

CORPORATE SOCIAL RESPONSIBILITY IN THE BANKING SECTOR. NATIONAL AND INTERNATIONAL APPROACH

RESPONSABILITATEA SOCIALĂ CORPORATIVĂ ÎN SECTORUL BANCAR. ABORDAREA NAȚIONALĂ ȘI INTERNAȚIONALĂ

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Abstract: Responsabilitatea Socială Corporativă (RSC) reprezintă un concept actual, infiltrat la nivel înalt în contextual economic prezent. Sectorul bancar e propus spre analiză folosind sursele dispuse pe paginile web oficiale a unui număr de bănci planificate, cât și datele băncilor naționale specifice. Mecanismul stă la baza evidențierii reușitei de implementare a conceptului atât la nivel național cât și internațional. Adoptarea noțiunii de RSC are loc prin respectarea tipajului acestora iar băncile cu o cotă de influență mai vastă, reușesc în adoptarea întregului algoritm de specificări. Scopul rămâne a fi în valorificarea importanței acestui concept și în determinarea impactului asupra sectorului bancar. Obiectivul general constă în identificarea calității de implementare RSC cât și constituirea unor recomandări de sporire a circuitului specific actual.

Cuvinte cheie. Responsabilitatea Socială Corporativă, sector bancar, responsabilitate etică, responsabilitate filantropică, responsabilitate financiară.

JEL Classification O13, O15, O16, O35, Q01, G32

INTRODUCTION

Corporate Social Responsibility (CSR) has become increasingly integral to the operations of modern businesses, reflecting a growing awareness of the broader impacts of corporate activities on society and the environment. Within the banking sector, where institutions hold considerable influence over economic activities and community development, CSR assumes a crucial role. Banks wield considerable power and influence, necessitating responsible and ethical conduct in their operations. Understanding the motivations, challenges, and outcomes of CSR efforts within the banking sector is important for fostering transparency, accountability, and trust in financial institutions. Moreover, the engagement in such kind of initiatives has far-reaching implications for societal well-being and sustainable development. This research aims to achieve several objectives. One of them shall be understanding the evolving landscape of CSR practices within the banking sector, both at the national and international levels, and assessing their impact on stakeholders, communities, and the environment. Even more, the analysis of CSR typology and the concept's importance overall alongside concrete example from both levels.

ANALYSIS OF BIBLIOGRAPHICAL SOURCES

The analysis of bibliographical sources draws primarily from official bank websites and national bank portals. These sources provide firsthand insights into the CSR initiatives undertaken by banks, offering a direct view of their commitments, programs, and outcomes. Additionally, the websites of national banks highlight regulatory frameworks, guidelines, and best practices related to CSR in the banking sector. Moreover, bank reports on Corporate Social Responsibility serve as vital bibliographical sources by offering detailed insights into banks' CSR strategies, performance metrics, and impact assessments. Mass media sources play a significant role in providing external perspectives and critical analysis of CSR activities within the banking sector. News articles, opinion pieces, and investigative reports published by reputable media outlets offer valuable insights into public perceptions.

THE ANALYSIS METHODOLOGY OF BIBLIOGRAPHICAL SOURCES

The research utilizes a mixed-methods approach, blending quantitative analysis of CSR data from official bank reports with qualitative examination of media sources and stakeholder perceptions. Some of the banks have special pages designed for CSR concept which once again facilitates the gathering process of information. Being a rather trendy notion and bank adaptation nowadays, mass media such as news channels, publishes every event occurred as a process of CSR notion, in this way getting to be a quite suitable source for future analysis linked to the concept.

NATIONAL AND INTERNATIONAL CONCEPT IMPLEMENTATION AND DISTINCT FEATURES

Corporate social responsibility encompasses various pillars, each representing a distinct facet of ethical business conduct.

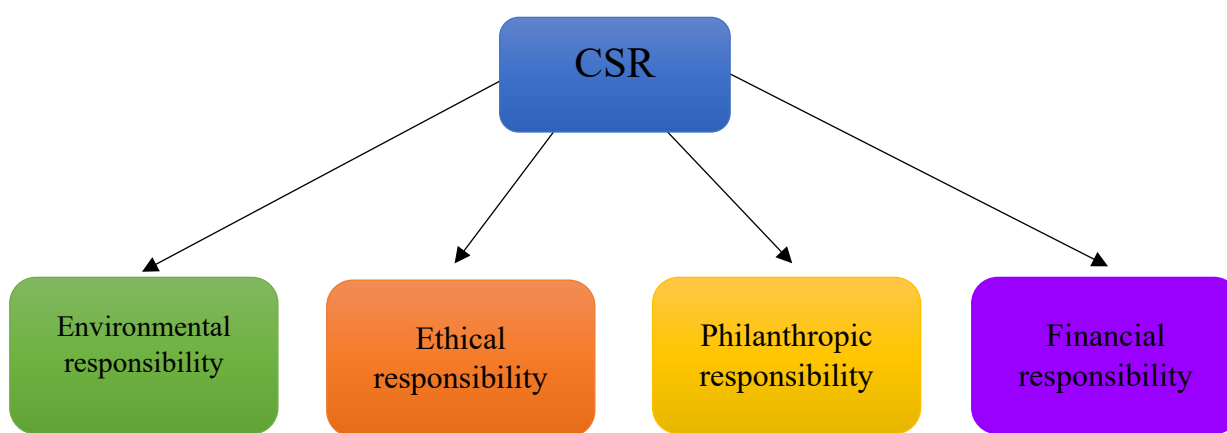


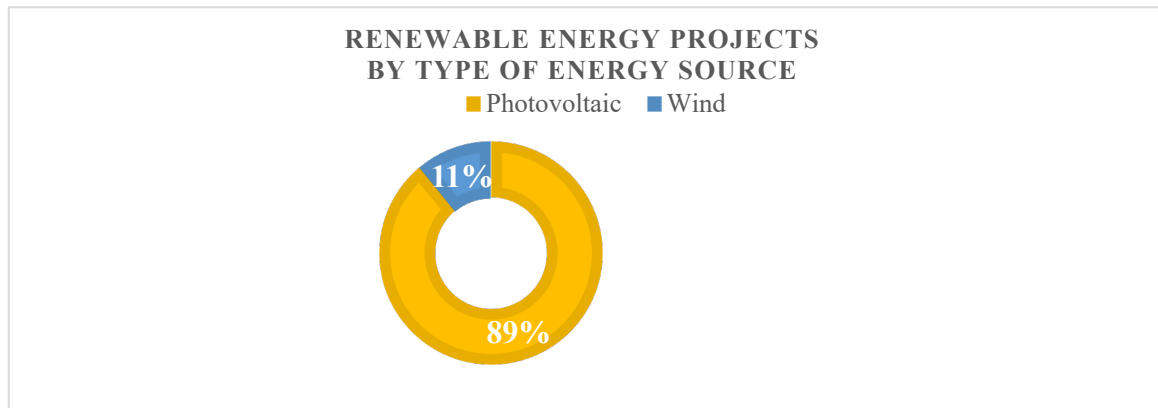
Figure 1. The CSR pillars, author's elaboration by use of data provided by INVESTOPEDIA,

Corporate Social Responsibility (CSR) Explained with Examples, available [online], via link: <https://www.investopedia.com/terms/c/corp-social-responsibility.asp>

As seen in Figure 1, one such pillar is environmental responsibility, which involves preserving nature and minimizing negative impacts on the environment. This typology of CSR adaptation emphasizes reducing pollution, waste, and emissions, while also promoting practices like recycling and conscious distribution of goods. By prioritizing environmental stewardship, companies can contribute to sustainability efforts and leave natural resources in a better state than before their operations. Ethical responsibility is another crucial aspect, focusing on fair treatment of customers and employees, transparent disclosure of operations, and ethical vendor selection. Philanthropic responsibility emphasizes the allocation of resources towards charitable causes and community support initiatives, while financial responsibility ties together environmental, ethical, and philanthropic efforts through prudent financial investments and transparent reporting. Together, these pillars form a comprehensive framework for businesses to operate responsibly, benefitting society while enhancing their brands.

National Corporate Social Responsibility (CSR) adaptations by Moldovan banks exemplify their commitment to societal well-being across various sectors. Notably, maib's response to the COVID-19 pandemic underscores its dedication to healthcare development. Through substantial donations totaling MDL 1,550,000 to medical facilities such as the Clinical Hospital for Infectious Diseases "Toma Ciorba" and the "Valeriu Ghereg" Medical Foundation, maib provided critical support to frontline workers and equipped institutions with essential medical devices. Moreover, marking its 30th anniversary, maib extended its philanthropic endeavors by donating intensive care medical equipment worth MDL 1,000,000 to the

Institute of Emergency Medicine, demonstrating a long-term commitment to healthcare sustainability. Beyond healthcare, maib actively engages in cultural preservation and environmental conservation initiatives. Its sponsorship of renowned cultural events like the "Maria Biesu" Festival and the "Cucuteni International Art Camp" not only promotes artistic expression but also fosters community cohesion and educational opportunities. Additionally, maib's innovative "maib Forest" project, launched in response to



deforestation concerns, engages employees and their families in tree planting activities, symbolizing the bank's dedication to environmental stewardship and sustainable practices.

Figure 2. Renewable energy projects by type of energy source,

Source: maib sustainability report 2022, available [online], via link: <https://ir.maib.md/download/218>

According to Figure 2, in 2022, maib succeeded investing in renewable energy which represent an environmental pillar of CSR. The biggest share of investment, 89% was done in favor of Photovoltaic energy, followed by Wind energy with a sum of 11%. ProCredit Bank also showcases notable CSR efforts, particularly in environmental awareness and conservation. Through its "Think Responsibly for Your Children's Future" campaign, ProCredit Bank distributed 17,000 natural cloth bags to customers, encouraging plastic consumption minimization. The bank further organized eco-friendly events, such as an exhibition of works made from recycled materials and a fashion parade featuring clothes crafted from sustainable resources, promoting environmental consciousness and community engagement. Furthermore, Victoriabank's CSR initiatives extend to youth development and financial education. Through partnerships with organizations like the Basketball Federation of the Republic of Moldova, Victoriabank supports youth sports talent, fostering athletic growth and community involvement. Moreover, its participation in initiatives like the Global Money Week demonstrates a commitment to financial literacy, empowering young people with essential financial knowledge and skills for their future. Overall, these examples illustrate the multifaceted approach Moldovan banks undertake in fulfilling their CSR responsibilities.

International Corporate Social Responsibility (CSR) adaptations by leading banks showcase their commitment to global sustainability and societal impact. For instance, N26 has forged a partnership with Ukraine-Hilfe Berlin e.V. (UHB), enabling customers to donate directly through the N26 app to support humanitarian and medical aid efforts in Ukraine. Revolut has collaborated with Watershed to address environmental concerns, implementing real-time measurement of carbon footprint and devising strategies to minimize environmental impact across its business operations. Similarly, Starling Bank's initiative to introduce debit cards made from recycled plastic reflects its dedication to environmental conservation, providing customers with a greener payment option and contributing to reducing plastic waste on a global scale. These examples highlight how international banks integrate CSR principles into their operations, promoting sustainability and making positive contributions to communities worldwide.



Figure 3. The CSR benefits, author's elaboration by use of data provided by INVESTOPEDIA, Corporate Social Responsibility (CSR) Explained with Examples, available [online], via link: <https://www.investopedia.com/terms/c/corp-social-responsibility.asp>

Corporate Social Responsibility (CSR) initiatives have significant impacts on various aspects of a bank's operations and reputation. Firstly, as seen in Figure 3, CSR efforts enhance brand recognition as customers increasingly consider a bank's societal impact when making purchasing decisions. This heightened awareness positively influences brand perception and loyalty. Moreover, CSR contributes to increased employee engagement, as workers are more likely to remain committed to a bank that aligns with their values. This reduces turnover rates, boosts morale, and lowers hiring costs.

Additionally, CSR strategies improve investor relations by signaling a bank's commitment to ethical practices and sustainable growth. This fosters investor confidence, potentially leading to better market performance and a stronger valuation of the company. Furthermore, CSR plays a crucial role in risk mitigation by promoting ethical conduct and responsible resource management. Banks that adhere to CSR practices reduce the likelihood of facing legal challenges, such as discrimination lawsuits or environmental controversies, thereby safeguarding their financial stability and reputation in the long run.

CONCLUSIONS AND RECOMMENDATIONS

Concluding, Corporate Social Responsibility (CSR) is crucial for businesses, offering various benefits such as enhanced brand recognition, investor relations, employee engagement, and risk mitigation. CSR encompasses environmental, ethical, financial, and philanthropic responsibilities, each contributing to sustainable business practices and positive societal impact. While CSR is often associated with large corporations, businesses of all sizes can engage in CSR activities tailored to their capacities and resources. Banks should maintain transparency in CSR activities and outcomes through comprehensive reporting mechanisms, demonstrating accountability to internal and external stakeholders. I would encourage collaboration between banks, government agencies, and NGOs to address pressing social, environmental, and health challenges at both national and international levels. Some national banks should diversify CSR Initiatives, expand CSR efforts beyond traditional areas to include initiatives supporting health, education, cultural preservation, and environmental sustainability, catering to diverse community needs.

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