

**BIBAZE ASSUMPTA BAHENDA (2008-M092-20053)**

**An Analysis of the Impact of Corporate Social Responsibility Initiatives by Multinational Corporations on the Local Communities in Northern Uganda: A Case Study of Selected Multi-National Banks**

The study aimed at analysing the impact of corporate social responsibility programmes of multinational corporations (banks) on the local communities in Northern Uganda. The study used a case study design which involved three multinational banks; Barclays, Stanbic and Standard Chartered Bank. The study was based on three objectives, that is: to assess how multinational banks determine their Corporate Social Responsibility (CSR) in the host communities, to examine the contribution of Multi-national Corporations (MNCs) to the development of host communities in northern Uganda and to assess the factors affecting the performance of MNCs when extending their corporate social responsibility initiatives to host communities. This study adopted a case study design so as to give an opportunity for one aspect of the problem to be studied in some depth within a limited time frame. The methods of data collection were key informant interviews, focus group discussions, observation and documentary analysis. The qualitative method was used to present descriptive data. The results indicated that all multinational banks in Gulu did not have a uniform definition of what CSR was; they all came to the same conclusion that it was basically involved with giving back to the community. Regarding the way corporate responsibility was determined, most of the bank officials indicated that they consulted the members of the local community. However, the members of the local community indicated that they had not been consulted in the identification of needs assessment before the initiatives were carried out. The research findings revealed that whereas the MNCs are mandated to give back 1% of their pre-tax profits for CSR initiatives, the initiatives of the three banks that were involved in this study, did not reflect this since most of the initiatives were short term or one-offs. In some cases, the funding of these initiatives was done by the company staff which also may explain why they were not big projects. The findings also revealed that for the MNCs to be able to have initiatives that will create a lasting impact on the communities in which they operate, they need to work closely with the local authorities, other Non-Governmental Organisations (NGOs) and also the community members since policy makers are now looking at CSR as a way in which these companies can support the government in meeting the vast community needs. The MNCs cited bureaucracies in the local government and politicking by some local leaders as some of the challenges they have faced, hence the local leaders also ought to be flexible if the needs of the people they serve are to be met with support of other stakeholders. Recommendations: MNCs need to work closely with the local leaders, partner with local NGOs and also involve the community members in the needs assessments before they embark on implementing any community initiative. This will go a long way in ensuring that the projects that are put in place are sustainable and as such would have a lasting positive impact in the socio-economic development of the communities in which they operate.

**Keywords: Corporate Social Responsibility, Local communities, Northern Uganda**