

## Corporate Social Responsibility as a Stimulant for Community Development: Insights from Selected Communities in Uitenhage, South Africa

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### Abstract

The continued faltering of global South governments to entrench community development has resulted in the clamour for alternative development paths. Corporates are seen as being well-suited to deliver the development needs of communities in the developing world through the agency of corporate social responsibility. This study sought to elicit stakeholders' perceptions of the role of corporates in engendering community development. To achieve this, the study relied on a qualitative research approach, which enabled the researcher to collect data from community members and selected officials using focus group discussions and interviews. The study's findings revealed three main aspects of stakeholders' perceptions: that corporates have a role in emancipating previously disadvantaged communities, that corporates have to provide basic needs, and that corporates must deliver self-sufficiency in the communities where they operate. The study concluded that corporates can engender community development, mainly because corporates possess potent wealth with which community development can be financed. The study, therefore, recommends, among other things, that the current regulatory framework in South Africa be strengthened to deliver the communities' expectations towards corporates.

**Keywords:** Corporate Social Responsibility, Community Development, Business, Resilience, Corporates.

### Introduction

As pressure continues to mount on governments in the global South to engrain development at various levels effectively, corporates are increasingly being viewed as a viable vehicle by which such development can be delivered (Banks, Scheyvens, McLennan, & Bebbington, 2016; Lackey, Burke, & Peterson, 2021). Matten and Moon (2008) argue that the deficiencies which bedevil global South governments present an opportunity for corporates to fill the void left by faltering traditional governance systems, which were traditional custodians of development. As such, corporates are increasingly expected to fill governance gaps in the developing world where increasing corruption, poor governance, and poverty are constantly on the rise (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019; Nyawuyanga, 2015; Dzingai, 2013; Vincent, 2009). Central to the argument for corporate involvement in community development initiatives is the belief that because business is both sanctioned and promoted by society, it is obliged to play a proactive role in finding

solutions to society's many problems (Xu, 2021; Mertens, 2013; Dzingai, 2013; Friedman, 1970). In the wake of globalisation comes a more fluid movement of corporates (as seen in the rise of multinational corporations), particularly in the global South, where there are relatively fewer regulated markets and an influx of cheap labour (Stadler, 2016).

Compared with governments in some global South economies, some multinational corporates make annual profits that outweigh most developing countries' gross domestic product (GDP) (Stadler, 2016; Witt, 2011). This insufficiency of development funding by states in the global South is further compounded by high wage bills and other pressing needs; thus, even the taxes paid by corporates are insufficient to adequately address development concerns in the global South (Nyawuyanga, 2015; Vincent, 2009). This, therefore, gives rise to the need for corporate involvement in the affairs of communities within which they operate through the agency of Corporate Social Responsibility (CSR). Although CSR is desirable, corporates often require compulsion to be involved meaningfully in community development (Agudelo et al., 2019; Sen, Du & Bhattacharya, 2016; Dzingai, 2013). As such, allowing corporates to pursue profits without regulation of their operations by legislation and/or societal pressure would be detrimental to host communities (Maitland, 2017; Owusu-Manu et al., 2010). More accurately, Gond et al. (2011) argue that it is misleading to view corporates as moral institutions because where regulations have been footloose, exploitation has been inevitably experienced.

In the case of South Africa, corporate involvement in social responsibility projects was largely voluntary and unpoliced until the institution of a legal framework that regulates CSR (Witt, 2011; Trilogue, 2007). This regulation of corporate involvement in community interventions was premised on the belief that legal and societal compulsion is essential in ensuring that corporates behave as moral and responsible members of society (Agudelo et al., 2019; Maitland, 2017). While the regulation has been lauded as central to the CSR agenda in community development, it must not be overly restrictive to result in corporate disinvestment (Maitland, 2017; Dzingai, 2013; Maphosa, 1997). Regardless of the semblance of regulations, there have been concerns that where the consequences of flouting regulations (as contemplated in the Broad-Based Black Economic Empowerment (B-BBEE) Act, and Companies Act) appears to be more profitable than the incentives for compliance (Gond et al., 2011). Evaluating the role of corporates in community development offers crucial insights into how businesses can effectively contribute to sustainable and inclusive development outcomes and identify areas of strategic alignment between business interests and community needs (Mutongoza, 2019). Therefore, this study sought to identify stakeholders' perspectives (community members, local authorities, and corporate representatives) about the effectiveness of corporate involvement in community development.

## Objective of the Study

To elicit stakeholders' perceptions of the role of corporates in engendering community development.

## Statement of the Problem

Globally, community development efforts have primarily been centred on traditional development actors who have funded, led, and facilitated community development (Stoecker, Randy & Falcon, 2022; McEwan et al., 2017; Banks et al., 2016). Proponents of CSR have, however, begun to make arguments for the positive implications of CSR on community development, especially in developing countries (Agudelo et al., 2019; Banks et al., 2016; Idemudia, 2011; Frynas, 2005). This is because some multinational corporates make annual profits that far outweigh most developing countries' gross domestic product (GDP) (Stadler, 2016; Witt, 2011). To McEwan et al. (2017), the reliance on corporates for developmental strategies and funding is likely to grow as more states in the global South continue to falter. In the case of South Africa, the involvement of corporates in community development is regulated by two frameworks whose efficacy has been questionable (Nyawuyanga, 2015). The existent provisions appear to rely on the false assumption that corporates are moral institutions that will plough back into the communities within which they operate, yet this assumption frequently overlooks the fact that profit and CSR may sometimes be oppositional goals (Xu, 2021; Kumari, Abbas & Rashid, 2021; Banks et al., 2016; Sen et al., 2016). As such, it is famously argued that the business of business is business – that corporates exist solely for profiteering because this is the foundational reason why they are set up (Friedman, 1970). As such, the present study set out to answer the question, 'What are stakeholders' perceptions regarding the role of corporates in engendering community development?'

## Literature Review

### The Concept of Community Development

The variedness of scholarly perspectives on community development makes it difficult for one to navigate through it (Barraket et al., 2019; Goel, 2014). This is illustrated by the history of community development, which has no consensus on the meaning of community development despite numerous attempts by practitioners and academics to give meaning to it (De Beer & Swanepoel, 2012; Lackey et al., 2021). The origins of community development frame community development as initiatives beneficial to an entire people group, or part of a people group (Midgley, 1986; Goel, 2014). By the 1940s, the term community development was used worldwide in reference to government programmes that were aimed at stimulating local initiatives for community self-help (Cornwell, 1986; De Beer & Swanepoel, 2012; Stoecker et al., 2022). With the progression of time also came the shift in the understanding of community development. For example, Gran (1983) understood community development as a self-sustaining process that involves engaging

with free people in initiatives that help people meet their basic needs and realise their potential.

De Beer and Swanepoel (2012) challenged the foregoing perspective because to them, it signified an outside agent with the aim of involving the community, rather than a process controlled by the community. The perception of community development as an interventionist approach is, thus, misleading in conceptualising community development because participation and ownership are the cruxes of the community development discourse (Mutongoza, 2019). Vincent (2009) argues that any development that is short of participation is not community development, even when it is meant to benefit the community for which it is undertaken. He makes a case that participation of the community in both the formulation of the development plan and the implementation of it is to be regarded as genuine community development. Kenny (2011) corroborates this view by noting that genuine community development entrenches active citizenship – where individuals work together to improve the conditions in their communities.

A more rounded perspective of community development is offered by Goel (2014), who views it as citizens of any given locality's efforts to improve their communities' well-being through their agency as active citizens. The role of active citizenship can be performed in four ways, as identified by Goel (2014). First, it maintains the relationship between the giver and the welfare recipient under the guise of civic virtue. Secondly, the role can also be seen in the fostering of self-help, which can be referred to as the fostering of self-sustenance through the aid of incentives. The third way by which active citizenship can be manifested is through defensive opposition, wherein citizens may challenge or resist an existing relationship. The fourth way is through visionary active citizenship, which has to do with bringing alternatives to an existing way of thinking and changing existing power relationships.

### **Corporate Social Responsibility: A Contested Discipline**

Conceptualising CSR is a difficult task mainly due to three reasons: that it is defined and applied differently by different groups of people; that it overlaps with other concepts that describe corporate-society relationships, and that it is a dynamic phenomenon (Rasche et al., 2017; Gond & Moon, 2011; Dempsey, 1949). The following are arguments formulated along the lines of the main perspectives which inform CSR debates as they arise from literature:

#### ***The normative perspective of CSR***

Literature that argues along a normative perspective is often preoccupied with CSR's ethical foundations. Rasche et al. (2017) submit that in this dimension corporates accept their enviro-social responsibilities based on the obligation to align their activities with the values of society. One such foundational proponent of this dimension is Bowen (1953), who defines CSR as the obligations of corporates to pursue policies, make decisions, or follow

lines of actions that align with the objectives and values of society within which the corporate operates. In this perspective, corporates and their managers base their decisions and actions on societal well-being as the firm's ultimate goal (Mutongoza, 2019; Rasche et al., 2017). While this seems to be coherent with the ethical dimension that preoccupies the normative perspective, Mensah (2015) and Idemudia (2011) argue that in some instances, the corporates are only making token gestures towards CSR in tangential ways, hence fuelling the corporate philanthropy narrative. Thus, one can note that the normative perspective has gaps in the CSR discourse.

### ***The integration perspective***

In this dimension, scholars stress that corporates integrate social and environmental demands through CSR (Garriga & Mele, 2004; Rasche et al., 2017). Such an integrative view highlights the dependence of corporates on society for existence, thus, CSR becomes an attempt to integrate social demands into business operations (Rasche et al., 2017). The foundations of this perspective are laid down by Carroll (1979), who establishes that the social responsibility of corporates involves the economic, legal, ethical and expectations of society on corporates at a given time. This definition of CSR is premised on the legitimacy of society's expectations on a corporate (Mnguni et al., 2021; Taylor, 2011). Rasche et al. (2017) are quick to point out that instead of the generic responsiveness to certain expectations, some scholars emphasise the integration of the demands of those with a legitimate stake in a corporate. In addition, Campbell (2006) opines that corporate responsibility is based on two things – not doing (knowingly) what could harm their stakeholders, and rectifying any harm done to stakeholders once brought to their (corporates') attention. Firms and their managers are seen as primarily concerned with CSR as a means to appear legitimate to significant stakeholders (Mutongoza, 2019; Rasche et al., 2017). According to Baker (2012), in a study on the emerging CSR trends, the relationship between corporates and society has changed, becoming closer due to the social and environmental problems prevailing worldwide. Another case in point can be drawn from the Volkswagen clean air Scandal of 2015 in the USA, which cost the company a quarterly loss of €2.5 billion in late October of 2015 as they tried to redress it (Rasche et al., 2017).

### ***The instrumental perspective***

According to Rasche et al. (2017), definitions in this perspective stress an economic approach to corporate responsibility – that CSR must be seen as a strategic tool to achieve a competitive advantage over competitors. Proponents of this perspective thus view CSR as a form of investment and as a tool for furthering corporate profitability (Xu, 2021; Kumari et al., 2021). Freeman (1984) and more recently, Taylor (2011), challenge this perspective by attesting that managers also bear a fiduciary bond to maintain with their stakeholders. Rasche et al. (2017) conclude that in this perspective, corporates and their managers are

seen as focussing on how CSR may increase company profits. Be that as it may, one needs to note the work of Bansal et al. (2012) on emerging trends of CSR, which concludes that companies today are working not only to earn a profit but also to become socially friendly. One can, therefore, note that the premise that CSR is a motivation for increased profit can be misleading when over-emphasised.

### ***The political perspective***

Proponents in this perspective understand CSR as a delegated power directed at social welfare. Political CSR is seen as having been explored under the auspices of corporate constitutionalism, integrative social contract theory and corporate citizenship (Garriga & Mele, 2004; Rasche et al., 2017). For advocates of this perspective, CSR involves responsible corporate conduct that converts corporates into providers of public services or goods in instances where responsible authorities are either unable or unwilling to fulfil this role (Kumari et al., 2021; Scherer et al., 2016). In the case of the Maersk Group in Angola, the requirement of corporates to employ 70% of locals and not more than 30% of expatriates caused the Maersk Group to invest in the education of the locals (Rasche et al., 2017). Investment in education can, thus, provide value in society by raising the level of qualifications while making skilled labour readily available for the Maersk Group's operations. In essence, firms turn into political actors and hence have to manage a new set of responsibilities, thus, implying that the perspective implores managers and firms to serve as political actors with political responsibilities (Mutongoza, 2019; Rasche, 2017).

### ***The emergent perspective***

It is this perspective that emphasises the changing nature of CSR. Gond and Moon (2011:4) view CSR "as a permanent issue and an area of debates in management theory and practice, rather than a well-stabilised construct with clear and constant operationalisation". To proponents of this perspective, corporates' motivation to adopt CSR lies in the understanding that CSR is an undisputed yet contested precondition for ongoing business development (Kumari et al., 2021; Rasche et al., 2017). Scholars in this perspective seem to argue that the evolving nature of CSR makes its study worthwhile and that knowledge of the discipline is in a continuous state of emergence (Lockett et al., 2006; Canto-Mila and Lozano, 2009; Guthey & Morsing, 2014). This conceptualisation implies that firms and managers are seen to be implored to proactively engage in the ongoing CSR debates (Mutongoza, 2019; Rasche, 2017).

Rasche et al. (2017:6) give a more wholesome conceptual framework through which CSR can be understood and studied by defining CSR as "the integration of an enterprise's social, environmental, ethical and philanthropic responsibilities towards society into its operations, processes and core business strategy in cooperation with relevant stakeholders". Rasche et al. (2017) seem to argue that when undertaken purposively, CSR goes to the very heart of a corporation, influencing its practices and business processes, and

is aligned to its overall corporate strategy. Stadler (2016) concurs by stating that CSR does not always have to be a strategic undertaking (in terms of profitability) but should instead be embedded in the daily undertakings of a firm. It is interesting to note that Rasche et al. (2017) believe that it is misleading to conceptualise CSR in terms of it being an explicitly voluntary concept due to the involvement of governments in regulating CSR activities, industrial ethics in some industries and other reasons (Matten & Moon, 2008; Dzingai, 2013). So, by being players in some industries (for example, the automotive and extractive industries in South Africa), corporates are mandated to participate in CSR but this in no way discredits corporates within these industries as players in CSR. Therefore, this raises the need for an investigation into stakeholders' perceptions in line with CSR as a strategy through which communities can be developed.

### **Theoretical Framework**

The study is underpinned by Donaldson and Dunfee's (1994) Integrative Social Contract Theory (ISCT) which is premised on understandings and contracts that bind corporates, industries and economic systems into moral communities. The theory was proposed as a solution to the vagueness of existing theories which failed to reflect the context-specific complexity of business. The ISCT addresses two types of contracts that are central to the CSR agenda: (1) a normative contract between economic participants, and (2) an implicit contract among members of specific communities (Malan, 2015; Donaldson & Dunfee, 2000). As such, the ISCT proposes bounded moral rationality and social contracts as a framework by which CSR can be understood (Secchi, 2007). By sanctioning moral free space for economic communities and establishing unequivocal boundaries on free space, the theory gives businesses enough freedom to operate while at the same time guarding communities against potential irresponsible business practices (Secchi, 2007; Malan, 2015; Nyawuyanga, 2015). Thus, the merging of these two critical aspects of business-society relations proffers a unique yet critical aspect of these relations in the developing world – (1) that such relations must not be overly regulated to dissuade corporate investment, and (2) that the relations must not be too footloose to warrant exploitation of society. The ISCT, therefore underpins this study because it allows for a thorough discussion platform from which CSR can be understood and offers solutions to the gaps within other CSR theories.

### **Research Design and Methodology**

#### **Research Approach and Design**

Underpinned by the interpretive paradigm, the study was formulated along a qualitative research approach to elicit stakeholders' views on the role of corporates in community development. The qualitative approach allowed for the factoring-in of human experiences and how such experiences shape participants' understandings (Creswell & Creswell, 2018) of corporate involvement in community development. As such, the study followed a case study design, which allowed for an in-depth understanding of the phenomenon under



investigation (Yin, 2018; Leavy, 2017). To this end, the study was conducted in Uitenhage, a town in the Nelson Mandela Bay Municipality in the Eastern Cape Province, South Africa.

### **Population, Sample and Sampling Techniques**

The population for this study was composed of the communities of Uitenhage from which three communities were purposively sampled to allow for a polished outlook of corporate involvement in community development. The three communities of KwaNobuhle, KwaLanga and Uitenhage Central were selected based on their diversity, the variedness of their developmental needs, and their differing proximities from the corporate's plant. Thirty (30) community members were also purposively sampled based on the length of their residency in Uitenhage. Additional participants included representatives from the corporate under investigation, the Nelson Mandela Bay Municipality (NMBM) Local Economic Development (LED) officer, and an official from the B-BBEE commission, which is tasked to regulate economic empowerment initiatives by corporates.

### **Data Collection and Analysis**

Data was collected using focus group discussions and interviews. The community members from the three (3) communities were organised into six (6) focus groups comprised of five (5) participants, while interviews were conducted with the three (3) officials. A total of thirty-three (33) respondents participated in the study. The data collected from interviews and focus group discussions was analysed thematically according to the following steps:

- Step 1: The researcher read the data repeatedly to become familiar with it
- Step 2: The researcher then generated initial codes of the data to help organise the data at different levels
- Step 3: The researcher then searched for themes by examining the coded data
- Step 4: The researcher went on to review the themes
- Step 5: Defining and naming themes by creating narrative definitions of each theme
- Step 6: Final analysis and report writing

### **Ethical Considerations**

The researcher observed the following ethical considerations to uphold research ethics in this study:

- i. Ethical clearance was obtained from the University of Fort Hare's Research Ethics Committee (UREC) – Reference Number MON321MUT01
- ii. Confidentiality, anonymity and privacy were respected except for the information that alluded to harm being done to an individual. This proviso was communicated and agreed to before the start of data collection, and
- iii. The consent of all participants was sought. Information was provided on research aims, process and use of data before consent was sought from the respondents.



The right to withdraw from the research at any point with their data not used was also specified to the respondents.

## Results and Discussion

The study sought to investigate the views of community members, local authorities, and corporate representatives concerning the role of corporates in engendering community development. The themes that arose from the understanding of stakeholders are as follows:

- Emancipation of previously disadvantaged groups
- Provision of basic needs
- Fostering self-sufficiency

### *Emancipation of previously disadvantaged groups*

The study's findings revealed that the participants believed that corporates have a role to play in the emancipation of previously marginalised groups. Participants felt that because some corporates had been involved in the oppression of some communities, as witnessed during the apartheid, all corporates could not be trusted and must, therefore, work to prove their worth as responsible citizens. A case in point can be drawn from the sentiments aired by a participant who opined:

*Against the backdrop of the inequalities that have become an eyesore in NMBM communities, it is imperative for businesses to religiously take responsibility as co-citizens in communities. Truth be told, the multiplicity of the faces of poverty and underdevelopment make it difficult for the government, whether local or national – to deal with it. (NMBM LED Officer)*

Therefore, one can note that because poverty and inequalities manifest in copious ways, the government, with its limited resources, cannot tackle these problems effectively. Addressing the plight of the marginalised groups in society is thus a step towards becoming a responsible citizen. An official from the B-BBEE Commission also aired similar sentiments: *CSR should be about pursuing the development of the formerly marginalised groups in society. It must, however, be clear that not all corporate interventions amount to CSR...to be clear, CSR interventions have two main aspects as provided for by the Act (B-BBEE Act), the sustainability and longevity of such interventions. Food parcels and school shoe donations do not amount to CSR, although these are good corporate gestures.*

The B-BBEE Commission official revealed that genuine CSR is not a tick-box exercise but involves sustainable and long-lasting initiatives that engender development. In this regard, CSR is viewed as genuine when corporate activities target underdeveloped communities plagued by critical development needs compared to their more urban counterparts. This was corroborated in a focus group where a community member posited:

*Corporates must have an economic impact within communities. They must be involved in assisting the previously disadvantaged groups to become self-reliant. The involvement of companies must be such that they go to the root of addressing some of the challenges that our*

*communities face...remember, it is communities that house these corporates.* (Focus Group 3, Participant A)

The participant's response reveals that corporates have a role that goes beyond mere donations and philanthropy. The community member believed that corporates must address society's real problems and not just the consequences of a problem. The idea that CSR must be targeted towards the disadvantaged groups also speaks to the genuine community development that corporates must seek to make within communities. Another community member opined:

*Corporates, especially the large ones which operate in different countries, have a role to play in developing the communities where they operate. Corporates must help in freeing communities that are still reeling from the challenges that were created by the apartheid system...I am saying this because when you go to other countries this corporate responsibility is taken seriously, communities have real power to drive out immoral corporates which do participate as responsible citizens.* (Focus Group 1, Participant E)

The participant's viewpoint reveals the general sentiment was that corporates have to honour the operating space that communities extend by assisting underprivileged members of society. The participant believed that corporates have a role to undo some of the debilitating consequences of apartheid which are still extant in present-day communities.

The finding that participants in the study believed that corporates have a role in emancipating formerly marginalised groups if their CSR initiatives are to engender community development resonates with the arguments of Nyawuyanga (2015), who argues that corporates are, in some instances, more suited to deliver community development. The genuineness of a corporate's involvement in the quest for community development can thus be aligned to how much a corporate invests towards marginalised communities. This must, however, not be misconstrued with corporate philanthropy which focuses on meeting the immediate needs without an existential plan for longevity and sustainability (Kumari et al., 2021; Agudelo et al., 2019; Mensah, 2015; Idemudia, 2011). Additionally, the expectation for corporate involvement in undoing the plight of previously disadvantaged communities underlines the implicit contract among members of specific communities as contemplated by the ISCT (Malan, 2015; Donaldson & Dunfee, 2000). It is thus legitimate for different stakeholders to expect corporates to engender community development by emancipating previously disadvantaged groups.

### ***Provision of basic needs***

The study's findings further revealed that participants believed that corporates have a role in the provision of basic needs. Participants believed that in South Africa, corporates have a role to play in eradicating deprivation in areas such as nutrition, housing, health, education, etc., all of which are essential starting points for any development initiative. In this regard, a community member reasoned:

*When one considers the extremely high levels of inequalities in South Africa, it is only right for corporates to be involved at least in the provision of basic needs. It is a slap across the face for corporates to make millions of Rands – in fact, billions, yet fail to be responsible enough to cater for the needs of some citizens. The starting point is that since corporates claim to be responsible citizens, they must at least be involved in the provision of goods and services to the extent that they can...I am not saying they must use all their profits, but at least some of it will go a long way. (Focus Group 6, Participant E).*

The community member's contention is based on the view that while the government continues to falter with regards to community development, as responsible citizens corporates must step in to cover the void left by the government's inaction. These sentiments were corroborated by another community member who argued:

*Look here, we have some communities where some children do not have access to early childhood development centres because you have to pay for children to access these centres. But where does an unemployed and poor person get the money to take their children to a centre where learning can happen? Will that child grow up maybe with fewer chances than his/her peers who come from better circumstances? Corporates can assist by filling the void left by the government. (Focus Group 4, Participant C).*

The participant believed that corporates have a role to play in providing goods and services that the government has failed to provide for its citizens. This is fuelled by the understanding that corporates make huge profits which make them suited to meet developmental needs in South African communities. Another participant in the study also opined:

*As a corporate, we are concerned about both the immediate and future needs of our community. This means that we do not close our eyes to the immediate needs, but we try to meet them with an eye for the future. We think that it would be irresponsible of us to ignore the lack of access to food and poor educational outcomes in our community. I am saying this because education and nutrition have been some of the areas where we have been most active – building early childhood centres, refurbishing classrooms in schools etc... we have accepted this as part of our responsibility as business in society. (Corporate Representative)*

The preceding view emphasises that CSR does not entail the neglect of the immediate needs of communities in the pursuit of long-term developmental objectives. If anything, the two must be mutually reinforcing. To this end, an official cautioned:

*We are not against any help that comes from the corporate world because it all goes a long way in the quest for development in this region. However, what we are against is the tendency that we have seen over the years where corporates use their so-called giving back as a marketing tool. At the end of the day, we are talking about real communities which have real needs, it is only right that corporates do not misuse the privilege to operate in these communities. (NMBM LED Officer)*

It thus becomes apparent that the role of corporates in community development must be understood in line with the provision of basic needs of specific communities as opposed to window-dressed initiatives that are devoid of real developmental value.

The stakeholders' perceptions reveal that stakeholders believe that corporates have a genuine role in providing communities with basic needs. This is corroborated by Carroll (1979) who argues that the social responsibility of corporates involves the economic, legal, ethical and expectations of society on corporates at a given point in time. This understanding of CSR is premised on the legitimacy of the expectations of society on a corporate (Xu, 2021; Agudelo et al., 2019; Sen et al., 2016; Taylor, 2011). This is in line with the ISCT's first level of consent which informs CSR: the micro-social contract which refers to the specificities of the relationship between corporates and society (Donaldson & Dunfee, 1994). The increase of corporate presence in the developing world is both a risk and a potential benefit for the developing economies (Nyawuyanga, 2015; Mensah, 2015). As such, corporates are called upon to facilitate community development by meeting the basic needs of communities within which they operate because of the weak institutions which habitually fail communities (Rasche et al., 2017). This is because the responsibility is usually delegated to the private sector, which is usually better resourced to deal with these failures in the provision of social services (Venturelli, Fasiello & Pizzi, 2021; Rasche et al., 2017).

### ***Fostering self-sufficiency***

The study's findings also revealed that participants thought that corporates have a role in fostering self-sufficiency in communities as opposed to engendering a dependency syndrome. This speaks to aspects of the sustainability of community development initiatives. Participants pointed out that corporates must support self-sufficiency initiatives such as small businesses and projects that grant freedom to the recipients of such assistance. The rationale behind this drive is to assist local entrepreneurs with training and skills that help them set up their businesses so that they can move from seeking employment to creating employment. A case in point can be drawn from a participant who averred:

*The NMBM faces high levels of unemployment, which may be attributed to a decline in economic growth and activities. The government is failing to create jobs for all its people so it is critical for the private sector to invest in the communities from which they operate...this may involve setting up small businesses to build self-sufficiency.* (NMBM LED officer)

This understanding of the role of corporates reveals that all corporate interventions must shift from encouraging dependency by the targeted recipients to fostering self-sufficiency. Another participant furthered this viewpoint:

*Corporates have a real role when it comes to the reduction of poverty. Now you must understand that to drive out poverty, you must empower people, that is why they say you must teach a man how to fish instead of always giving him a fish. These communities do not enjoy*

*handouts, it has a form of dehumanising, especially when corporates make a show out of it, taking pictures of people receiving help. (Focus Group 2, Participant F)*

It is apparent from the preceding view that for some community members, corporates have to promote self-sufficiency in the communities within which they operate. In reducing poverty, corporates have a duty to empower communities sustainably. These sentiments were also aired by another participant who noted:

*When we talk about corporates contributing to community development, what we expect are long-lasting projects and economic upliftment. Areas like agriculture and business development come into play in this regard – initiatives that go beyond the cosmetics of involvement. This is the real responsibility of business towards society. (Focus Group 5, Participant C)*

One must note that notwithstanding the benefits of short-term initiatives that seek to plug gaps in the quest for development, corporates need to be more involved in longer-term initiatives. This role of fostering self-sufficiency was also underscored in the views of the corporate's representative who posited:

*From my view as an employee of a big corporate, it is only right for corporates to be involved in projects and programmes that transcend generations. I am of the belief that in the long term, it is to the advantage of the corporate that local communities be empowered and self-sufficient. We cannot operate a successful corporate amid widespread poverty – the community is supposed to be the first customers. So, if they are self-sufficient, then we too are happy because they buy our products. Business aside, the African philosophy of Ubuntu just does not allow us to go it alone – we are a community, and we help each other to prosper. (Corporate Representative)*

The participant's reference to "Ubuntu" refers to a philosophy that predicates collectivism, unity, and interdependence. This means that for the participant, corporates have a role to play in the many ills that buffet the general community.

The foregoing views contradict the perception that corporates are unable to engender development and reduce poverty in developing countries (Frynas, 2005; Idemudia, 2011). This is because, as has been demonstrated in the participants' views, corporates can indeed foster community development through varied initiatives which are aimed at enhancing livelihoods in poor communities (Agudelo et al., 2019; Maitland, 2017; Nyawuyanga, 2015; Srinivason, 2010). The emphasis on more permanent and long-lasting corporate interventions reveals a distrust for corporate philanthropy and initiatives which do not transcend compliance with laws that govern CSR in South Africa (Rasche et al., 2017; Mensah, 2015). This gives credence to the ISCT which acknowledges that by honouring the social contract, corporates can effectively engender community development (Donaldson & Dunfee, 1994; Matten & Moon, 2008). This social contract incorporates contractual and legal obligations and encompasses community-based expectations and responsibilities which are not necessarily mandatory (Malan, 2015). Thus, it is within the confines of a social contract for communities to expect corporates to facilitate self-sufficiency (Mensah, 2015).

### Conclusion and Recommendations

This paper sought to elicit the views of community members, selected local authorities and corporate representatives on the role of corporates in community development. The study reveals that participants understand that corporates have a role in the emancipation of formerly marginalised groups, providing basic needs in communities and fostering self-sufficiency in communities. These three elements thus reveal that corporates have the potential to engender community development and would therefore go a long way into alleviating communities from the consequences of underdevelopment. The study concludes that the influx of corporates in the developing world can engender community development if corporates are to honour their social contract. It however must be noted that literature appears to caution against an unregulated CSR environment.

The study, thus, recommends:

- that the current regulatory framework in South Africa be strengthened so as to deliver the expectations that communities have towards corporates.
- strengthening stakeholder interaction to enhance the communication of expectations from both sides of the development agenda.
- that regular assessment and evaluation of CSR initiatives in order to measure their impact on community development.

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