

from South Africa with love

exporting corporate social investment

From 1994 to 2008, the trade of South Africa with the rest of Africa experienced a rapid and major growth, but little is known about the extent of the social responsibilities and investments of large South African companies in host African countries. DIANA SANCHEZ reports on some preliminary research on the social investment approach of five large South African companies operating in Swaziland and other countries in the region.

In Swaziland, as in other neighbouring countries, South Africa has exercised a long-standing economic footprint and is the leading investor, particularly through medium-sized investments.

The primary position of South African capital in this economy is especially visible in the far and wide presence of South African supermarkets, fast-food stores, banks and cellular service providers. Not surprisingly, this has resulted in some describing Swaziland as a periphery of the South African economy.

While South Africa is increasingly playing a vital role in many African economies, and South African companies subscribe to corporate social responsibility (CSR) codes, little is actually known about the extent of the social responsibilities and investments of large South African companies in host African countries.

As pressures arise worldwide for companies to behave in a socially responsible manner, new studies of such behavior are likely to be launched. These studies will usefully consider some variables in how companies are, for instance, designing and implementing CSR and CSI initiatives on the African continent.

In an effort to start filling this knowledge gap, the South Africa in Africa (SAIA) project, with the support of the RLF, conducted some preliminary research on the social investment approaches of

five large South African companies operating in Swaziland and other countries in the region.

While assessing the real impact of the CSI initiatives of these companies was beyond the scope of this study, a central concern driving the research was to unveil whether companies that have highly structured CSI programmes in South Africa are applying a similar approach to their African operations.

To shed some light on this subject, the CSI and African expansion experiences of FNB, MTN, Pick n Pay, Sun International and Standard Bank were analysed. Data was primarily collected through interviews with managers of these companies in both countries.

Long-term vision needed

In post-apartheid South Africa, companies have been expected to assist with the social transformation of the country, behave in a socially responsible way and invest in the country's social development. Thus, CSI has become a distinct concept which is broadly used to describe the social spending and role of companies in communities. While most South African companies started some sort of CSI programmes to support community initiatives in the mid 1980s, the establishment of similar initiatives in their African operations has

not been a straightforward process. On the whole, a comparative analysis of the CSI approaches of these companies in South Africa and Swaziland illustrates a number of things that are relevant to debates on the role of the private sector in African development.

Firstly, preliminary findings indicate that, in contrast to South Africa, in Swaziland and elsewhere in Africa, CSI seems to be limited to charity or loose social spending aimed at positioning the company within a market, but without a long-term vision. Indeed, while most companies in Swaziland embrace the South African CSI discourse, which is highly structured, interventions are mainly short-term and primarily aimed at improving companies' brands and relations with consumers, employees or communities.

Secondly, the experiences of these companies indicate that CSI is likely to be more structured in contexts where both regulation and market forces impel companies to behave in a socially responsible manner. Therefore, even if all of these companies have structured CSI policies and approaches to social investment within South Africa, this was not the case in their other African operations.

Within South Africa, with the pressures for a socially engaged private sector, companies have found in CSI a useful tool to be perceived as socially responsible while also benefitting from this.



**State of
the force**
THE VERDICT IS IN

**Indigenous
Knowledge**
STEALING OUR IK
IS NOT OK

**World
Cup**
Did we
score?

XENOPHOBIA
Stopping the hate