Integrating Corporate Social Responsibility and Community Development in Industrialization: Lessons from the Magana Town Industrial Park in Kenya

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Abstract

Corporate Social Responsibility (CSR) refers to the pursuit of commercial success in ways that honor ethical values, compliance with legal requirements and respect for the people, communities and the natural environment. While CSR can be clearly distinguished from philanthropy or charity, making an economic contribution is often seen as the most important and effective way for business to make a social impact. The debate about the ethical and social aspects of business has forced firms to react to the social and ethical pressure of the public. CSR of the company will only be correctly perceived by the public if its social and environmental value creation is transparent. The main rationale why firms get involved in CSR is to improve the image of the company besides corporate sustainability and adherence to a mission statement or CSR policy. While CSR is widely practiced in most industrialized nations, it remains grossly underdevelopment in Kenya. This study sought to establish the extent to which the Magana Industrial Park has integrated CSR in its mission for enterprise. The study targeted 900 households drawn from nine villages that lived within the radius of 10 kilometers from the industrial park, as well as the workers employed in the 15 firms located around Magana Town. To obtain in depth insights and knowledge, key informants interviews were carried out with the managers of a sample of five of the firms. Besides, at least 10 focus group discussions were carried out to generate information on public perception on CSR practice. The study established that the concept of CSR in the industrial park was either misunderstood or ignored all together. Only one enterprise had an elaborate policy on CSR. All others had a vague definition of CSR and a very scanty evidence of any CSR. The study recommends that the Ministry in charge of Industrialization should explore the possibilities of a policy document that will formalize or institutionalize CSR in both public and private sector enterprises. The government also needs to play its role in providing the basic infrastructure to eliminate unnecessary expenses to the enterprises.

Key words: CSR, Industrial parks, Community Development

1.0 Introduction

Corporate Social Responsibility (CSR) also known by a number of other names: Corporate Responsibility, Corporate Accountability Corporate Ethics, Corporate Citizenship, Sustainability, Stewardship, Triple P Bottom Line and Responsible Business describes the variety of ways that organizations integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations thereby establishing better practices within the organization to create wealth and improve the society in which they reside and operate.

According to Visser et al (2007), CSR refers to achieving commercial success in ways that honor ethical values, compliance with legal requirements and respect for people, communities and the natural environment. A broad definition offered by the International Organization for Standardization characterizes CSR as a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and societies.
The definition of CSR, developed by the World Business Council for Sustainable Development (in Moir, 2001) reflects an alternative, multi-stakeholder, implicitly multidisciplinary and more proactive view of CSR that is now gaining popularity. CSR is the continuing commitment by business to operate ethically and contribute to economic developments while improving the quality of life of the workforce and their families as well as the local community and society at large.

All these definitions generally focus on how firms manage their core business to add social, environmental and economic value in order to produce a positive sustainable impact for both society and for the business.

1.2 Highlights on CSR literature

Empirical evidence has shown a positive relationship between CSR, company reputation index and return on equity, as well as business performance more generally (Karake, 1998, Žairi, 2000, Žairi and Peters, 2002). Wilson (2000) and Moir (2001) noted that CSR agenda has risen up the corporate agenda for many organizations but acknowledge that some CSR practice is merely a reactive, pragmatic, compliance driven response to public policy, the law, or other regulatory frameworks, and that there are many different motivations behind a firm’s specific interest in CSR.

Graatland et al (2004) investigated the possibilities and problems of benchmarking Corporate Social Responsibility (CSR). They carried out a methodological analysis of the disadvantages and problems of benchmarking that included the economical social and environmental aspects as well as national and international aspects of CSR. The overall benchmark was based on a weighted average of these aspects drawn from opinions of companies and NGOs. An overall CSR index for the more than 50 large Dutch companies was constructed based on seventy aspects of CSR by using the weights derived from the value those companies and Non Governmental Organizations attached to these different aspects of CSR.

This study borrowing from the Social Economic Council (2001) identified two elements of CSR to include: sufficient focus by an enterprise on its contribution to public prosperity in the long run and the relationship of an enterprise with its stakeholders and the society at large. The first element stressed that an enterprise could be viewed as a value creating entity. The long term value creation does not only relate to the economic values, but concerns value creation in three dimensions otherwise known as the Triple P bottom line;

- **Profit** represents the economic dimension referring to the creation of value through the production of goods and services and through the creation of employment and sources of income. The financial returns reflect the appreciation of consumers for the company’s product and the efficiency with which factors of production are used. The long term profit motivate should provide the financial basis for the continuity of the company.

- **People** represent the social dimension. This has a variety of aspects concerning the effects for human beings, inside and outside the organization, like good labour relations, safety among others.

- **Planet** represents the ecological dimension. This dimension relates to the effects on natural environment

The study by Graatland et al (2004) focused on the three P’s and on four sectors (Construction, retail, chemical sector and financial and banking sector). It distinguished between 70 aspects or categories of CSR, which related to six different groups of stakeholders namely employees, suppliers, customers, society at large, shareholders and competitors. Using different methods of weighting, the study found out that the outcomes of the benchmarking was rather robust for the selected sample.
Whitehouse (2006) carried out an evaluation of Corporate Policy and Practice in respect to CSR deriving from an analysis of qualitative data, obtained during semi-structured interviews with the representatives of 16 companies from a variety of UK sectors including retail, mining, financial services as well as mobile telephony. The findings of the empirical survey were presented in five sections that traced chronologically the process of CSR policy development. The first identified the meaning attributed to CSR by the respondent companies followed by the second section by the factors that were driving them to implement the CSR agenda. The third examined the use of the language of CSR and the concept's role as either a substantive concept or simple label. The fourth identified the criteria used for determining CSR policies and the objectives underlying them. The fifth and final section offered an analysis of the respondents' predictions as to the future development of CSR.

On the basis of the findings of the survey, the paper found out that, despite genuine attempts on the part of those responsible for CSR policy development to address stakeholder concerns, the context within which CSR has been implemented hinders its potential to offer stakeholders sufficient information by which to evaluate corporate performance in respect of CSR and the ability of CSR to operate as a meaningful and systematic constraint on the corporate behavior. The findings of this research also suggested that CSR revealed itself among large companies not as a uniform concept but as a variety of conceptions. For some companies, CSR derived from and was closely related to pre-established concepts such as stake holding. To others, it concerns the manner in which they operated all aspects of their business and the extent to which that behavior impacts upon the environment, their stakeholders and society generally.

Chepkwony (2008) found out that as corporations pursue growth through globalization, they encounter new challenges that impose limits to their growth and profits. Government regulations, tariffs, environmental restrictions and standards of labour matters constrain this expansion. Similarly, locally established firms faced the same constraints. Some companies use CSR methodologies as a strategic tactic to gain public support for their presence in markets, helping them sustain a competitive advantage over others by using their social contributions to provide a subconscious level of advertising. Global competition placed particular pressure on multinational corporations to examine not only their own labour practices, but those of their entire supply chain, from a CSR perspective.

Despite these criticisms and others, there was no doubt that the private sector contributed effectively in addressing human resource; environmental; community involvement; education and capacity building; health and HIV/AIDS; water and sanitation; besides sustainable agriculture issues. This therefore led to the betterment of society through improvement of various aspects of living.

As the contribution of CSR particularly to human resource practices and environmental conservation is widely appreciated, two crucial questions arise. To what extent does CSR impinge on human resource management? How can corporations be obligated to conserve and protect the environments in which they operate and exploit? Strategic Human Resource (SHR) Management captures to a great extent what CSR claims to achieve in this area. But again if CSR is introduced as an ethical HR issues practice, does it will help fix issues that may be overlooked from a HR perspective?

Hill et al (2006) examined the relationship between CSR and company stock valuation across three regions of the world. The article gave an overview of the evolving definition of CSR as well as a discussion of the ways in which this construct had been operationalized. Presentation of the potential impact of corporate social performance on firm financial performance followed, including investor characteristics, the rationale behind their choices, and their influence on the marketplace securities worldwide. The unique method used to elect socially responsible investments was then provided that also included a description of the quantitative techniques employed in the analyses. This global study examined corporate social responsibility through a comparison of socially responsible investments to the broader stock markets in the United States, Europe, and
Asia. The ten or more firms selected for each portfolio were determined by review of the largest socially responsible mutual funds in the world.

Fuentes-Garcia et al (2007) analyzed the concept of Corporate Social Responsibility in relation to Human Resources (HR) management. Five potential tools were defined and their advantages and disadvantages were discussed. These tools are codes of conduct, ratification of standards, social reports, external certification of standards and the list of socially responsible companies.

The study by Fuentes-Garcia et al noted that there are two basic reasons that have led companies to adopt CSR criteria:

- On the one hand, there is greater social awareness on a global scale. Public opinion is increasingly critical of the negative effects of globalization and over the last few years many associations and initiatives have been springing up through non-governmental organizations, foundations and standards agencies to tackle this issue.

- On the other hand, companies themselves are divulging the advantages offered by CSR not only as a defensive strategy that protects them against possible charges and lawsuits, but also as an offensive strategy to create value. This is a consequence of the increasing impact of social criteria in consumers' purchasing decisions, as revealed in a recent CSR study in Europe.

The study also noted that there is growing interest in the social dimension of business activities; nowadays, citizens are better informed and their values have changed; they are increasingly ecologically and socially aware and demand more from companies than just the efficient production of goods and services. As a result companies respond to the new social demands of their interest groups by implementing Corporate Social Responsibility (CSR) actions, which include all their environmental and social activities that go beyond mere economic interests and break away from the traditional image of a company that focuses solely on generating value for its shareholders. The study found out that the applications of Social Responsibility is particularly beneficial to companies that are part of the circuit of production and global trade. It is absolutely crucial to raise awareness about CSR tools among the main parties involved and to promote participation in its application.

1.3 The Status of Corporate Social Responsibility in Kenya

The debate in society about the ethical and social aspects of business has forced companies to react to the social and ethical pressure of the public. Many companies are increasingly concerned about values like integrity and feel that they must meet the expectations of stakeholders with respect to the company’s contribution to profit, planet and people (what has come to be popularly known as “triple P bottom line”). Firms that do not meet these expectations may see their reputation decrease with a negative impact on market share and profitability (McIntosh et al, 1998).

In developing countries, CSR tends to be less formalized or institutionalized in terms of commonly used CSR benchmarks. Where formal CSR has been practiced, it is normally by large national or multinational companies. In most counties in Africa, CSR is not institutionalized and neither are the benchmarks set by companies willing to adopt the practice. Further, misconceptions on what CSR truly entails abound and its application is most commonly associated with philanthropy or charity. Further, there is low appreciation of the role of CSR in furthering development by both companies and the governance system. At best CSR is seen as a way of improving the image of the company, giving back to the needy or engaging with the community.

In Kenya, companies participating in CSR often find themselves engaged in the provision of social services that would be seen as governments’ responsibility. Many of the CSR issues present themselves as dilemmas or...
tradeoffs. For instance development versus environment, job creation versus higher labour standards among others. The issues prioritized under CSR often present pressing societal needs such as HIV/AIDS, poverty alleviation and environmental sustainability. Making an economic contribution is however often seen as the most important and effective way for business to make social impact. For many companies, the main rationale to get involved in CSR has been to improve the image of the company. Others include corporate sustainability, adherence to mission statement or CSR policy. However, most companies apply a reactive approach where giving is based on requests made to them.

The environmental, marketplace and workplace CSR concerns are handled by other departments and not seen as CSR, since majority of companies do not have specific departments charged with CSR. The greatest internal hindrance to CSR is lack of budgeted funds while external hindrances include lack of tax incentives, beneficiary management practices and potential for brand mileage.

1.4 The Rationale for the Study

It is now recognized that poverty reduction and sustainable development will not be achieved through government action alone. Policy makers are paying increasing attention to the potential contribution of the private sector to such policy objectives and CSR is sometimes used as shorthand for businesses’ contribution to sustainable development. Although the concept of CSR is gaining such prominence with policy debates in Kenya; it is not applied widely and is usually associated with philanthropy. There are however many private sector related initiatives and business activities in Kenya that might be described as expression of CSR.

Magana town in the periphery of the Nairobi city in Kenya has a typical industrial park which arose out of private conversion of about 1,500 acres of land into a flower growing and propagation zone and which has come to be typically known as Magana Holdings. In due course, other secondary manufacturing firms began to locate adjacent to the Magana nucleus as land became available. Eventually, about 15 different firms are now located in this town drawing employment from the town and adjacent villages as well as other counties.

The industrial park is an initiative that would be expected to provide economic solutions to both local and national socio-economic development challenges of Kenya as a developing nation. These challenges revolve around unemployment, poverty, low value addition to primary industries, over-exploitation of natural resources and attendant environmental degradation among others. The initiative fits within the premise of national policy framework for transforming Kenya from a low- to middle-income economy with a higher quality of life for its citizens. The park would therefore be expected not only to achieve commercial success but also to impact the social and environmental dimensions of the surrounding communities. The extent to which the industrialists have integrated the economic, social and environmental concerns in their culture, decision making and strategic operations thus need to be established and documented. The study therefore sought to establish the extent to which CSR practice has been integrated in the operations of the targeted industries.

1.5 Methodology

The study employed a quasi-experimental, explorative and descriptive research design in order to establish from a multi-dimensional perspective the social, economic and environmental impacts of the industrial park. The study particularly aimed at documenting how industrial presence and growth in the area had impacted the three aspects of life for individuals and communities living and working within a designated radius to the park. It also sought to explore other aspects that are often affected by industrial location such as businesses and trade, social networks and groupings, cultural changes, work ethics and new livelihoods. The study adopted a quantitative and qualitative approach in its inquiry.
Magana town is surrounded by 18 villages, some of which are: Muthiga, Gitaru, Rungiri, Shauri Yako-Baraniki, among others. Nairobi River runs through the town. The Magana industrial park comprises of about 15 private enterprises. Three of them are agricultural, which include: Magana Flowers Kenya Limited, flower propagation plant (Soloplant Kenya Limited), and flower breeding centre (Pressman Kenya Limited). The manufacturing companies include: Match Masters, Texplast, Green Loop, Rafiki Industries, Green Plast, United Bags, Triscon, Happy Confectionary, Crystal Industries, and SAB Miller – a South Africa Brewery distribution centre. There are also a number of key services such as banking, provincial administration, medical clinic and police station.

For the purposes of the study, 5 of the enterprises were selected among them Magana Holdings. In addition, the communities living within a radius of 10 kilometres from the industrial park as well as the workers employed in the 5 firms were also targeted.

The Kenya population census data was used to sample the village communities living around the industrial park using a systematic random sampling procedure. Care was taken to include all segments of the population of adults living in the identified villages. 9 villages were randomly selected as representative of the target population. From the 9 villages, a random sample of community members was drawn. The sampling frame for the workers was provided by the specific companies targeted by the study and used to select a representative sample taking cognizance of the different cadres and ranks. Women and youth were targeted in the study and carefully selected from the sampling frame. A final sample of 1,002 respondents was reached of which 100 were from the control group village. The table 3.1 indicates the target villages for the study excluding the control village.

<table>
<thead>
<tr>
<th>Village</th>
<th>Target population</th>
<th>Village</th>
<th>Target population</th>
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<tbody>
<tr>
<td>Kinoo</td>
<td>150</td>
<td>Kihumo</td>
<td>100</td>
</tr>
<tr>
<td>Gitaru</td>
<td>150</td>
<td>Gichecheni</td>
<td>50</td>
</tr>
<tr>
<td>Muthiga</td>
<td>150</td>
<td>Rungiri</td>
<td>50</td>
</tr>
<tr>
<td>Shauri Yako</td>
<td>100</td>
<td>Magana town</td>
<td>50</td>
</tr>
<tr>
<td>Gaitumbi</td>
<td>100</td>
<td>Total</td>
<td>900</td>
</tr>
</tbody>
</table>

*Source: Author formulation.*

The company managers were selected from 5 companies based on their roles and managerial functions. The local government officials also formed part of the sample and were selected at district and division levels. The area chiefs and sub-chiefs in the 18 villages were also interviewed as key informants. Given these diverse categories of respondents, various methods were used to collect information including; household questionnaires, key informant interviews and focus group discussions. The quantitative data collected was analyzed using SPSS 17.0 and SAS 9.3 while qualitative data were analyzed descriptively.

1.7 **Study Findings**

a) **The Understanding of CSR**

The study intended to evaluate the extent of Corporate Social Responsibility (CSR) practices adopted by enterprises in the Magana Park and therefore began by evaluating the understanding of CSR from key company managers. Generally, the findings show that the cross section of managers of enterprises in the park who were
interviewed had heard of CSR but did not appreciate its importance. Further analysis revealed that the managers had low understanding of what CSR actually entailed with four of the five studied equating it to philanthropic acts usually undertaken by companies or their executives in an adhoc manner in response to a severe need facing their communities. These included activities such as donating food and clothing to the needy usually once or twice year. The four companies also lacked a clear company policy on CSR and even when they engaged in activities that could be termed CSR, these were not guided by any existing guideline. The absence of an overarching CSR policy meant that the practice was not embedded in company day to day operations. The four out of five managers interviewed in the study cited their normal and routine obligations such as provision of employment, payment of statutory taxes (mostly to the central government) and remission of funds to the statutory contributory schemes like National Housing Insurance Fund (NHIF) and the National Social Security fund (NSSF) as part of their CSR. Yet these are obligatory contributory schemes where workers and employers pool in to support medical and pension needs of their employees.

b) Forms of CSR Identified

The study establishes some limited CSR practices in the park. Nearly all the studied companies had made regular monetary donations to needy and marginalized communities including schools and hospitals within the locality. There was great variance in the amounts donated across the companies but managers were quick to point out that their donations were regulated by the profit margins they made.

Notably, one industrialist in the park (an agro-based enterprise) had instituted a comprehensive CSR policy and programme. This was largely because of the unique nature of its production and marketing processes which provided a conducive and facilitative framework on which to practice CSR. The company which produced and exported roses was a registered member of the Fare-Trade System which advocates for higher prices for agricultural goods sold to the international markets on condition that such producers meet some minimum standards in production and labour. One of the company’s standards within the fare-trade system constitutes a “premium fund” which was remitted to the workers/community through the “Magana Flowers Max Havelaar Welfare Group”. This is the corporate social responsibility wing of the agro-based enterprise which started in 2004. The premiums ranged from Ksh 5-7 million annually. There was also a policy governing the use of the funds. For instance, the funds had to be used to improve the living standards of employees and their immediate families and improve the living standards of the park’s adjacent communities.

For this particular initiative, there was also a clear policy on how projects were indentified for funding. Employees proposed projects they wanted implemented in the farm to the Max Havelaar Committee. The community would also be asked to forward proposals to the committee. The projects from the community were forwarded through head teachers, village elders and chiefs. The committee then evaluated the projects (project appraisals) to select those that qualified for funding based on some criteria: that the projects were workers and community based and that the projects had not have received funding support from any other source (government or otherwise). Further, before a project was implemented the committee would do a needs assessment survey to verify that the need (problem) did actually exist.

The sectors of development which had benefited from the CSR by the time of this study included health, education, employee’s welfare and poverty alleviation projects. In monetary terms, a total of Ksh 46,258,668 had been disbursed to the mentioned sectors between 2004 and 2011. Table 1.1 shows the amount of premiums remitted by Fare-Trade to Max Havelaar from 2004 to 2011.

Table 1.1 Premium amounts received from Fare-trade

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of premium (Ksh)</th>
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</thead>
<tbody>
<tr>
<td>2004</td>
<td>3,228,411</td>
</tr>
<tr>
<td>Year</td>
<td>Number of Jobs</td>
</tr>
<tr>
<td>------</td>
<td>---------------</td>
</tr>
<tr>
<td>2005</td>
<td>4,736,679</td>
</tr>
<tr>
<td>2006</td>
<td>4,322,311</td>
</tr>
<tr>
<td>2007</td>
<td>4,395,693</td>
</tr>
<tr>
<td>2008</td>
<td>6,706,245</td>
</tr>
<tr>
<td>2009</td>
<td>5,607,461</td>
</tr>
<tr>
<td>2010</td>
<td>8,425,829</td>
</tr>
<tr>
<td>2011</td>
<td>8,836,039</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46,258,668</strong></td>
</tr>
</tbody>
</table>

Source: Maxhavelaar, 2012

Overall, the findings reveal limited CSR practice in the park. Other areas of CSR practice that were identified across the studied companies include environmental conservation, education bursary provision, health projects as well as water provision. However, poor records and the adhoc nature of carrying out these activities could not allow for proper accounting of how much contribution to society was made.

c) **Links between CSR and Social Development in the Magana Industrial Park**

An evaluation of the park’s contribution to the development of social sectors showed minimal or lack of intervention. This position was reinforced by Focused Group Discussions held with communities in the study area which sought to find out if and what sectors had been impacted by the Park’s CSR activities. Notably, the community’s reported poor impact on all the main sectors of development included in the interview. Thus the findings show that the education sector had been ignored by the industrialists. One industrialist in the park though had made some contributions using a philanthropic approach rather than a CSR policy. The actual activities included support of needy children’s education every year as well as contribution to a school’s building fund.

In the health sector, it was noted that only one CSR intervention instituted by only one of the industrialist in the park existed. This was in the form of a health centre established to serve both the staff at the factory and communities living around the park for a minimal fee of Kshs. 50.

Discussions with the community revealed that the water sector had not received much attention from the park. Despite several water systems passing through the community (Nairobi River and the Rungiri Stream) there was a serious water shortage in the area. From the discussions, a majority of respondents (63%) obtained their water from piped sources of which 50.9% were categorized as community water schemes. Only 2.3% of the water sources have been provided through the institutional CSR arrangements. All the community water projects under CSR programme are sponsored by the agro-based enterprise in the park.

Further discussions revealed that though security was considered stable in the area, the park had made little contribution towards boosting the security of the area. Most industrialists however considered security a major priority which needed a joint approach. Those who wanted to intervene complained of a lack of Community-Industry-Police Framework which could facilitate cooperation in the venture. However, one industrialist has donated land and helped construct offices for the local provincial administration which housed security agents drawn from the administration police wing.

Other sectors such as the roads network were also reported to be in dire need of company intervention. The access road connecting the park to the main Nairobi-Nakuru highway was in desolate state which the community attributed to the use of heavy trucks and machinery by the industries in the park. It was thus the expectation of the community that companies would transform the poor road to an all weather road by tar-
marking it yet none of the companies had attempted to do this making it non-usable during the rainy season. Hence, the main arterial road cutting though the park to Kihumo village was narrow, poorly drained and impassable during the rainy season. Interviews with company managers revealed that most would like to attend to the poor state of this road but viewed it as a joint effort that would require not only all the companies working together but also the local administration as well as the Kenya Rural Roads programmes. To achieve this joint effort was viewed as difficult since most industrialists in the park also contended that the taxes they paid should be adequate for the government to fund the development of the infrastructure.

In the area of environmental management, the study noted no systematic approach by industrialists in the park to contribute to the environmental sector. However, there was effort by the agro-based company to integrate a number of environmental-sound practices in its production. Further this particular company had planted over 15,000 trees in two forest blocks which had greatly improved the micro-climate.

d) Reasons for Low CSR Practice

The industrialists cited diverse reasons why they were not keen on embracing CSR. Four out of the five industrialists complained that the cost of setting up and doing business was generally high in the country thereby narrowing their profit margin and leaving them no choice that to cut down on expenditure. The high taxes factored in cost of electricity, costs of raw materials among others were also blamed for dwindling profits and hence low CSR. Another factor for low commitment to CSR expressed by the companies was the lack of government interest in partnering with companies such as reported in the case of the poor access road to the park. Industrialists were of the view that local development was essentially the task of the government but they could contribute to projects initiated by government.

From the focus group discussions held with the communities, the single most reason for low CSR by the park was the profit motive. Communities expressed that most of the companies in the park were sorely there to make profits and had no commitment to local development or the welfare of local people. There was also a general perception that the companies were mainly owned by foreigners of Indian origin who did not have the welfare of the local people at heart. Further details show that communities had attempted to present various needs to the companies without much success. Hence, the poor relations, limited contact and company profit drive were blamed for the poor CSR.

1.8 Conclusions and Recommendations

In general terms, adoption of CSR in Kenya remains largely low in most business systems including industrial enterprises perhaps because CSR is not backed by any legal framework in the country. From the study, CSR knowledge and practice is limited. Only the single agro-based enterprise in the park had an elaborate policy on CSR. All others had a vague definition of CSR and scanty evidence of charitable activities that could not pass as CSR.

The absence of a legal policy framework by government coupled with low executive management commitment and support are the main challenges facing companies with regard to CSR. Lack of financial resources due to the high cost of doing business is also a main obstacle. Voluntarism through self-regulation seems to be failing hence the need for government legislation. There is need for CSR to become a more formalized part of a business strategy and a source of competitive advantage. In this respect, companies need to increasingly realize that:
• Consumers are becoming more pro-active in making demands on the industry and their sovereignty can no longer be ignored
• Employee can no longer be a fringe issue but a core concern of stakeholders
• Poverty and climate change are becoming major issues that the industrial sector cannot ignore, and
• The physical environment will remain an integral concern for all companies including SMEs.

As a way of concluding, Corporate Social Responsibility aims at achieving commercial success in ways that honor ethical values, compliance with legal requirements and respect for the people, communities and the natural environment. However, in the industrial park studied, it is largely lacking and where practiced, it is associated with philanthropy or charity. The Ministry in charge of industrialization should explore the possibilities of a policy document that will formalize or institutionalize the concept of CSR by both private and public sector enterprises. However, the government ought to play its role in providing the basic infrastructure in order to eliminate unnecessary expenses to the enterprises and enhance their profitability and participation in CSR. In addition, the Industrial policy should emphasize the value of CSR as a branding strategy that can enhance marketability of products and services in this century and beyond.

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