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Nepali Corporate Culture of Giving:
Investigating Practices of Corporate Social Responsibility

Taylor Knoop
Academic Director: Daniel Putnam

The College of Wooster
Political Science

South Asia, Nepal, Kathmandu Valley, Kathmandu

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Abstract

The purpose of this research is to explore corporate Nepal's definition of corporate social responsibility (CSR), how these definitions influence corporations' activities and the motivation and rationale behind giving. Multiple factors are impacting the practice of CSR, such the historical influence, personality of industry sector, post-conflict recovery efforts, and trust and transparency in giving. However, corporations' definition of CSR contradicts the type and level of activities they engage in. The rhetoric is often stronger than the action undertaken, although there is slight trend towards a more incorporated social responsible business model, particularly in the financial and tourism industries. The primary methods for this research were semi-structured interviews with personnel from fifteen corporations and four organizations engaged in the private sector as well as an examination of rhetoric used by the corporations.

Keywords: Commerce-Business, Development Studies, Public and Social Welfare

Dedication

To Likah, my canine companion during the duration of this research, may you remain a playful, and smart pup.

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Introduction

In the corporate West, the difference between philanthropy and corporate social responsibility (CSR) has been clearly distinguished. Kathmandu, Nepal, in recent decades, has experienced an influx of corporations, and thus, has seen an evolving corporate culture. Given the increasing influence of Western commercial capitalism and development efforts, this paper explores the role of giving in corporate Nepal. Previous research is Western-centric in its assumptions of defining corporate giving, and is generally outdated. This research places corporate Nepal into the position to characterize corporate giving, providing a more legitimate arrangement for evaluation. To do so, the research was focused on corporations based primarily in Kathmandu, Nepal, although a few were had headquarters in Pokhara, Nepal, and it centered on three questions: (1) How is corporate Nepal defining corporate giving? (2) Which charitable activities and projects are corporations engaging in, to what extent is their commitment and why? (3) What are the motives and rationale behind Nepalese corporations' engagement in giving?

The first section of this paper seeks to outline the rhetoric debate surrounding the giving of corporations at both a global and Nepali level. Additionally, the topic is situated at the intersection of culture, religion, history and post-conflict resolution, and therefore requires an examination of these topics. The research findings will present the definitions, activities and rationale of giving in corporate Nepal. This information fuels the third section, which outlines four factors that are influencing CSR in corporate Nepal: historical influence, personality of the private sector, post conflict recovery, and trust and

transparency in giving. This paper demonstrates the need for further research in the study of corporate Nepal and the role of giving throughout the country.

Defining Corporate “Giving”

A review of the literature shows that there exists a lack of consistency and clarity in defining “giving.” Terms such as “private philanthropy,” “community philanthropy,” “corporate giving,” “corporate social responsibility” and “social entrepreneurship” are used, but their connection to each other is unclear. Private philanthropy, as used by Adelman (2009), refers to the giving of money or resources from corporations, private voluntary organizations (PVOs), higher education institutions, foundations and religious organizations. She stresses that private philanthropy is successful as it promotes local ownership, initiative, accountability and flexibility. In an extensive report on community philanthropy, giving was found to be “intimately connected with identity, and a powerful means of bridging different interests and communities, while offering more or less the only hope of sustainable interventions that would transform communities away from aid dependency” (Knight 2012, 5). These two approaches both emphasize integration and legitimacy from local participants, but remain very broad in their scope and do not necessarily give room to consider the role of a corporate actor.

Corporate social responsibility (CSR) is widely deemed not synonymous with and not an alternative to philanthropy in the Western business literature. CSR, as defined by the World Business Council for Sustainable Development, is the “continuing commitment by businesses to contribute to economic development while improving the quality of life of the workforce and their

families as well as the community and society at large” (Rosenkrantz 2006, 1). It is associated with enduring, long-term partnerships that embody the triple bottom line of people, profit and planet (Hashemi 2012). There is a consensus that CSR should be incorporated into the business’s mission statement, be known by all employees, and demonstrate a reflection of the business’s primary activities (Hashemi 2012, Johnston 2014). Overall, the common themes repeated by the academic literature find CSR to be “corporate activities that are beyond economic motives and legal requirements, adding ethical and voluntary responsibilities of business towards society” (Chapagain 2010, 10).

In contrast to CSR, corporate philanthropy is generally a one-time effort, and is decided by a figure in a high-level of power. The company does not expect gains, and is not required to integrate the action into their business’s mission statement (Fontelera 2014, Hashemi 2012, Johnston 2014). To take up corporate philanthropy, the costs involved must be outweighed by the altruistic or ethical motives (Chapagain 2010). Rhetoric in the corporate world currently favors the use of CSR, however businesses may actually be engaged in actions that are classified as philanthropy by the academic dialogue (Godelnik 2012). While the language has become a bit more refined and distinguished in the academic world, corporations are utilizing the term CSR in a conflicting way to the literature.

An understanding of the history of corporate giving rhetoric is helpful to grasp the seemingly interwoven terms and explain the confusion of corporations in labeling their giving activities. The history of giving in the corporate sector reveals three waves. Philanthropy came first, which helps to explain the vocabulary and concept inconsistency. Giving then progressed to basic social

responsibility, which added community involvement and a sustainable mindset. The third wave was strategic CSR, where companies work to create a shared value within society (Godelnik 2012). Increasingly, CSR is “no longer conceived as a moral ‘responsibility’ of corporate manager for greater social good...but as a strategic resource to be used to improve the bottom line performance and competitiveness of the corporation” (Chapagain 2010, 13). This information provides a context to corporate activities and the use of terms by corporate actors.

Traditions of Giving in Nepal

When looking at Nepal, there is a long history of cultural and religious giving practices. The cultural and religious context must be explored in regards to giving, as they influence Nepali corporations usage, understanding and implementation of philanthropy and CSR. In Nepal, giving carries a special relationship with religion, as charity is believed to ensure a positive afterlife experience (Limbu 2001; Chapagain 2010; Adhikari 2012). Most of the organizations operating as “socially conscious organization, trusts, endowments, and societies of Nepal claim formal or informal roots in the region’s cultural-religious heritage, both Hindu and Buddhist, and are therefore deeply embedded in the cultural traditions of the society” (Yadama 2004, 104). This relationship impacts Nepali citizens' willingness to readily fund temples, rest house, and hunger programs (Adhikari 2012; Chapagain 2010; Thapa 2002). This traditional engagement in giving by the public has been evolving, and it seems to be that religious based giving is fading with time (Sinha 2004).

Efforts to create a consistent culture of philanthropy within the general population of Nepal have increased in the last two decades with the creation of

the Help Nepal Network (HeNN) and TEWA. Rabindra Mishra is the founder of (HeNN), which is an organization that aims to fund development projects in Nepal through donations by Nepalese citizens (Limbu 2001). TEWA aims to “to promote modern philanthropy with a difference in keeping with the needs of present times, and to support the organizing of rural women” by fundraising domestically and providing grants (Thapa 2002, 13). Both organizations struggle to overcome the lack of incentive through tax laws as the Income Tax Act of 1974 dictates just a five percent tax deduction to charitable donations for individual donors and provides no guidance for charitable trusts (Limbu 2001; Sinha 2004; Thapa 2002). There is no clarity in the law for the role of donations-in-kind, and furthermore, the Nepali government has yet to clearly define philanthropy, which has served to deter growth in philanthropic activities (Sinha 2004). The gap in legal incentives also influences corporate Nepal’s engagement in giving (Chapagain 2010), but the connection of the public’s growing tendency to engage with this new wave of philanthropy to the activities of corporations has not been explored.

The Context of Corporate Nepal and Giving

The sway of religious and cultural customs on corporate Nepal has been linked in the academic literature through research, but space has not been provided to consider how this influences corporate Nepal’s definition of CSR. Research finds that giving in the corporate sector seems low although “businesses in Nepal have been practicing silent corporate philanthropy for decades, such as building roads, temples, donating to schools or community development, but this could be the reason businesses still consider corporate philanthropy as CSR”

(Katuwal 2010, 58). The literature does not provide a definition of philanthropy or CSR from the corporate Nepal perspective, although corporations positively identify with the term CSR from a moral standpoint (Chapagain 2010). It was found that this moral obligation, however, is overshadowed as:

There is no full realization among the businesspersons in Nepal on the fact that business organizations should have a social impact in order to survive in competition. Consequently, almost all Nepalese companies have been attempting to minimize costs with a view to gain more and more profit and survive in the competition from insider and outsider companies. Unlike the businesses in developed countries, where the works of CSR are considered as an integral part of successful business strategy, the scope and impact of CSR are not taken seriously in Nepal. (Katuwal 2010).

corporate Nepal does not view CSR in a light that allows it to enhance the businesses' ability to make profit. However, as a result of overlooking a potentially different definition of CSR, as defined by corporate Nepal, the private sector is documented as having little involvement in CSR (Chapagain 2010; Limbu 2001; Rosenkrantz 2006), and the majority of literature on corporate Nepal's attitude and involvement in giving is unspecific and over a decade old (Limbu 2001, Sidel 2001, and Thapa 2002).

In addition to the cultural and religious factors at play in Nepal, corporate Nepal has another layer of context. The political economy in Nepal was greatly impacted by over a decade of conflict. Not only was infrastructure badly damaged, particularly roads and electrical networks, but the private sector suffered from "political stalemates, deteriorating public security, frequent strikes and closures of businesses and transport, and politicized trade union activities" (Subedi 2012, 323). When society, particularly government and public safety units, are unstable or failing, businesses and other public institutions are unable to succeed (Gautam 2010; Katuwal 2010). As a result, corporations were not given

services typically fulfilled by the state, which ultimately shook the private sectors confidence in the state. Additionally, the Maoist party viewed the private sector as ‘class enemy’ and, as a result, the public’s trust in corporations decreased (Sebedi 2012). In spite of the damage to the private sector as a result of the conflict, there have been calls for corporations to increase engagement in corporate giving, particularly CSR. These advocates believe in the potential of businesses to play a role in peace building by building back public trust in the private sector, and assisting in the peace rebuilding process for communities (Kolk 2012; Sinha 2004). The majority of literature reveals that “CSR seems to be an optional luxury...[where] most of the companies focus their attention to minimize costs and to create profit out of that” (Adhikari 2012, 653). During conflict, businesses refrain from engaging in giving activities, as demonstrated in Nepal and other case studies (Kolk 2013; Subedi 2012). The circumstance of corporate giving in Nepal is liminal as it works to adapt to a new era.

Methodology

The information in this research was collected in November 2014. A total of sixteen companies were interviewed, either from the financial or service industry. These organizations were chosen at random, and the representatives interviewed ranged from CEOs, Director-Heads, and Assistant Directors. Eight of the companies classify as financial industry, and range from small to large banks, including one internationally based bank. The service industry was composed of eight companies, either hotels or airplane businesses. The six hotels interviewed represent the high-class hospitality section of the trade. Both industries were chosen due to their tendency to be customer oriented, and thus were more

accessible and open to presenting information on their engagement with giving. Additionally, both sectors have a higher tendency to interact with international markets and trends, and thus would be more familiar with the terms this research discusses. There is potential for the particular representative at any given corporation to have influenced the answers. In some cases, the primary director of CSR activities was out of town and unable to meet. To try and compensate for these variables, website and company documents were referenced in the course of research to confirm businesses' beliefs and activities. This research is, by no means, able to represent the corporate Nepal in its entirety. Each sector has its nuances, and this research was not able to cover the financial or service industry in extraordinary depth, due to a limited amount of time.

Interviews lasted less than an hour and focused on defining giving from the corporation's viewpoint, activities undertaken, and the motivation and insight into the context and culture of giving in Nepal. These interviews were semi-structured, and conducted in English. Unless otherwise requested by the representative of the corporation, the interview was recorded and then transcribed. Due to the nature of corporations, all names of the corporations will be used, but the representatives interviewed will remain anonymous.

Additionally, a representative from both the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Nepal Business Initiative were interviewed to provide context to the general corporate culture of giving. These key informant interviews lasted approximately an hour, were conducted in English, and were recorded. These organizations operate as umbrella groups for businesses in Nepal, and thus were able to provide a deeper scope of information and history.

RESEARCH FINDINGS:

In setting out to explore the culture of giving with in corporate Nepal, it quickly became clear that the current trend in rhetoric is to use the term “Corporate Social Responsibility” or CSR. As a result, the research focuses around this terminology. While the idea of CSR originated in the Western corporate world, this paper demonstrates that its definition has been slightly altered in the context of corporate Nepal, and thus the activities associated with CSR are slightly different than those associated with the Western definition.

a. Defining CSR

As a whole, giving in corporate Nepal is called Corporate Social Responsibility (CSR). Of the 15 companies interviewed, only one organization was unfamiliar with the term CSR. In discussing CSR with corporations, there were explicitly expressed definitions that were refined through nuanced comments throughout our conversations. I will begin by outlining the definitions provided, before exploring the common themes that were repeated in interviews that further showed the understanding of CSR in corporate Nepal.

The most common way of defining CSR was “giving back to the society.” This definition appeared in at least eight of the interviews. Three corporations viewed CSR as specifically “giving of donations,” while two organizations believed CSR was “supporting needy people.” More elaborate definitions appeared in two of the corporations, Kathmandu Guest House and Standard Charter Bank, where CSR was referenced as a more complex idea that required reflection, a plan or the creation of value.

Kathmandu Guest House sees CSR as a two-fold process that requires both internal and external reflection and engagement of activities. Internally, they have reviewed aspects of their operations to be more environmentally conscious. Externally, they believe they have a duty to engage and give back to society, so they organize volunteer days, and work towards women's empowerment (Kathmandu Guest House 2014). Standard Charter Bank believes "as a financial institution, [their] definition of CSR is slightly different than what people normally understand. Its more for value creating for the society where you are operating" (Standard Charter Bank 2014). Both definitions require a review of the corporations' mission and aim as an institution, which then shapes the definition and type of CSR they engage in. This approach is more reflective of FNCCI's understanding of CSR, where "CSR is suppose to be part of the business model. It is sustainability, and should be part of the business model" (FNCCI 2014).

The theme of giving to the local community was repeated in all corporations. This idea was a reflection that businesses are expected to make profit, but have an unspoken obligation to return some of this profit to the community:

We are not only a profit-oriented organization; we also have social responsibility (Kaski Finance Limited 2014).

It not like we are giving all the money to that sector, but we are segregating a small amount to that part. It just balances everything – we are earning money, and we are giving back to society as well. That creates a balance. There is a balance; there should be a balance (Dwarika's Hotel 2014).

When a business has the ability to make a profit, it is their social obligation to give some back to the society (Buddha Air Nepal 2014).

This unspoken obligation may be derived from the traditional role of family businesses in Nepali society. Historically, these businesses were the first to respond in crisis, like a flood, with monetary or material donations. Additionally, they were solicited and responsible for creating and maintaining monasteries, temples, wells and rest stops (FNCCI 2014). This obligation was pervasive in the corporations interviewed.

There was an expectation that CSR should be strategic and streamlined. Nepal Business Initiative views the current situation as the days of confusion on CSR” as the activities undertaken by corporations as “not very neatly strategically structured, they are scattered and they come up based on negotiation and bargaining” (Nepal Business Initiative 2014). Several organizations expressed that they had plans to formalize their CSR practices, and about six corporations have already created a standard operating procedure in regards to their CSR policy. This qualification for CSR reveals that a more strategic version of CSR is beginning to appear in corporate Nepal.

b. Activities Classified Under CSR

With all organization referencing CSR as a responsibility to the society in some way, it is unsurprising that most corporations’ activities revolve around community. The most common manifestation of CSR is most certainly the donation of resources (money, donations-in-kind, or time). The majority of these donations for CSR focused on the social sector, such as health, education and women’s empowerment. The financial institutions and service industry participated in CSR differently, and thus certain trends were revealed within each sector.

The financial industry was particularly reliant on health camps, schools or mother's groups as their CSR engagement. One bank has a calendar of events that set a timeline for when different areas should be focused on. This particular bank also required branch managers to work with their immediate community to address various needs. The bank representative estimated that this process engaged over 50 projects of various size and category. Om Finance Limited, Kaski Finance Limited, Century Bank and Nepal Investment Bank Limited primarily used donations to pre-existing humanitarian organizations as fulfillment of CSR. Banks also demonstrated a higher level of commitment to employee volunteerism, which they included in activities for CSR.

Standard Charter Bank, an international financial institution, is famous for its in-depth, comprehensive CSR activities. Being a multi-national bank, there is a bank-wide protocol that all national branches must adhere to. Tailoring CSR to match the bank's mission and business activities, Standard Charter Bank works to bring micro-finance to those without credit access. It has undertaken policies and created checks-and-balances to reduce financial crime, such as terrorist financing, fraud, bribery or money laundering. Internally, the bank believes "we must address environmental, social and ethical risk while we are considering any finance. As long as these risks are not mitigated, we will not be entering into that particular deal, even if it appears very lucrative" (Standard Charter Bank 2014). Environmentally, the bank has installed video conferencing abilities at all head offices to reduce carbon emissions; furthermore, the bank has two initiatives operating in all national branches: "Seeing is Believing," which sponsors eye surgeries, and "Living with HIV," which works to bring awareness about HIV.

These initiatives are supported by employee volunteer days, and bank sponsored events. Standard Charter Bank also sponsors sports within Nepal (and other countries in which it operates).

From the service industry surveyed, it seemed that the corporations in this category were more likely to undertake complex, integrated and holistic activities deemed CSR. They did still support activities like education, livelihood programs and community groups, and they did use donations as a CSR activity. However, these corporations showed a higher tendency to tailor their CSR programs to match their businesses.

Fishtail Lodge, located in Pokhara, places all profits into a trust fund that supports heart disease health care for Nepalese citizens. This operational policy has been in place since the beginning of Fishtail Lodge, almost fifty years ago. It is deeply integrated into the mission, reputation and function of the hotel. Additionally, they support local groups and community projects with small donations, believing that they can inspire other companies to engage with CSR (Fishtail Lodge 2014). Dwarika's Hotel's primary method of CSR is also connected to its founding idea of collecting traditional pieces of woodwork from around Kathmandu valley. As a result, they have outlined their main initiative as the "restoration and conservation of our culture and architectural heritage," which is carried out by supporting the livelihood of those making woodcarvings, pottery, and clay. They supplement this main initiative by supporting a school in Chitwan, and working towards becoming a zero waste lodge (Dwarika's Hotel 2014).

Yeti Airlines has developed their CSR program by evaluating negative impacts of their businesses and finding a way to mitigate those aspects. This review has resulted in the belief that:

It is our duty to look after the society in whatever way that we can. We thought that we make money out of the passengers' tickets, so from the medium we make money, why don't we contribute to the society as well. That is why the four rupees per ticket came out, because at the end, if you don't earn [profit], how will you look after the society? I hate to say this, but we let out carbon emissions when we fly, so just to cover up what we do, we plant trees as well. Trees give us carbon dioxide, so it's a way of telling, not exactly sorry, but to blanket out the carbon emissions we let out to the environment (Yeti Airlines 2014).

This approach to CSR is clearly a reflection of Yeti Airlines particular area of business, and it is now integrated into the policy of how they collect and manage their profits. In a slightly different approach, Kathmandu Guest House has divided their CSR activities according to their definition, separating internal and external activities. Internal CSR activities, in Kathmandu Guest House, accounts for any action within the hotel that mitigates their environmental such as using LED light bulbs and recycled paper, installing keycard meter switches and dual-flush European style toilets, and investing in an efficient generator and hotel-run water filtration system. Externally, they believe they have a duty to engage and give back to society, so they organize volunteer days and work towards women's empowerment. These external aims have manifested in the employment of women participating in Maiti Nepal's rehabilitation program and supporting a local women's microfinance project. Additionally, they sponsor women's badminton championships (Kathmandu Guest House 2014). The dominant definition that CSR is "giving back to community" manifests in a large range of activities, with slight adaptations noticed for the two sectors.

c. Why engage with CSR?

To avoid assuming the rationale for engaging with CSR, the corporations were asked to provide their reasoning for participating in CSR. The rationale behind CSR differed less between the financial and service industries. From the Nepali corporations interviewed for this study, the key motivation to engage with CSR primarily comes from an innate, unspoken moral obligation to give back to society as a result of cultural and historical influences. Additionally, although less strongly iterated, there were reoccurring themes that referenced image branding and trust building in the private sector as reasons for CSR.

While corporations did not site religious motivation for CSR, both FNCCI and Nepal Business Initiative, the two umbrella organizations that work with the corporate Nepal, did mention the traditional expectations of business in society resulting from religion. This traditional function has become a cultural norm where:

People expected businesses to behave in ethical ways and they generally felt that businesses are, the profit was accepted. Businesses are supposed to make a profit, that was accepted, but the profit should not be very huge. There are certain margins. They expect that the businesses are running within certain margins (Nepal Business Initiative 2014).

This expectation has translated into an assumed responsibility to society, in the eyes of corporations. The repeated idea centered that as a result of making profit they have an obligation, but not by law, to return something to society. This belief was repeated again and again:

CSR would be just giving back to the society, because we make money from the society. We make money from the privileged funds, so we give it back to the underprivileged ones (Yeti Airlines 2014).

There is a sense, a corporate sense that we must give whatever, a small part. We must donate a small part to the needy people (Century Bank 2014).

Bank is a kind of social organization too. We have to make a profit, and we have to engage with social work because we deal with public money (Om Finance Limited 2014).

The root of this unspoken obligation was not a question that the corporations interviewed were able to articulate. It seemed to be much more assumed and integrated into the culture of corporate Nepal, and is not an idea that is questioned. Rather, it taken as a given that corporations should have this responsibility.

There were reasons beyond this unspoken obligation to engage with CSR. Several, but not all, corporations cited that CSR was a positive way to build their corporate image (Nabil Bank 2014; Fishtail Lodge 2014; Hotel Yak & Yeti 2014; Om Finance Limited 2014; Yeti Airlines 2014). Simply stated, “CSR is good for your image,” but it is a difficult advertising method because “How do you results of CSR? It does not show a direct result, but you know it does [have a result]” (Yak & Yeti 2014). It was also found that CSR is tied to anniversaries of corporations, in particular. These acts of CSR tend to be very donation based, where some amount of money is collected from the profit and donated to an organization (Bishwa Bikash Bank Limited 2014; Om Finance Limited 2014).

Standard Charter Bank was cited several times by other corporations as a model for CSR. It was noted by another bank that Standard Charter Bank had succeeded in building trust in the private sector to the point that they no longer mentioned their interest rates in their advertisements, but only used the slogan “We are here for good,” which is a reference to their commitment to local

communities. The other corporations perceive that the trust that society now has in Standard Charter Bank to be high, and thus beneficial to the bank's ability to conduct business. Century Bank stated that giving to society is a way to change the general perception that bankers are negative. CSR is a way to reshape this image, and to create a new trust in banks (Century Bank 2014). The statement that "the profit part is always there, you should always give something towards the society, so they can say, this particular organization is looking after us" by Hotel Annapurna was reiterated in other discussions, and highlights this desire to gain the trust by communities. FNCCI provided the context for this need to build trust by referencing almost two decades of conflict, which disrupted the private sector and led the public to view the corporations as negative. It is possible that this perception has solidified this unspoken expectation of contributing to society, which was discussed earlier.

Understanding CSR from the Nepali context illuminates that there are a number of factors at play in the defining, engagement and rationale of CSR for corporations. The definitions, while varying slightly, reveal that CSR is largely viewed to be the giving back to society. The type of activities undertaken in the name of CSR demonstrate corporate Nepal's interpretation of giving back to society, although there are different levels of involvement ranging from pure donations to the integration of CSR into the mission and policy of the corporation. The rationale for engaging with CSR was most commonly referenced as an unspoken expectation of society; however there was some mention of image branding and trust building. Overall, the findings reveal that CSR is present in corporate Nepal, but has been adapted to reflect an

understanding and cultural norm that is present in the culture of corporate Nepal.

DISCUSSION:

In course of research, several themes emerged to explain the current state of CSR in Nepal. These themes, when outlined, reflect the political, historical and cultural context of the country. They can be broken into four factors:

- i. Historical Influence
- ii. Personality of Industry Sector
- iii. Post-Conflict Recovery
- iv. Trust & Transparency in Giving

These aspects were generated from themes in the interviews with the corporations, FNCCI, FBI, and academic literature on the topic.

Historical influences have altered the use of CSR in Nepal. This incorporates religious practices, where “the traditional family, the traditional business has a tendency to donate something...the construction of wells, the erection of wells, and we have this tradition of resting places. The problem seems to be they perceive a lot of responsibility more as a charity thing. People tend to get involved in charity, which is totally unrelated to their business” (FNCCI 2014). Based on the activities that corporations are engaging in and calling CSR, this statement still remains true, and places CSR in a narrative of culture of evolving giving in Nepal.

The importance of the personality of the industry sector was made known early in this paper’s research by Nepal Business Initiative. In discussing trends in corporate Nepal, Nepal Business Initiative was quick to point out that:

“Certain sectors, which are more exposed to foreign markets, for example those depending on exports or those depending on tourisms, they are more aware and more interested in this issue. Whereas other sectors are more

isolated, and more into the local grounds, are less aware of these issues” (Nepal Business Initiative 2014).

This paper covers only the financial and service industry, which are both more exposed to international trends. CSR involvement increases when there is pressure from the consumer. For sectors where the customer is aware of CSR, particularly the tourism industry, this pressure is higher. Kathmandu Guest House notes that the tourists frequenting their hotel are “responsible citizens” and that in order to attract more customers, they have expanded their CSR program (Kathmandu Guest House 2014). The financial industry is impacted by international trends due to a higher likelihood that its employees were educated abroad. Additionally, affiliations with other international institutions are likely to increase knowledge and involvement in CSR, as is the case of Standard Charter Bank.

A factor that corporations repeatedly pointed to was post-conflict recovery. The private sector was seriously impacted as a result of the conflict, and thus the economic market is still mending. Century Bank noted that it is a natural occurrence that occurs globally as “whenever you are in transition, whenever there is no stability, people have little faith” (Century Bank 2014). Many corporations cited that CSR is an activity that only a healthy, booming business has the luxury of indulging in (Century Bank 2014; Fishtail Lodge 2014; Ganjong Hotel 2014; Yak and Yeti 2014). A prospering business, according to these corporations, is tied to a stable government. Stability in the government means, “your revenues will increase. Your business is going to get a lot of business, then you start doing your more social, charity work. Overall, it depends on revenue” (Fishtail Lodge 2014). The reverberations of the conflict in the

private sector are slowly dissipating, as corporations are demonstrating a higher level of investment in CSR, as they find the political economy of Nepal stabilizing.

Although trust in the political economy may be increasing, corporations are still struggling to find trust and transparency in the process of giving. When the economy does not have a healthy level of trust, which results in a lack of transparency in transactions and activities of humanitarian organizations, it becomes particularly hard to promote giving activities (Hotel Yak and Yeti 2014). More than half of corporations referenced this issue as impacting their willingness to engage with giving (Buddha Air Nepal 2014; Century Bank 2014; Ganjong Hotel 2014; Hotel Annapurna 2014; Hotel Yak & Yeti 2014; Kaski Finance Limited 2014; Machhapuchchhre Bank Limited 2014; Nabil Bank 2014; Nepal Investment Bank Limited 2014).

The lack of trust and transparency in the recipients means that the corporations must be very cautious in their partnerships. When looking at organizations that come to ask for money, there is a serious investigation to see if they are really helping, as there are many cases of groups who simply wander from business to business requesting money but doing nothing for society (Century Bank 2014). Gangjong Hotel shared that they are constantly requested to give money to organizations, and many groups will continue to harass the hotel until some amount of money is given. Nepal Business Initiative shared that this demand from groups is such a problem that many corporations are not very willing to share their CSR process, for fear that requests will build.

The level of trust and transparency of recipients of corporate giving seems to create hesitancy in carrying out CSR. Post-conflict recovery is playing a great role than anticipated or allowed for in previous literature. This factor is likely to evolve quickly in coming years, and will depend on developments in the political economy. Historical influences and personality of industry sectors are more stable, as they are less susceptible to change. Overall, these themes were found to be important in dialogue of corporate giving in Nepal, and should be considered when evaluating the level of involvement of businesses in CSR.

Conclusion

Through the course of my research I was able to confirm that corporate giving is happening in Nepal. Corporate social responsibility is the term most commonly used, and corporate Nepal defines it as giving back to the community. This understanding of CSR means that businesses are undertaking activities with a limited level of engagement, although the trend seems to be turning. Giving is an unspoken moral obligation felt by corporations, although image branding and trust building are also motivators. To go further, the historical influence, the personality of industry sector, post-conflict recovery and trust and transparency in giving are major factors that are impacting the context for corporate giving.

It is no longer possible to say that CSR does not exist in corporate Nepal. This area of research is changing rapidly, due to post-conflict recovery work and a quickly changing political situation. As a result, studies in this area must be careful to not hinder their research by focusing solely on past trends. Keeping an open mind to new influences of the culture of giving in corporate Nepal will generate more accurate findings.

There is a great deal of room left to study about corporate Nepal as the engagement of CSR rises. The relationship of corporations to their partner organizations may help bring about better aid sustainability in the development sector, and research into consumer beliefs will help corporations to tailor their CSR programs to increase revenues. A study of the return investment of CSR could be very helpful in encouraging corporations to devote resources to CSR.

Furthermore, there is space to improve actual CSR understanding and organization in Nepal. No tracking or reporting system exists for corporations. Creating a network would hold corporations accountable, allow for the exchange of CSR ideas, make dissemination of CSR knowledge easier, and create a channel for consumers to make informed decisions when choosing products.

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List of interviews

Bishwa Bikash Bank Limited. 2014. Interview with General Manager. Pokhara, November 19, 2014.

Buddha Air Nepal. 2014. Interview with Marketing Manager. Kathmandu, November 17, 2014.

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2014

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