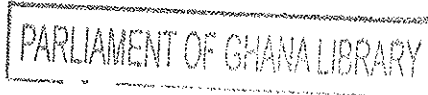


STATEMENT MADE BY HON. ANNOH-DOMPREH FRANK
MP FOR NSAWAM ADOAGYIRI AND CHAIRMAN FOR THE
FOREIGN AFFAIRS COMMITTEE, ON
CORPORATE SOCIAL RESPONSIBILITY (CSR) THE NEED
FOR A LEGISLATURE

Mr Speaker



1. One of the central goals of corporate governance in this country is, Corporate Social Responsibility (CSR). Both small, medium and large scale business entities, be it private or public, have special departments often referred as charity branch, dedicated to their CSR projects/programmes.
2. Increasingly, we have read, listen and watched news items or attended CSR programme by organisations, which expounds from health, sport, entrepreneurship, construction, education, sponsorship, soft loans, donations and what view as a way of giving back to society.
3. Indeed, many communities are blessed with boreholes, school buildings, agriculture supplies, and many more, due to the humanitarian efforts of these corporate organisations to ensure that the Ghanaian also benefitted from their operations.
4. Most Honourable Members in the House, if not all, will attest to the fact that there is/are either one or two projects in their Constituencies provided by corporate entities through CSR initiative.

Mr Speaker

5. To epitomise CRS activities in the country, it obvious that each company has a peculiar area of interest, which it considers paramount to invest funds to support socioeconomic growth. Just to cite few examples from the Telecommunications sector, where we have MTN, Vodafone, Tigo-Airtel and Glo competing and making a show off with their CSRs programmes to the extent of even winning awards.
6. MTN Ghana Foundation with focus on three thematic areas – Health, Education and Economic Empowerment was adjudged CSR Company of the year, 2018 and it's believed to have injected over US\$13 million into its philanthropic projects.

7. The Vodafone Ghana Foundation on the other hand has also made remarkable strides in the healthcare sector with the introduction of ground-breaking products like Healthline 255, a television health show, Healthfest, mentorship and education support have brought transformations to many people. Indeed, it has received several awards for this initiative.
8. Tigo Ghana in attempt to provide solution in social entrepreneurship and education, somewhere in 2011 launched its flagship programme 'Tigo Change', that was expected to provide US\$20,000 on annual basis for three years to support individuals with creative ideas to address challenges facing children's wellbeing.
9. Airtel Ghana though has joined forces with the latter, received awards for its CSR strategy to improve education, community empowerments and contributing to innovation solutions.

Mr Speaker

10. As stated earlier, all industry players [banks, mining, hospitality, manufacturing etc.] of the economy are contributing their quota towards development as part of their operational ethics, however, most of these projects executed through CSR are either abandoned by the beneficiaries or had become fault.
11. Agreeably, while some companies are impacting society with their CRSs initiatives others do it for the glamour or name seek; this best describes "*Me too I will do some*" syndrome that have led some projects executed through CSR to be lying wasted or donation of substandard products to communities. Many of the entities after inauguration ceremonies don't pay visits to these communities nor put in place maintenance strategies.
12. This is not to say, I am against these development partners or I'm finding fault where there is none or perhaps I'm stirring a hornet nest but truth must be told, CSR in Ghana are in fragments and need to be harmonised by a policy direction under a Ministry or a body. This is done in international development to prevent charity and philanthropy organisations from siting similar projects in the same community.
13. Have I sown whirlwind in the tree that bares fragrant to many? Certainly not! As CSR is more of voluntarily, per Amposah-Tawiah & Dartey definition that it is "The strategic decision of an organisation to voluntary act upon the social factors that have the potential of militating against the fulfilment of corporate goals."

14. Sammi Caramela was of the view that CSR was paramount to building organisation's image because "Customers consider more than quality goods and services when choosing a brand. Many are prioritizing corporate Social Corporate Responsibility (CSR) and holding corporations accountable for effecting social change with their business beliefs, practice and profits. In fact, some even turn their back on their favourite companies if they believe they're not taking a stand for societal and environmental issues."

Mr Speaker

15. The benefit of CSR is reciprocal, as it a business strategy for positioning. Ronald Chibuike Iwu-Egwuonwu in his article "Does Corporate Social Responsibility (CSR) Impact on Firm Performance? A Literature Evidence" established from his findings that:

"A major implication of this finding is that for CSR to enhance firm performance, its content should not simply depict what the firms favour but what the consumers favour since it is their purchasing decisions that make the difference in the patronage build up to enhance firm's financial performance. In a 2008 global study of consumer thinking by Good Purpose titled "Putting More Meaning into Marketing", it is shown that almost seven out of 10 (68%) of consumers say that they would remain loyal to a brand during an economic downturn if it supports a good cause."

Mr Speaker

16. Recent reports indicate that Tullow Oil Ghana has invested as much as US\$30 million to impact some 240, 000 lives in the Western Region, with the provision of boreholes, health support and enterprise development.

17. What this means is that people of the Western region, as time goes pass by will begin to identify with Tullow Oil and the services it rendering to them, wherein there will be limited chances of formation of militant groups and attacks on the company and its employees as is the case elsewhere.

18. This has been vividly expressed by Iwu-Egwuonwu when it was overwhelming confirmed in literatures reviewed that firms facing great risks in their environment use CSR to reduce their risk (i.e. risky firms use CSR to reduce their risk). I, therefore, share his statement that "When firms are at peace with their environments and host

communities, wastages that arise from conflicts are eliminated and the firm is placed in the right frame of mind to concentrate on the business of adding value to its numerous stakeholders, especially the shareholders.”

Mr Speaker

19. I do understand opponents’ position that CSR is expensive and it’s in conflict with organisational goal to maximize profit and limit cost, per the reports that entities voluntarily inject into their CSR programmes or projects. I want to use this platform to say we are most grateful.
20. However, it my plea that the system should be synchronised under one body. Although far from it for government to determined or ‘dictate’ what, where, when or how much organisations should invest into their CSR initiatives, I strongly hold the opinion that all these efforts should be directed and well supervised.
21. As a nation ruled by law, it is proper that we are well organised and bring on board all critical stakeholders to conform to the path of the country’s development. I believe if we are able to reach a conclusion on this suggestion, there is going be a great mutual benefit between the service providers, clients/customers and communities in which they operate.
22. Eventually, most communities will be reached in equitable distribution of projects and assistance from these entities. As we have had cases that some communities are disadvantaged and have never benefitted from these philanthropic gestures.

Conclusion,

23. I am reliably informed that we have a policy as a country on CSR drafted close to two decades ago. We firstly need to revisit that policy and particularly set in place a legislature to regulate CSR activities of corporate bodies in this country. The time is now, we cannot delay further.

Thank you.