has to send five food samples to the Public Health Laboratory (PHL) for laboratory analysis. But, they can hardly do it because they do not have any clear guidelines for their administrative enforcement activities. [718]

Despite the limitations of the above regulatory system, Bangladesh still lacks a consistent food safety administration system and a food safety policy. Proper implementation of multiple food safety legislation has always been difficult. The Supreme Court of Bangladesh issued *Suo-moto* directives to governmental entities to enforce food safety rules to protect human lives due to the serious situation. However, the abundance of legislation has hindered the implementation of food safety procedures. Stakeholders sometimes do not know their obligations because they are ignorant of the law and break and ignore laws for profit.[719]

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An effective regulatory system is needed in Bangladesh to protect public health in this situation. Food is something that everyone consumes. A provider who delivers contaminated food should think that the food might be eaten by one of his family members. Therefore, it is beneficial for all stakeholders to avoid actions that harm public health. The government and institutions involved in food safety are expected to perform well. To achieve total food safety and ensure consumers' religious faith and reliance on

[718] Islam and Ullah, *People's Participation in Health Services: A Study of Bangladesh's Rural Health Complex*.
[719] Ali, "Food Safety and Public Health Issues in Bangladesh: A Regulatory Concern"; Rifat et al., "Food Safety Knowledge and Practices among Food Handlers in Bangladesh: A Systematic Review."

Halal certification in Bangladesh, the concerned authority must carry out their tasks correctly. In this regard, the priority goes to the Islamic Foundation Bangladesh (IFB), the primary authority that deals with Halal-certified businesses in Bangladesh due to religious sensitivity.

Islamic Foundation is the sole authority that deals with Halal-certified businesses in Bangladesh. It is founded on the Islamic Foundation Act of 1975. In order to secure Halal consumers and Halal-certified businesses, IFB can initiate spreading Sharia directives on businesses in cooperation with other relevant organs of the government. In this regard, the following section performs an in-depth analysis of the said Act to know whether IFB has any legal opportunity and relevance to improve CSR in Halal-certified businesses in Bangladesh. The discussion helps examine the legal capacity of IFB, the supreme authority of religious matters in Bangladesh and the sole governing body of the Halal sector.

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4.4 Islamic Foundation Bangladesh (IFB)

The Halal sector in Bangladesh is connected to IFB, an independent organisation based on religion. IFB works to spread and promote Islamic values and ideals and conduct Islamic activities. It was founded under the Islamic Foundation Act of 1975 with the following aims and objectives:

a) to support and promote, disseminate, and propagate Islamic values concerning justice, lenience, and global brotherliness;
b) to encourage education on Islamic philosophy, history, culture, laws, and judiciary;

c) to establish, maintain and manage religious establishments, i.e., mosques, Islamic centres, institutes, and academies and funding them;
d) to conduct research activities on the Islamic role in culture, science, and civilisation;
e) to popularise and spread Islamic ideals and norms;
f) to publish magazines and books on Islamic themes;
g) to organise lectures, seminars, debates, conferences, and symposia;
h) to awarding recognised outstanding contributory works on different fields of Islam;
i) to develop projects on Islamic themes and outspread backing to others undertaking Islamic projects;
j) to provide scholarships for researching and studying Islam and assume many other actions on its aims and objectives.[720]

Remarkably, there was no particular ministry for religious affairs during the establishment of IFB, and it was under "the Education and Cultural Ministry." Later, the government felt it necessary to establish its isolated Ministry to deal with religious affairs distinctly and establish "the Ministry of Religious Affairs." Now, IFB is under this Ministry and commissioned as an autonomous organ.

IFB provides training to volunteers and creates public awareness of Islamic values by establishing Islamic missions in different regions of the country. So far, it has twenty-nine missions in Bangladesh and is planning to develop at least one mission for every district of Bangladesh. IFB started Awarding for outstanding contributory works and performance in different fields of Islam in 1982. Unfortunately, the awarding has been suspended.

[720] The Islamic Foundation Act 1975 (Act XVII of 1975); Zakat Board Act 1982; Sankhipta Islami Biswakosh (Abridged Islamic Encyclopedia), Vol 1, (1986), accessed 18 May 2019, https://en.banglapedia.org/index.php/Islamic_Foundation_Bangladesh.

Therefore, this study pleases to resume the Islamic Foundation Award regarding CSR practice in the country. Since the Act empowers IFB to take up programs on socio-economic development, social awareness building, and education, this award may boost CSR practice, especially in Halal-certified businesses, as they are primarily under the Halal Division of IFB.

The researcher concludes that the concept of CSR per Sharia in Halal-certified businesses (as discussed in the earlier chapter) may go to the legal capacity of IFB. IFB may consider CSR per Sharia in Halal-certified businesses in boosting the sustainability of Halal-certified businesses in Bangladesh, considering the lack of a specific CSR policy and legal directive (as discussed in the earlier section). IFB can initiate filling the gap of the legal directive on CSR in Bangladesh and emphasise CSR per Sharia in Halal-certified businesses under the concept of Halal. IFB has the legal scope to promote CSR per Sharia in Halal-certified businesses in Bangladesh since they are founded on Sharia and must comply with CSR to achieve public acceptance locally and internationally. The functions that are legally designed for IFB include propagation, exploration, and assistance in propagating and spreading the fundamental Islamic ideals of justice and universal brotherhood "and recommend measures, including institutional development, for the realisation of Islamic values and principles in the cultural and social and economic life of the community."[721]

[721] The words and commas "and to recommend measures, including institutional development, for the realization of Islamic values and principles in the cultural, social and economic life of the community" were added by section 8 of the Islamic Foundation (Amendment) Ordinance, 1976 (Ordinance No. XXXVI of 1976)

The Act empowers IFB to organise and promote research activities and studies on Islamic law, culture, philosophy, history, and jurisprudence "to popularise Islamic values and principles and publish and promote the publication and dissemination at low prices of popular Islamic Literature."[722] The Act also provides the legal provisions for IFB to award outstanding contributory works in Islamic studies.[723]

The most significant department of IFB is the Department of Halal Certification, which is wholly related to the Halal sector in the country. The Halal division is the sole authority to deal with the Halal sector; the certification, monitoring, and evaluation are entirely under the division. Moreover, IFB consists of the Sharia Experts Team (Mufassir, Muhaddis, Mufti, Ulama, Imam, and other Islamic Scholars) and the Scientific Experts Team (Chemist, Pharmacist, Micro-Biologist, and other relevant experts) to work together in the process of Halal certification. The IFB inspects and justifies through the teams. Then a committee from IFB examines all the relevant reports, such as reports of "the BSTI, Institute of Nutrition and Food Science, Department of Environment, Department of Agriculture, Department of Health, Department of Fisheries, Department of Drug Administration and the Personal/Self Declaration" of the applicant before providing Halal Certificate to its applicant.

Hence, the researcher concludes that CSR per Sharia can be popularised and implemented through initiatives of the Halal division of IFB. It can be suggested that IFB should consider the issue to protect the Islamic faith and promote CSR per Sharia since the legal

[722] The words and comma "with a view to popularizing Islamic values and principles and to publish and promote the publication and dissemination at cheap prices of popular Islamic Literature" were added by section 8 of the Islamic Foundation (Amendment) Ordinance, 1976 (Ordinance No. XXXVI of 1976).
[723] Section 11.

provision empowers IFB to develop necessary policies or mechanisms to secure Islamic principles where necessary.

Apart from this, considering the lack of legal support for CSR implementation in Halal-certified businesses, the researcher has conducted fieldwork to identify the current Halal-certified businesses' legal influence on CSR implementation. The fieldwork assists the researcher in analysing CSR and various aspects of Halal-certified businesses. The following section brings forward various legal deficiencies that need careful solutions to boost CSR in Halal-certified businesses in Bangladesh.

4.5 Legal Influence on CSR in Halal-Certified Businesses in Bangladesh

The discussion above demonstrates that CSR in Bangladesh is weak due to numerous weaknesses and challenges in the regulatory system. The current legal system in the country cannot ensure CSR. The existing CSR, which somehow grows out of the legislation available in Bangladesh, remains elusive. Due to the weak points of the law and the lack of proper guidance, the business community can keep itself away from CSR activities. The research respondents from Bangladesh are well-concerned about the weakness of various laws relating to CSR, as one participant opines;

> "*CSR is currently being widely discussed and criticised in the Bangladeshi business community. Awareness is growing about various aspects of social responsibility. Various government and non-government organisations are now thinking about CSR and running various activities. However, one weakness has not yet been overcome. Legal weakness is the most significant deficit in CSR compliance in our*

country. There are various inconsistencies in the law, and there is no guideline on the business establishment's social responsibility, which needs to be addressed. No matter how much discussion is criticised, social responsibility will be weakly observed or neglected without legal obligation or direction. The business community in Bangladesh is much more religiously motivated, encouraging them in various social development activities. In this case, religious awareness will boost CSR in Halal-certified businesses most effectively. In addition, if there are any guidelines, the CSR in Halal-certified businesses will be much stronger. CSR can be expedited by making some amendments to the law. The law can specify what the CSR should be, who will be the beneficiary or who will be able to challenge the annual report, and so on."[724]

Another respondent provides some critical insights as he says;

"It will not be easy to enforce corporate social responsibility by law because of the matter of voluntary acceptance. The government may take some steps in promoting CSR in Halal-certified businesses, such as defining CSR, characterising, and determining its various aspects. In terms of CSR in Halal-certified businesses, it would be most effective if Islamic awareness could be increased. In addition, an independent body can be set up to monitor various aspects of Halal-certified businesses and monitor CSR."[725]

[724] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[725] Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

CSR-related organisations in Bangladesh are working to advance CSR culture and achieve sustainable businesses by promoting legal obligations and ethical business practices. According to them, it is challenging to implement CSR according to the existing law. One respondent opines;

> "*The absence of legal directives and national CSR policy is the most significant deficit in CSR compliance in Bangladesh. Concerned officials of a company have many tricks in the ongoing law, which is why the reason for avoiding CSR. Since Halal-certified businesses are based on Islamic principles, the various religious rules of CSR can be discussed among Halal practitioners and traders, and necessary education can be provided. So that they can implement CSR in securing their sustainability in the Halal sector.*"[726]

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Another respondent opines;

> "*CSR in the Halal sector is urgent, and the government should think anew about CSR in this sector. Since no legal directives or guidelines exist, CSR in Halal-certified businesses is weak and needs improvement in fostering sustainability.*"[727]

[726] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019.
[727] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

Based on the information, the researcher concludes that no direct and active influence of law on CSR can promote CSR in Halal-certified businesses in Bangladesh. The data reveals that relevant authorities prioritise laws and guidelines to ensure the Halalness of the products, ingredients, and process. CSR remains unsettled on their part. Therefore, the researcher opines that religious motivation can be the best solution for implementing CSR in Halal-certified businesses.

It is fair to say that people naturally want to benefit and tend to skip participating in voluntary activities. The current business community views CSR as a non-profit voluntary work outside their business. That is why the tendency to find loopholes in the law without following CSR on its initiative is much stronger. CSR in Bangladesh remains weak due to a lack of guidance in the law and businesses' tendency to avoid it. In this case, the religious provision for which the reward given by Allah (SWT) has been announced can strengthen the CSR in Halal-certified businesses. Because the will and interest to follow the rules of religion are more effective than compelling by laws.

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In seeking suggestions from Malaysia to enhance CSR in Halal-certified businesses in Bangladesh in terms of legal influence, the researcher receives some substantial positive points as one respondent opines;

> "*Our activities under the current law are to expand the Halal sector and ensure the quality of Halal products. Our activities have earned the trust and confidence of Halal consumers worldwide. We ensure the use of necessary laws and enforce the law. However, since we do not have any guidelines on CSR, we need to rethink this aspect. As Muslims, we are*

aware of religious principles and guidelines. CSR is a voluntary program, and the law has no clear guidelines. However, I think there is a need for public awareness in this regard. The government may take action on CSR, and those who work with CSR, especially NGOs, voluntary organisations, civil society, and politicians, need to be aware of this. If the law does not specify a specific amount nor specify CSR beneficiaries and fails to ensure community involvement, then some changes can be made in the law regarding these issues."[728]

Another respondent opines;

"*A specific guideline is needed first to enliven the CSR. It may be voluntary, but it will be easier for businesses to follow CSR if there are guidelines. It is advisable to resort to other means to generate interest in voluntary acceptance if the guidance of the law will create compulsion. CSR coverage should be discussed extensively. Government, NGOs, and civil society should all be enterprising and aware of this. The law may be amended or revised in some respects, such as the specified amount, the beneficiaries, or areas covered by the CSR. Since religious sentiments are involved in Halal-certified businesses, the emphasis should be on religious discussion or education so that traders themselves observe CSR. So the easiest would be to awaken and inspire religious values*."[729]

[728] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.
[729] Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.

Another respondent opines differently and adds probable expectations that may arise;

> "*As an alternative to the current law, it would not be appropriate to impose Islamic law on Halal-certified businesses to comply with CSR. Nevertheless, it would be most appropriate to be religiously aware. In this case, the government may issue some instructions, and the concerned institutions and organisations need to raise publicity and awareness. The Halal-certified business needs to create a stir for religious education so that they understand what social responsibilities they have.*"[730]

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Another respondent opines;

> "*We respect the existing law and always abide by it. We abide by all the guidelines related to Halal and enforce our social responsibility as directed by law. As Muslims, we carry out many responsibilities with full motivation, although we do not have any such obligation under the law. We view our business's social responsibility from current laws and religious perspectives. In many cases, we adhere to the responsibilities of religious motivation outside of the direction of the law. If there is a guideline/direction of social responsibility based on religious teaching, then there will be no such difference because we are following religious rules a lot. However, we indeed lack a clear guideline, and some of the weaknesses of the law should be removed. There is no explanation in*

[730] Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019.

the law as to what or how CSR will be, although everyone's interest in CSR is increasing day by day."[731]

The Halal sector is expanding, and new investment opportunities are emerging in this sector day by day. Research has disclosed no substitute for CSR to increase business expansion and sustainability. Consumers of Halal products, in particular, are more interested in learning about CSR, an essential component of the Halal sector.[732] Based on the information, the researcher concludes that the legal influence of current CSR practice in Halal-certified businesses is ineffective and does not lead to CSR implementation. The information exemplifies that business entities and their relevant authorities have weaknesses in CSR implementation as they are unclear and fixed in legal directives. The information provided above reveals that CSR compliance is currently weak. According to the data, the reason behind weak CSR in Halal-certified businesses is the weak influence of the law, i.e., no specific legal directive to perform CSR, as discussed earlier, which needs to be reconsidered.

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4.6 Issues with Legislations on CSR in Halal-Certified Businesses in Bangladesh

The dealt research question in this chapter sought to analyse the existing laws of CSR in Halal-certified businesses in Bangladesh. This search has revealed some key issues – lack of legal tools on CSR-related matters that impacted CSR practice in Halal-certified businesses in the country. This discussion elaborates on the findings on the role of each

[731] Azliza Binti Che Hussain (Assistant Manager, SHE & Sustainability), interview/in discussion with author, Kuala Lumpur, Malaysia, May 2019.
[732] Mondal and Masud, "Corporate Social Responsibility and Customer Loyalty, How Corporate Social Responsibility Lead to Firm Performance; A Study on Textile Sector in Southern Bangladesh."

issue in the study. This section analyses the topical issues unfolding in light of the research questions guiding the study.

4.6.1 Lack of Legal Provisions

The companies in Bangladesh are currently practising CSR voluntarily due to the lack of guidance and clear guidelines. They face frequent community blame when those companies fail to achieve CSR goals.[733] The non-existence of national guidelines on CSR jeopardises companies from getting investment support.[734] It is fair to say the blaming is continuous whether the companies implement CSR.[735] It arises from the community members in the area where the companies operate.[736] It happens because of no legal certainty regarding CSR guidelines and will persist if there are no CSR guidelines in the country as guidance in implementing CSR programs.[737]

The existing CSR implementation method in the country refers to companies directed to execute CSR projects themselves.[738] There should be synergy between the requirements and beneficiaries, national and sub-national development objectives, and the available budget of CSR offered by those companies. Additionally, an independent and autonomous

[733] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[734] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[735] Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.
[736] Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.
[737] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[738] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

capacity for implementing CSR programs should be created according to the company's operational needs.[739]

The researcher opined that Halal-certified businesses in Bangladesh are a prospective area that can significantly contribute to expanding the national economy. Hence, policymakers should consider the Halal sector seriously and regulate their CSR activities to secure global opportunity.[740] Since there are no such regulatory tools in the country, this study suggests that the policymaker and the practitioner implement an initiative that ensures CSR as per Sharia.

The current situation needs an immediate solution; otherwise, it may result in irregularities and corrupt practices in carrying out CSR programs. Bangladesh has a strong potential for CSR funding. For example, the Banking sector in Bangladesh has been directed to allocate only one percent of the net profit for the year 2020 to perform a special CSR activity to support slum dwellers, the homeless and the unemployed during the Covid-19, and that turned into a sum of totalling BDT 116 crore. Noticeably, the banks in Bangladesh spent around BDT 648 crore in 2019, BDT 905 crore in 2018, and BDT 744 crore in 2017.[741] Therefore, considering the other sectors in the country that have the potential of a

[739] Mohamad Romji Sulaiman (Senior Manager, Halal Development Corporation Berhad), interview/in discussion with author, Selangor Darul Ehsan, Malaysia, February 2019.
[740] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[741] "Banks to spend Tk116cr more on CSR," *The Business Standard*, (26 April 2021), accessed: 18 June 2021, https://www.tbsnews.net/economy/banking/banks-spend-tk116cr-more-csr-237700

considerable amount of CSR funds, the government should improve the legal framework of CSR by establishing CSR policies as required and a particular CSR institution.[742]

According to the analysis of the researcher, the government regulation on CSR is incomplete and insufficient to regulate CSR issues in Bangladesh. The contents of each applicable legal requirement are quite generic and do not address the stagnation in CSR activity. Consequently, firms implementing CSR programs lack a solid legal foundation. A lack of guiding principles, legal certainty, legal responsibility, and accountability exists.[743]

As a result, the legality of operating CSR programs in Bangladesh is unknown. It also results in irregularities, corruption, and the misuse of social and environmental funding. There are also important and powerful corporate owners who have every potential to exploit such monies ostensibly for personal and group purposes in the name of social concern for the local economy and community.[744]

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In addition, the country's existing laws do not stipulate penalties for implementing CSR initiatives. Therefore, there is no effective monitoring of the CSR program's implementation. In Bangladesh, CSR initiatives have been conducted solely on the goodwill of the enterprise. While listed public businesses create, implement, and report on their effective compliance and CSR programs, there is less oversight, monitoring,

[742] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[743] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[744] Rahim, "Legal Regulation of Corporate Social Responsibility."

control, and evaluation. The listed firms are also afforded the opportunity for an explanation when they fail to comply with good governance principles.[745]

The data reveals that the current culture of CSR practices in Bangladesh is weak. CSR is voluntary, and the corporation solely depends on its operators. Corporate activities are the results of its operator's decisions and actions. Such decisions and actions can only be controlled and extended if there are rules and regulations regarding their limits and scope. The regulations in the country are not strong enough to require that corporate self-regulation conforms to a socially responsible corporate culture. In Bangladesh, no specific rule directly or solely addresses the issue within corporate self-regulation practices.

Furthermore, Halal-certified businesses in Bangladesh are left with no legally binding to produce or disclose financial reports like listed public companies. The financial reporting and maintaining the prescribed code of CGG are obligatory requirements only for listed public companies in the country. As a result, the company not registered on the stock exchange has no standard in its annual financial reports.[746]

The regulations in the country are not powerful enough to compel corporate self-regulation to align with a socially responsible corporate culture. Moreover, most of the business organisations in Bangladesh are family-owned and first-generation businesses. They are involved in community and social development through philanthropic activities, i.e., charities without any specific strategy on expenditure or, in many cases, without any

[745] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[746] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

clear objective of financial gain.[747] Bangladesh needs a strong financial reporting framework covering all kinds of businesses.

4.6.2 Lack of Initiative

Many reasons behind the weak implementation of CSR in Halal-certified businesses in Bangladesh remain unsettled. Besides, there is a lack of initiative to resolve various issues pertaining to CSR implementation. The study finds some critical issues in implementing CSR, requiring immediate initiative to overcome. It is time to think about aspects that can make CSR implementation effective. If these aspects can be solved, CSR will be easier in Bangladesh. Some of the critical issues are as follows:

a) CSR Budget

In Bangladesh, the majority of businesses lack a clear and precise legal foundation for allocating, disbursing, and accounting for CSR budget funds. Everything is accomplished purely out of goodwill for the companies involved. This occurs because no exact percentage has been established by national law. Consequently, companies allocate CSR expenditures differently. It results in legal ambiguity and confusion for the beneficiaries. CSR fund management in Bangladesh is characterised by a weak implementation of the transparency principle, which results in irregularities, corruption, and other irregularities in the execution of CSR initiatives.[748]

[747] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.
[748] Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh."

b) Transparency

One of the key concepts of CGG is transparency, which allows for the engagement of communities, particularly important stakeholders, in the creation of CSR programs, as well as the allocation of budgets, the implementation, and the responsibility of such programs. However, the country's existing regulations do not recognise the principle of transparency that much as the information on the amount of CSR program that is to be or has been implemented is not accessible by the public, i.e., the direct beneficiaries of the program. Hence, it is recommended that the company in Bangladesh respect and implement the other principles of CGG, such as accountability, independence, equality, and decency.

In Bangladesh, transparency in corporate governance, environmental management, and labour rights practices is unsatisfactory because of poor implementation of current laws and inadequate pressure from concerned groups such as consumer forums and civil society.[749] Hence, focusing on CSR in Bangladesh will be effective for community development, environmental management, fair treatment of workers, improving corporate governance, labour rights, and workplace safety, and ensuring innovation, industrialisation, expansion, and access to global markets.

c) Community Involvement

No development program can achieve its goals without the participation of the community and bring about fruitful results. Community participation is essential in the planning and implementation of CSR programs. However, community involvement in CSR project

[749] Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

implementation in Bangladesh is absent, leading to public distrust of the company's accountability.[750] The information included in the corporation's most recent annual report needs to be scrutinised by the general public. The beneficiaries may be engaged in the process of allocating the CSR budget, in the process of implementing CSR, and in the phase dealing with CSR obligation.

d) CSR Surveillance Body

In Bangladesh, there is not yet a CSR surveillance body since the relevant CSR regulation does not contain a provision for the establishment of such an institution in the policy that they have currently.[751] The applicable governmental surveillance bodies carry out current CSR monitoring functions, jurisdictions, and liabilities for CSR programs.[752] Undeniably, companies have implemented no specific surveillance body to educate, guide, and supervise CSR programs. It needs to consider creating a specific CSR monitoring body to increase the transparency and accountability of CSR initiatives in Bangladesh.[753]

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Bangladesh has not yet formed a particular CSR monitoring organisation. The functions are carried out exclusively by relevant governmental supervisory authorities, whose responsibilities to monitor and educate CSR programs in the country following their

[750] Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh."
[751] Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[752] Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019.
[753] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

individual Acts and other pertinent legislation is limited.[754] The limited jurisdiction and liabilities are affected in overseeing the implemented CSR projects throughout the country. However, the participation of civil society and NGOs is assistive in monitoring and evaluating CSR projects in Bangladesh, increasing transparency and accountability of the projects.[755]

In Bangladesh, the surveillance of CSR is being performed by the Ministry in charge, corresponding to the mandate given by the law.[756] The relevant Ministries are responsible for the sectoral implementation, operation, monitoring, and assessment of the corporations' CSR initiatives. In addition, the CSR reporting process is done voluntarily, utilising various reporting methods, including those provided by GRI and others.[757] In Bangladesh, some companies utilise international reporting mechanisms for CSR reporting.[758]

Business organisations in Bangladesh must disclose their annual narrative and financial report related to some forms of corporate social and environmental safety activities.

[754] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; and Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[755] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[756] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[757] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[758] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

However, there exists a need for more detailed rules and regulations on CSR.[759] It is urgent to pass a specific legal enactment or guideline to govern the surveillance mechanism for CSR in Halal-certified businesses in Bangladesh.[760]

In Bangladesh, the BDC Act or other relevant Acts that resonate with CSR do not require a specific surveillance body on the CSR program. Current relevant CSR legal provisions regulate that the execution is given to the respective sectoral ministries such as environmental issues are addressed to "the Ministry of Environment, Forest and Climate Change" of Bangladesh, and social issues are addressed to "the Ministry of Social Welfare." It is still unsettled; no specific agency or Ministry monitors and evaluates CSR programs. As a result of this, it leads to the unavailability of standard reporting, monitoring, and evaluation.

It is fair to say that the unavailability of surveillance bodies in Bangladesh is due to unclear and unstable government regulations on environmental and social responsibility that the government has enacted. No regulation mentioned the establishment of a surveillance body in Bangladesh. This is because certain ministries sought to construct CSR policies without referring to the legislative rules governing CSR, which has resulted in an ambiguous framework for the implementation of CSR.[761] There is always a lack of

[759] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[760] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[761] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

appropriate means for monitoring and evaluating the CSR projects among the relevant authorities who are somehow relevant to the CSR program in the country.[762]

However, the data indicates that there is always a need for a specific body to manage CSR-related concerns like policy development, monitoring, assessment, and reporting. If so, the agency should synergise its initiatives with other ministries or state organisations promoting social, environmental, and economic empowerment. This agency is anticipated to have robust cooperation with national, sub-national, and international entities.[763]

Further, there is an argument as some representatives of companies assumed that respective ministries are suitable to handle the surveillance of CSR. Some claim to establish particular institutions on the surveillance activities to oversee various CSR monitoring, evaluation, and reporting issues. Unfortunately, no significant improvement in surveillance functions exists from any relevant ministries. Some of the relevant ministries tend to carry out their surveillance responsibilities on CSR implementation by asking their internal surveillance body to supervise the execution of CSR programs, while other ministries do nothing.[764]

Nevertheless, an improvement in Bangladesh's present CSR program supervisory framework is necessary to guarantee transparency and responsibility in the country's

[762] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[763] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.
[764] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

financial management. Because the government of Bangladesh offers tax reductions to enterprises that implement an excellent CSR program, the government must strengthen the CSR monitoring system, controlling, and financial reporting in line with acceptable financial management requirements.[765] It should publicly publish the monitoring results so people can seek information about progress in implementing CSR programs.

In Bangladesh, there should be a CSR surveillance body with comprehensive coordination, synchronisation, and harmonisation of supervisory CSR activities carried out by internal and external state supervisory, independent monitoring and evaluation bodies, and NGOs. Assume the government forms a specific surveillance body. In that situation, it should be accompanied by the role and function of internal and external supervisory, monitoring, and evaluation to strengthen the system of monitoring the CSR program's implementation.[766]

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4.7 Conclusion

The chapter examined the national legal tools related to CSR in Halal-certified businesses in Bangladesh. The chapter discussed the weaknesses and strengths of various relevant laws of the country that link CSR in Halal-certified businesses. The data revealed that the country's major laws regulating companies and controlling actions and reactions on

[765] AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

[766] Md. Abul Kalam (Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; Md. Abu Saleh Patwary (Mufassir and Deputy Director, Department of Halal Certification, Islamic Foundation Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020; AKM Ahsanul Hoque (Director, Research and Training, CSR Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, May 2019; and Tashrique Shabab (Programme Officer, CSR Centre Bangladesh), interview/in discussion with author, Dhaka, Bangladesh, February 2020.

various aspects of CSR, such as labour, employment, and social and environmental issues, are weak and cannot ensure CSR in Halal-certified businesses in Bangladesh.

Above all, the existing laws, regulations, guidelines, and standards are weak and skip CSR in Halal-certified businesses. The relevant guidelines proposed for Halal-certified businesses in the country are to protect only the quality of Halal consumables. CSR remains unsettled and weakly implemented. The government should think about CSR in Halal-certified businesses anew and urgently resolve the existing issues involving legal tools on CSR in Halal-certified businesses.

It is fair to say that various inconsistencies and weaknesses in the current laws have not yet made the CSR practice in Halal-certified businesses in Bangladesh a reality that needs urgent addressing. In this situation, research is essential to improving Halal-certified businesses' CSR, which is vital for developing this sector. To this end, the next chapter suggests and recommends some effective means to achieve CSR in Halal-certified businesses.

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CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

The following chapter represents the conclusions of this study and recommendations for Halal-certified businesses in Bangladesh for improving CSR. The chapter begins with an overview of the key findings of the study. Based on the illations on the individual research question, recommendations are made to Halal-certified businesses to secure CSR. The research questions are connected to the findings and conclusions made in Chapters Two, Three, and Four. Lastly, recommendations for future research are presented as well.

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5.2 Summary of Findings

This section represents the key findings and conclusions attained during the study, based on the major findings submitted in Chapters Two, Three, and Four. This study concentrated on Halal-certified businesses to portray the practice of CSR in Bangladesh and examine the legislation on CSR to know the strengths and weaknesses that may affect the practice of CSR in Halal-certified businesses in Bangladesh. It has revealed the following findings connected to CSR in Halal-certified businesses in Bangladesh.

5.2.1 Findings in Chapter Two

This chapter initially looks at the approaches usually adopted by scholars in exploring the concept of CSR. The discussion reveals that although there have been many discussions over CSR worldwide, it has not been possible to determine the exact responsibility of businesses. The conceptual understanding of CSR is still changing due to emerging social, political, economic, etc. issues. Such deficiency affects the implementation of CSR to date as businesses find CSR a merely philanthropic voluntary activity to contribute to solving those issues if they feel necessary. There is a public policy understanding that business entities have a role in achieving societal goals besides their economic roles.[767] A common belief prevails that the richer members of society should support the poorer members through philanthropic giving, and business executives should direct business activities for public benefit.[768]

The chapter then focuses on Bangladesh to know the current status of CSR in the country. It finds that the business culture in Bangladesh includes charitable activities from time immemorial. The historical background reveals that the business community prefers social activities out of religious motivation. They consider charity as their CSR, which they provide for the development of the society in need. They have a misconception and lack the initiative to practice CSR in a regulated or systematic way. However, many pressure groups, such as NGOs, voluntary groups, and civil society, are working on improving and shifting the trend of CSR in Bangladesh.[769]

[767] Hopkins, *Corporate Social Responsibility: An Issues Paper*.
[768] Post, Lawrence, and Weber, *Business and Society: Corporate Strategy, Public Policy, Ethics*.
[769] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.

It is also found that CSR is a new concept in the corporate sector in Bangladesh, and the relevant authorities are not well organised to promote implementation. There is no effective initiative to promote CSR in an organised way. Moreover, the relevant initiatives taken throughout the past are not fruitful. As a result, CSR remains weak, and businesses have no effective attention in Bangladesh.[770]

The most significant finding in this chapter that helps answer the research question regarding CSR in Bangladesh is that the current culture of practising CSR in Bangladesh is weak. CSR in Bangladesh is primarily characterised as a philanthropic activity. However, charity, benevolence, and welfare are closely related to Islamic values. That is why Islamic value-based organisations in the country contribute to social and community development activities, in most cases, better than conventional organisations.[771] The current CSR culture exemplifies that religious motivation is influential in the country, encouraging businesspeople and policymakers to instil some forms of CSR in the name of social, environmental, and economic development activities.[772]

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5.2.2 Findings in Chapter Three

This chapter deals with the research question regarding the current practice of CSR in Halal-certified businesses in Bangladesh. It finds that in Bangladesh, a misconception exists regarding the concept of Halal from the business point of view. Businesses are considering Halal as merely a standard of the dietary system. Halal relates everything,

[770] Iqbal and Pramanik, "Investigating the Impacts of Corporate Social Responsibility Initiatives on Customers 'Loyalty: A Study from Selected Private Banks in Bangladesh."
[771] Rahman, Jahan, and McDonald, "CSR by Islami Bank in Healthcare Stakeholders' Perception."
[772] Porag, *Corporate Social Responsibility in Bangladesh: Practice and Perpetuity*.

including CSR; this ideology is not practical currently. Businesses mostly focus on the concept of mere philanthropy.[773]

It is also found that there are various activities within the Halal authorities to promote the Halalness of goods and services in Bangladesh. However, they are not to raise awareness about CSR within the current business community. Relevant authorities and practitioners are not well aware of CSR in Halal-certified businesses compared to their present understanding of the traditional concept of philanthropic activity. NGOs, civil societies, and other voluntary groups are also unaware and are not working to raise public awareness of CSR in Halal-certified businesses.

The most significant finding in this chapter that helps develop the answer to the research question regarding the current practice of CSR in Halal-certified businesses in Bangladesh is that CSR in Halal-certified businesses is weak since CSR is considered a mere philanthropic activity. Halal-certified businesses lack a conceptual understanding of CSR under Halal, which requires them to be socially responsible by observing Sharia. Unfortunately, this philosophy is impractical as Halal-certified businesses prefer profit (economic responsibility) and perform charity and donation (philanthropic responsibility). They fail to comply with other aspects of responsibility (legal and ethical responsibilities) in many cases that Halal-certified businesses need to absorb in terms of CSR.[774]

[773] Hossain, "Corporate Social Responsibility (CSR) in Halal Sector in Bangladesh: A Systematic Literature Review."
[774] Bangla Tribune Report, "The 52 Food Products Banned by Court."

5.2.3 Findings in Chapter Four

This chapter deals with the research question regarding legislation on CSR relevant to Halal-certified businesses in Bangladesh. It finds that regarding corporate social performance reporting, the Companies Act (Bangladesh) 1994 (BDC Act), the parent law related to CSR, is inconsistent in many aspects and does not offer the support needed to build an accountability system, i.e., a "Liability Regime" for corporate distrust. It does not make any CSR provisions for directors and shareholders of corporations in Bangladesh imply that such directors and shareholders can easily engage in activities that constitute an abuse of human rights without facing any challenges or repercussions.[775] Moreover, regarding financial reporting, the Act relies on ICAB. Unfortunately, the standard developed by ICAB is legally applied only to listed public companies of Bangladesh, but they are not implementable via the by-laws of ICAB.

It is also found that regarding the potential issues on due diligence, the provisions in the BDC Act are mostly flexible or incomplete. Directors and officials are not subject to proof of authenticity examination before court proceedings concerning false, incomplete, or insufficient information they provided publicly via the business prospectus. Whether they conducted an investigation or autopsy, no verification of the statement or information's veracity or validity is required.[776]

The study further finds that the Bangladesh Labour Act 2006 (BL Act) lacks a focus on fostering a socially responsible working atmosphere and appropriate enforcement

[775] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."
[776] Rahim, "Legal Regulation of Corporate Social Responsibility"; Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."

mechanisms. The government programs and employer organisations do not seem to care about implementing most of its provisions, leading to frequent violations of workers' rights in the country. The underlying object of the BL Act fails to escort to the employer that the employees are not commodities. It makes workers very distinguishable from other stakeholders. The BL Act does not acknowledge corporate control over employment and working conditions. It addressed only the interests and roles of workers at the core of the regulatory endeavour. These result in poor work conditions still in the country. The BL Act also lacks proper enforcement and adequate penalty features. As a result, it cannot change the existing corporate approaches and faces obstacles in its implementation phase.[777]

The study also finds that the Bangladesh Environment Conservation Act 1995 (BEC Act) cannot work independently as it depends on public institutions and governmental authorities for enforcement. It also involves non-governmental control. The BEC Act does not require a company to implement any environmental impact assessment. The BEC Act also lacks any provision that ensures sourcing ingredients from ethical and environmentally friendly sources. The BEC Act does not have the necessary features to support or ensure the eco-friendly production of products. There is no urge to invest in eco-friendly aspects such as minimising energy consumption, noise, emissions, and health and safety risks.[778]

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[777] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy"; Khatun, "Corporate Social Responsibility in Bangladesh: The Law and Practices."
[778] Rahim, "Legal Regulation of Corporate Social Responsibility: A Metal-Regulation Approach of Law for Raising CSR in Weak Economy."

The close observation on the legislation on CSR further reveals that in Bangladesh, most businesses lack a clear and precise legal foundation for allocating, disbursing, and accounting for CSR budget funds. Everything is accomplished purely out of goodwill for the companies involved. It occurs because no exact percentage has been established by national law. Consequently, companies allocate CSR expenditures differently. It results in legal ambiguity and confusion for the beneficiaries. CSR fund management in Bangladesh is characterised by a weak implementation of the transparency principle, which results in irregularities, corruption, and other irregularities in the execution of CSR initiatives.[779]

The country's existing regulations do not recognise the principle of transparency that much as the information on the amount of CSR program that is to be or has been implemented is not accessible by the public, i.e., the direct beneficiaries of the program. In Bangladesh, transparency in corporate governance, environmental management, and labour rights practices is unsatisfactory because of poor implementation of current laws and inadequate pressure from concerned groups such as consumer forums and civil society.[780] Moreover, community involvement in CSR project implementation in Bangladesh is absent, leading to public distrust of the company's accountability.

There is a need for a CSR surveillance body in the country. In Bangladesh, there is not yet a CSR monitoring body that has been formed. This is because the existing government legislation on CSR does not include creating such an institution in the policy that has been enacted. The functions are being entirely handled by relevant governmental supervisory

[779] Rahim, "Legal Regulation of Corporate Social Responsibility: Evidence from Bangladesh."
[780] Rahim, "Legal Regulation of Corporate Social Responsibility."

bodies, which also have limitations on their mandates to monitor and educate CSR projects in the country following their respective Acts and other applicable regulations.[781] The current situation needs an immediate solution; otherwise, it may result in irregularities and corruption in carrying out CSR programs.

These are the main findings concerning legislation on CSR in Halal-certified businesses in Bangladesh. It is noticed that there is no specific legal directive on CSR. In the absence of legal directives of social responsibility under the CSR-related laws in Bangladesh, the study further analysed the existing food safety laws to know whether they provide any legal responsibilities that the current Halal-certified businesses may absorb in fulfilling the requirements under the concept of Halal. It finds that despite multiple food safety legislation, proper implementation has always been a severe challenge. The proliferation of legislation has hampered the seamless implementation of food safety procedures. Stakeholders are sometimes unaware of their obligations owing to a lack of knowledge of the law, and they disregard and violate laws for profit.[782]

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It also reveals that Bangladesh has several food safety and consumer protection laws. However, consumers do not get their rights under the law because of the absence of a food safety system. Besides, the mobile courts that take food safety actions are ineffective in protecting consumer rights. This is because they are not managed properly due to the

[781] Miyan, "Dynamics of Corporate Social Responsibility: Bangladesh Context."
[782] Rifat et al., "Food Safety Knowledge and Practices among Food Handlers in Bangladesh: A Systematic Review."

shortage of magistrates. Also, there are legal provisions to establish food courts in every district and metropolis as needed, but this has not been done yet.[783]

The field level of food safety supervision in Bangladesh suffers from a severe shortage of human resources. The health department, local government organisation and BSTI are responsible for ensuring safe food for the people. However, they do not have enough workforce to cover the scope and geographical area of their work. The problems with the Sanitary Inspectors also hamper the enforcement of food safety regulations in Bangladesh. They are in charge of inspecting food safety throughout the country. However, they lack a clear inspection strategy that is essential for the proper administrative enforcement of food safety regulations.[784]

The above are the key findings of this study concerning the practice of corporate social responsibility in Halal-certified businesses in Bangladesh. In reaching these findings, Chapters Two and Three answer the first research question and Chapter Four answer the second. The following section answers the third research question on how CSR practice in Halal-certified businesses can be improved by recommending implementable and practical measures to improve CSR in Halal-certified businesses in Bangladesh, considering the findings of the study.

[783] Hosen and Ferdous, "The Role of Mobile Courts in the Enforcement of Laws in Bangladesh."
[784] Islam and Hoque, "Food Safety Regulation in Bangladesh, Chemical Hazard and Some Perception to Overcome the Dilemma."

5.3 Recommendation

In Bangladesh, CSR is considered merely a philanthropic activity for businesses to raise goodwill. Charity and philanthropic donations are the most popular CSR agendas among businesses. Halal-certified businesses in Bangladesh should consider other aspects of CSR, such as legal and ethical responsibilities. Current business culture prioritises economic and philanthropic responsibilities; however, they often fail to comply with legal and ethical responsibilities, which should be implemented immediately in Halal-certified businesses.

In Bangladesh, businesses consider Halal certification the key to entering the global market without understanding the responsibility and duties toward Halal consumers. Halal-certified businesses should consider that Halal covers everything, including CSR. It does not mean only dietary standards for Muslims but every aspect of life. They should know various duties and responsibilities under the concept of Halal certification. Due to the opportunity in the fast-growing Halal sector, many applicants look for Halal certificates for their business without knowing their duties, liabilities and responsibilities under the concept of Halal. The Halal authority should take the initiative to spread the knowledge of Halal covering CSR-related issues before accepting any new applications.

In order to improve CSR in Halal-certified businesses in Bangladesh, the government should amend the BDC Act to establish a liability regime for corporate distrust concerning false, untrue, and misleading information pertaining to any corporate matter. It also needs to amend the financial reporting standards to cope with all sorts of business entities since some parts are impractical in the Bangladeshi context.

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The government should amend Section 102 of the BDC Act defending the responsible officer, such as executive, manager, director, etc., regarding default or negligence in breaching their duty or trust. This section bars a company from recompensing or indemnifying them against any responsibility or liability which, by any rule of legal provision, would otherwise connect to them concerning any of the misconduct where they may be guilty.

The government should also amend Section 145 of the BDC Act. It imposes liability solely on the directors and officials if the company prospectus contains untrue statements. It should include other responsible individuals, such as underwriters, auditors, lawyers, and others who prepare the prospectus. The government should ensure direct interference in the social responsibility aspects of the directors of a company.

Furthermore, the government should take the immediate initiative to make the BL Act apt, considering the diverse workers' rights, safety and protection. There should be strict provisions on specific weight limits (for loads carried by factory employees) based on age, physical condition, gender, sex, fire-prevention stair ratio, workers-toilet ratio, etc. The government should make the BL Act effective by promoting the workers as important stakeholders who have an interest in the company and can either affect or be affected by the business. So, the discriminating approach may be removed in terms of employment.

The government should amend the BL Act to secure workplace safety in Bangladesh. So far, businesses in Bangladesh are engaging their employees in a highly exploitative situation. The lack of adequate protection and security has turned the workplace into a virtual death trap for workers, which needs to be resolved. Hence, the government should

amend the BL Act because there is no provision for imposing fines or other sanctions for infractions of its directives. In some cases, the law is silent, like forced labour prohibition, maternity benefits, and health and safety of workers. In other cases, the penalty is insufficient and needs proper amendment. Additionally, the number of Labour courts available in Bangladesh is inadequate compared to the volume of cases. There are only seven Labour Courts in Bangladesh. It is challenging to maintain many labour-related cases with few courts. So, the number of labour courts should be increased to cope with the volume of cases.

Concerning environment conservation, the government should amend Section 7 of the BEC Act, requiring an initial no-objection permit and certificate from the local government agency for establishing business units. Issuing such a no-objection certificate involves a local government authority without having any elaborative procedure. Practically, such a certificate is crucial as it is the step where the prospects of an establishment are presumable. The consequences that such an establishment creates are considerable and need careful justification. Considering such a critical situation, India offers open public hearings to decide. Such a hearing enables them to justify the proposed establishment's impact and consequences.

The government should stress implementing environmental assessment by every commercial establishment. Additionally, it may provide guidelines to encourage businesses to form buyer's groups to manage their combined purchasing power and encourage suppliers to consider alternate environmentally friendly products and processes. Additionally, the government may offer an economic instrument for

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environmental preservation and protection. It might be in a way that encourages economic growth plans that respect and preserve the environment, an environmental-financial system, and the provision of incentives and disincentives for environmental conservation.

This study also suggests that Halal-certified businesses in Bangladesh should make sure that their consumable items are not mixed, coloured, coated, preserved, or excessively combined with ingredients or different kinds of cheap ingredients by fully or partially removing the constituents that reduce the nutritional value, are harmful to the public's health, are illegal, or are added to make it look attractive or easily increase its weight to make it harmful to them. According to the Food Safety Act of 2013 and the Consumer Rights Protection Act of 2009, they have a legal duty to avoid adulteration and take care to prevent any adulteration.

Halal-certified businesses in Bangladesh should ensure that they avoid selling or keeping food after the expiration date; avoid preserving any food to sell it in a contaminated condition; avoid removing any information linked to food safety, trade sign, or identifying marks; provide the necessary traceability information for the individual who acquired the food from the distributor or the origin of the manufacturer; and refrain from accepting any food for storage or distribution despite knowing the fact that the food is unsafe.

The right to life is connected to food safety, which requires a quick remedy for the victim and a fast action against the offender. The government should set up a Tribunal for food safety in every area, like sub-district and district levels in the country. A separate judge should be assigned for each Tribunal to handle only food security-related cases. The government may also form an investigating body under this Tribunal. Moreover, a well-

equipped laboratory should be provided to each Tribunal so that a speedy examination of the quality of food can be done to facilitate the function of the Tribunal.

To ensure Good Manufacturing Practices (GMPs), the government should set up clear and effective guidelines. Moreover, the government should equip the national regulation agencies with the skills and knowledge to apply and enforce the certification, accreditation and reinforcement processes and assess the outcomes of the standards/procedures/guidelines. The target audience for such skill development should include various stakeholders, such as food inspectors, food scientists and analysts, policymakers, microbiologists, public health physicians, food technologists, serial librarians and documentation officials, food law experts, and so on.

Before imposing any regulatory measures, the government should prioritise education, awareness and training for all the actors involved in the food system, such as food processors, regulators, policymakers, vendors and others. They should receive proper instruction and guidance on following good practices in food safety. The government should also launch programs to educate consumers about food safety issues.

Apart from these, the study further recommends the Sharia-centric responsibilities that are mandatory under all circumstances in Halal-certified businesses under the concept of Halal. Since Halal-certified businesses in Bangladesh lack a solid legal base concerning CSR and no effective initiative fosters CSR in Halal-certified businesses, absorbing the fundamental responsibilities of every individual per Sharia may assist Halal-certified businesses in Bangladesh in responding to the global demands for CSR. Both the concept of Halal and CSR per Sharia are parallel. Halal-certified businesses in Bangladesh tend to

perform philanthropic activities in the name of CSR out of Islamic religious motivation; it is practical and might be effective to implement CSR per Sharia in Halal-certified businesses.

Establishing a CSR surveillance body in Bangladesh concerning CSR in Halal-certified businesses like Malaysia is also recommended. In Malaysia, the Halal Malaysia Council is specially set for Islamic religious purposes and maintains Halalness for businesses by implementing its own rules and regulations.[785] The Council monitors and enforces CSR activities in Halal-certified businesses.[786] The Council works to secure religious interests, and as such, they are acting as a CSR monitoring and enforcement body in Malaysia.[787] The Council monitors and supervises every aspect of the business,[788] including CSR.[789] Bangladesh can utilise such an initiative to establish a separate body, especially for maintaining, monitoring, supervising, and enforcing business aspects, including CSR in Halal-certified businesses.

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Last but not least, the Halal authority should take adequate steps to implement CSR per Sharia in Halal-certified businesses. They can include compliance with CSR per Sharia as a pre-condition in Halal certification as they are essential elements of doing business responsibly and ethically and compliance with Halal. The Halal authority should take the

[785] Ummi Anis Yusof and Irwan Mohd Subri, "Method Of Islamic Cleansing (Sertu) In Halal Industry Of Malaysia: A Systematic Literature Review (SLR)," *al-Qanatir: International Journal of Islamic Studies* 28, no. 2 (2022): 129–140.
[786] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.
[787] Rabiatul Adawiah Binti Ramli (Halal Personnel and Halal Trainer), interview/in discussion with author, Kuala Lumpur, Malaysia, February 2019.
[788] Rokshana Shirin Asa, "An Overview of the Developments of Halal Certification Laws in Malaysia, Singapore, Brunei and Indonesia," *Jurnal Syariah* 27, no. 1 (2019): 173–200.
[789] Marzita Ibrahim, (Senior Assistant Director), interview/in discussion with author, Putrajaya, Malaysia, December 2018.

initiative to educate and raise awareness of Sharia principles and fundamental responsibilities among Halal-certified businesses, prospective applicants, and others involved with Halal-certified businesses in Bangladesh. If they know well, they will benefit from being socially responsible per Sharia, and Bangladesh will gain a sustainable business society.

5.4 Recommendation for Future Research

The limitations of this study lead to pointing out the following tasks as recommendations for further work.

i) A study can be done with a bigger sample size to enable the use of diverse demographic information when comparing the results. For example, the differences between small, medium, and large companies can be investigated in terms of practising CSR.

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Practically, small and medium-sized companies represent a major share of economic value creation globally. They differ substantially from giant and influential companies, i.e., multinational companies, in terms of organisational characteristics, behavioural guiding principles, and financial and human resources. Therefore, conducting comparative research among them will be very fruitful. Especially with CSR, it will be easier to think in new ways about business thinking and practical issues.

ii) A probability sampling method can be utilised for future research to collect representative results of the entire population. For example, covering all the Halal-certified businesses in the country in one single study may bring different insights.

There are now a limited number of Halal-certified businesses in Bangladesh. There are currently one hundred fifteen Halal-certified businesses and a study can be conducted to understand their CSR better. If the CSR of these businesses can be brought in a specific study, then all aspects of this sector can be known about CSR. CSR is comparatively more important in this sector as Halal consumers check the company's CSR activities before accepting the product. Therefore, CSR in this sector needs to be further developed in the interest of all.

iii) A study comparing the Halal-certified and conventional business perceptions can be conducted. So that the targeted businesses will be benefited from knowing if there is any undiscovered or undiscussed obligation.

Many companies in Bangladesh are influential in the economy of the nation. Many of them are Sharia-following entities, for example, Islamic banks. So, the CSR of some of the selected Sharia-following and influential conventional businesses can be studied comparatively. It will make understanding differences of opinion or practice with CSR easier. Such research will make it easier to eliminate conceptual differences and disagreements.

iv) A similar study can be conducted by exploring a broader spectrum of business types or focusing on businesses that target consumers of different religions. For example, covering all the restaurants operated by Hindus or Christians in Bangladesh may reveal another fact.

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Bangladesh is a country of many religions. Religious instruction is also present in business activities and is one of the characteristics of traders who follow religious rituals. In the name of religion, traders carry out various social development activities. Every religion has its business rules, which can be observed among the followers of each religion. Therefore, it will be practical for the followers of the respective religions to study the CSR guidelines of other religions besides Islam. The main target of Halal-certified businesses is Muslims. Similarly, Hindus, Christians, Buddhists, and people in the business of other religions conduct business primarily to protect the interests of their followers, i.e., Hindu restaurants, Christian cuisine, etc. So, if they know what CSR is according to their religion, their CSR will be easy and practical.

v) A qualitative study can be conducted on all the Islamic Banks in Bangladesh. So that it will enable the adoption of the decision-making process, especially for CSR activities.

There is not much research on CSR per Sharia in Bangladesh yet, and the concept of CSR per Sharia is not being used. The number of businesses operating following Sharia in Bangladesh is now rising. However, some Islamic banks adhere to Sharia and observe CSR accordingly. Therefore, the CSR of all Islamic banks will make it easy to know the practical aspects of CSR per Sharia brought in one study.

5.5 Conclusion

CSR comprises economic, legal, ethical and philanthropic responsibilities. In Bangladesh, it is evident that businesses prefer economic responsibility and perform philanthropic activities by the name of CSR, while they often skip their legal and ethical responsibilities. The current Halal-certified businesses in Bangladesh are mainly food and beverage

producers, manufacturers, sellers or distributors governed by the country's Food Safety laws. They are responsible for obeying and maintaining legal directives concerning the food sector. They further need to be ethically responsible, which can be enhanced by the concept of CSR per Sharia.

Halal is a concept that comes from revelation and guides Muslims in conducting their business activities according to Islamic principles. Halal-certified businesses are expected to follow Islamic business ethics,[790] which define what is right and wrong in the commercial sphere. These ethics prescribe how businesses and individuals should act in the market based on the understanding that they are only stewards of God's creation and own nothing in this life. Therefore, Halal-certified businesses should know that God is watching everything they do and act accordingly. This belief motivates them to perform their best and adhere to God's rules.[791]

Sharia principles are universal, inclusive, and tolerant, promoting compassion, generosity, public good, harmony, and peace. The main awareness is based on the principles and values of justice and social responsibility, which are obligatory for all who believe in Islam. Following such a vision will overcome the dominance of hatred, violence, aggression, injustice, unfairness, and oppression among humankind and create a united universal society.

[790] The ethics is defined as the set of moral principles.
[791] Maulana Abul A'la Mawdudi, "*Fundamentals of Islam*" (English Translation of Khutubah) Revised Edition, Dar Al Wahi Publications, (2008).

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APPENDIX

INTERVIEW QUESTION

THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY IN HALAL-CERTIFIED BUSINESS IN BANGLADESH.

Participant Identification

Full Name:……..

Country of Origin:……..

Age:

≤ 20 30 40 50≥

Education:

Diploma	Bachelor	Master	PhD	Others

Position:

- ☐ Academic
- ☐ Practitioner
- ☐ Officer in Public Sector
- ☐ Officer in NGO / Private Sector
- ☐ Others

Place of Work:……...

Contact Details:

- ☐ Mobile:……...
- ☐ Email: ……
- ☐ Skype: ……

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BACKGROUND

The term "Halal Business" refers to business activities that have either one of the following;

Individual Halal Product / Service: the process / ingredient / service in that product / service is Halal. E.g.; a Halal yoghurt sold in a store that also sold non-Halal items OR a hotel where a particular unit is designed to maintain Islamicity, i.e. provides praying equipment.

Halal Production Facilities: any product produced according to the Halal certification / standards. E.g.; an abattoir that slaughters animals according to Islamic principle and certified to produce Halal meat or a factory which produces a Halal product.

Halal Retail Premises: all products / services prepared / arranged / sold from that business are Halal. E.g.; a restaurant which can produce varieties of Halal foods and drinks.

"HALAL-CERTIFIED Business" refers to the abovementioned business which has been given Halal certification by an authorised certification body/bodies. Such business is certified to be Sharia compliance in its every activity, including social responsibility.

Opening Inquiry:

- Do you consider Halal-Certified businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large?

YES:	NO:	REMARKS:

- Do you believe that Halal includes every aspect of business activity (i.e., maintaining Halal standards, dealing with employees and customers) rather than the production process and ingredients only?

YES:	NO:	REMARKS:

This research study relies on the belief that the primary objective of a business is to earn income or profit. Such profit-seeking behaviour affects the life of the owner, employees, customers, suppliers, communities, the environment, and society. Halal indicates what the business should do or abstain from doing and how people and institutions should behave in the world of commerce. The interview findings will assist the researcher in forming a sound analytical foundation upon which an ethical business culture may establish.

HALAL CERTIFICATION PERSPECTIVE

- In your opinion, what are the most frequent issues and challenges faced in the process of Halal certification? Can you describe any particularly difficult or traumatic experience in dealing with Halal certification?

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- Does your company/organisation have any initiative places before and after getting the certificate that escorts to the public what the business should do or abstain from doing and how people and institutions should behave in the world of commerce?

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- Does your company/organisation have any initiative that promotes business to behave ethically and contribute to economic development while improving the quality of life of the workforce, the local community and society?

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- Does your company/organisation have any cooperation with the Foreign Halal Certification body / Halal-Certified Business (especially in Bangladesh)? If yes, in what area and how does your company/organisation maintain Halalness?

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- In your opinion, what are the major changes that take place in terms of business behaviours after getting the certification of Halal?

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- In your opinion, what are the significant factors behind unethical business practices such as the forged Halal certificate, the use of the expired Halal logo, and inappropriate placement of the food product where some supermarkets are unable to separate all types of Halal-Certified products from the non-Halal ones as well as the issues on product transparency and quality whereby certain information on the products have been hidden due to non-compliance of the Halal standard? What do you feel is necessarily effective in recovering such issues?

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- What could your company/organisation do to improve your Halal Certification experience?

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Part A

The following questions are related to philosophical reasons for CSR per Sharia for Halal-Certified Business.

Directions:
SD: Strongly Disagree; **D**: Disagree; **N**: Neutral; **A**: Agree; **SA**: Strongly Agree

[Please indicate your level of agreement or disagreement with each of the statements] Place a "✔ " mark in the box of your answer.

Abbreviations:
CSR: Corporate Social Responsibility;
CSO: Civil Society Organisation;
NGO: Non-Governmental Organisation

Perception on CSR per Sharia

No.	Item(s)	SD	D	N	A	SA
01	I feel that CSR per Sharia is the most suitable for Halal-Certified Businesses.					
02	I feel CSR per Sharia is more binding than Western/Conventional one.					
03	I feel that businesses, especially Halal-Certified, voluntarily comply with CSR per Sharia more than non-certified Halal Businesses.					
04	I feel that it is very urgent to produce CSR per Sharia guidelines that fit my country's context and culture.					
05	I feel CSR per Sharia would encourage businesses to implement the highest standard of ethics in their activities.					
06	I feel that CSR per Sharia is not well implemented due to the availability of Western/Conventional ones.					
07	I feel that CSR per Sharia is in line with the interest of most people.					

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Awareness of CSR per Sharia

No.	Item(s)	SD	D	N	A	SA
01	I feel that most businesses are still not well-informed regarding CSR per Sharia.					
02	I feel that most of the local communities are still not well-informed regarding CSR per Sharia.					
03	I feel that most CSOs and local NGOs working on CSR issues are still not well-informed regarding CSR per Sharia.					
04	I feel that Halal authority lacks initiatives regarding public awareness of CSR per Sharia.					

Integrity on CSR per Sharia

No.	Item(s)	SD	D	N	A	SA
01	I feel that business associations will follow the Islamic business rule on CSR that the Sharia has provided.					
02	I feel that Halal-Certified businesses will mandatorily obey and implement CSR per Sharia.					
03	I feel government officials at national and sub-national levels will make executing Halal standards and set up guidelines to implement CSR per Sharia.					

Trust on CSR per Sharia

No.	Item(s)	SD	D	N	A	SA
01	I believe that CSR per Sharia can make CSR program implementation more transparent and accountable.					
02	I believe that CSR per Sharia may prevent and minimise environmental destruction in the community.					
03	I believe that CSR per Sharia will provide overall economic growth.					

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Coordination on CSR per Sharia

No.	Item(s)	SD	D	N	A	SA
01	I feel that each Ministry / agency will coordinate with each other to produce guidelines on CSR per Sharia.					
02	I feel that local governments will coordinate with the central government on the implementation of CSR per the Sharia.					
03	I feel that to enhance coordination, it is very urgent to establish an independent agency to supervise CSR programs for Halal-Certified businesses.					

Part B

The following questions relate to the CSR guidelines in HALAL-CERTIFIED Business.

[Please circle the answer(s) below that best to your knowledge]

1. Which CSR guidelines are currently being used in Halal-certified businesses in your country?

A. The ISO 26000 on social responsibility
B. The Ten Principles of the United Nations Global Compact
C. The OECD Guidelines for Multinational Enterprise
D. The Islamic Reporting Initiative (IRI)
E. Others……

2. Which reporting mechanism is currently being used in Halal-certified businesses in your country?

A. Global Reporting Initiative (GRI)
B. Ministerial Reporting Guidelines
C. United Nations Global Compact Reporting Guidelines
D. Organisation for Economic Cooperation and Development (OECD) Reporting Guidelines
E. The Islamic Reporting Initiative (IRI)
F. Others……

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3. In your opinion, which CSR guidelines should Halal-Certified Businesses follow?

A. Open CSR Guidelines
B. International Voluntary CSR guidelines. E.g., United Nations Global Compact, OECD Guidelines, or ISO 26000 on Social Responsibility
C. Sectoral CSR Guidelines from any Ministry, such as CSR Standards on Environmental Aspect
D. Provincial or District Government CSR Standard
E. The Islamic Reporting Initiative (IRI)
F. Others……

4. In your opinion, what areas should be covered by the CSR Guidelines for Halal-Certified Businesses?

A. Engagement mechanisms with the local community, civil society organisations and governmental institutions
B. Public compliant mechanism
C. Monitoring and evaluation tools
D. Rewards and punishment
E. Others……

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5. Which is the most appropriate Ministry / public institution responsible for enacting CSR guidelines for Halal-Certified businesses?

A. Ministry of justice and human rights
B. Ministry of Environmental
C. Ministry of social affairs
D. Ministry of domestic affairs
E. Ministry of religious affairs
F. Ministry of Commerce
G. Others……

6. Which is the most appropriate Ministry / public institution responsible for supervising the implementation of CSR guidelines for Halal-Certified businesses?

A. Ministry of justice and human rights
B. Ministry of Environmental
C. Ministry of social affairs
D. Ministry of domestic affairs
E. Ministry of religious affairs
F. Ministry of Commerce
G. Others……

7. What is the best way to develop a CSR guideline for Halal-Certified businesses?

A. Focus group discussion with specific stakeholders
B. Workshops
C. Public consulting meeting
D. Seminar
E. Others……

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Part C

All these questions are related to the functions, jurisdictions, and liabilities of the CSR monitoring and enforcement body.

[Please circle the answer(s) below that best to your knowledge]

1. What is the jurisdiction of the CSR monitoring and enforcement body in your country?

A. Regulatory
B. Supervisory
C. Advisory
D. Supplementary
E. Others……

2. What is the main function of the CSR monitoring and enforcement body in your country?

A. To monitor and evaluate CSR projects conducted by state-owned companies only
B. To monitor and evaluate CSR projects conducted by private companies only
C. To monitor and evaluate the CSR projects conducted by the natural resources-based company
D. To monitor and evaluate the CSR projects conducted by the non-natural resources-based company
E. Others……

3. Within the function, what is the most frequent activity of the CSR monitoring and enforcement body of your country?

A. Accepting complaints from beneficiaries or other parties
B. Conducting regular supervision either based on its own initiatives or required by the parties
C. Providing reports to relevant Ministries/agencies on CSR project implementation
D. Providing rules and regulations on the implementation of CSR projects
E. Others……

4. What is the main responsibility of the CSR monitoring and enforcement body in your country?

A. Regular assessment of CSR projects implementation
B. Facilitating meetings as required by the parties
C. Providing reports to relevant Ministries/agencies on CSR project implementation
D. Providing rules, regulations, and guidelines on the implementation of CSR projects
E. Others……

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5. Within the responsibility, what is the most frequent activity of the CSR monitoring and enforcement body in your country?

A. Regular supervision in the implementation of CSR
B. Updating CSR guidelines, rules and regulations as required
C. Releasing reports on the implementation of CSR in relevant governmental institutions
D. Providing rewards and punishment to corporations such as achievement awards, business license revocation and warning letter
E. Others……..……

Part D

Following all these questions are related to relevant information on Islamic CSR policy for Halal-Certified businesses.

[Please circle one of the answers below that best to your knowledge]

1. Do you agree with the enactment of CSR per Sharia guidelines / legal provisions for Halal-Certified businesses?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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2. Does your country already have CSR guidelines / legal provisions for Halal-Certified businesses?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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3. Does your country already have any CSR monitoring and enforcement body?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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4. Does your country already have any mechanism for CSR reporting?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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5. To whom do companies submit their reports?

A. Relevant Ministries, i.e. Ministry of environmental, Ministry of Social and Ministry of the state-owned company
B. CSR non-governmental organisations
C. Relevant universities
D. Provincial and district governments
E. Others……

6. Does your country already have any CSR monitoring and evaluation mechanism?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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7. What is the current type of CSR monitoring and evaluation mechanism in your country?

A. Self-monitoring and evaluation mechanism by the internal corporation
B. Monitoring and evaluation conducted by an independent auditor
C. Monitoring and evaluation conducted by the relevant Ministry
D. Monitoring and evaluation conducted by provincial or district government

8. How frequent is CSR's monitoring and enforcement exercise in your company?

A. Monthly
B. Quarterly
C. Annually
D. Others……

9. How frequent is CSR evaluation in your company?

A. Monthly
B. Quarterly
C. Annually
D. Others……

10. What does your government undertake as the main method to support the implementation of CSR policy?

A. Providing economic incentives such as a tax reduction
B. Releasing a CSR per Sharia guideline
C. Establishing CSR, implementing and supervising agency
D. Raising public awareness of CSR per Sharia
E. Other……

11. In your opinion, what is the best strategy for implementing CSR for Halal-Certified Business?

A. Self-implementation by the company
B. Synergy with university
C. Synergy with local NGOs
D. Synergy with provincial or district government
E. Other……

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12. In your opinion, is it effective to impose CSR per Sharia on companies?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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13. Do you think a tax deduction policy or anything similar may encourage companies to implement CSR?

A. Yes.

Reasons:

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B. No.

Reasons:

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C. Others:

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14. What is the most challenging problem in implementing CSR per Sharia in Halal-certified businesses?

A. Lack of public awareness
B. There is no CSR per Sharia implementing and supervising agency
C. There are no CSR per Sharia guidelines
D. There is no tax deduction policy
E. Other……

15. What is the main role of the non-governmental organisation regarding CSR per Sharia implementation?

A. Acting as an independent auditor
B. Acting as implementing partner
C. Acting as a mediator among society, government and companies
D. Acting as CSR resource persons
E. Other……

16. How do you identify your CSR beneficiaries? What kind of instrument do you use?

A. By conducting a self-need assessment
B. By obtaining it from governmental institutions
C. By advertising it through national and sub-national printed and non-printed media
D. By getting it from specific NGOs, CSOs, or CSR consultants
E. Others……

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17. Additional Comments:

(*Please add your additional comments as necessary*)

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THANK YOU

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