

Social responsibility



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Corporate Social Responsibility (CSR), with its origin in the 1920s, came into common use in the 1970s. However, public awareness of CSR grew with the coming into being of today much talked about Millennium Development Goals (MDGs), especially the role of organisations in helping alleviate poverty and hunger. This proposal covers in detail the concept of CSR in community development with the sole endeavour of establishing the local community's view of mutuality in the CSR initiatives. The study proposes to use a case of East African Breweries Limited (EABL) Gakoe Water of Life Project in Thika District of Central Province.

The study seeks to establish the community's view of the mutuality in the CSR initiatives. The study also seeks to find out the conceptualisation of the community and EABL in the ongoing Gakoe Project.

List of Acronyms

AMREF- African Medical and Research Foundation

CSR- Corporate Social Responsibility

EABL- East African Breweries Limited

MDGs- Millennium Development Goals

NGO- Non-Governmental Organisation

UN- United Nations

UNCRD- United Nations Centre for Regional Development

US- United States

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Corporate Social Responsibility (CSR) is the means by which a company justifies their existence in order to gain success by being concerned other people and the communities that surround them. Corporate Social Responsibility has the purpose of giving to the society as a whole, an impact that is positive which ensures that it is sustainable for quite some time (Bendell, 2005).

The corporate world increasingly engages in CSR for community development through the establishment of foundations. In Kenya, such foundations are the Chandaria Foundation, Barclays Bank Foundation, Aga-Khan Foundation, Ford Foundation, Jomo Kenyatta Foundation, Kenya Commercial Bank Foundation, Safaricom Foundation and East African Breweries Foundation, among others. The foundation support communities in the areas of environmental conservation and provides education, health, water and economic development. Many CSR initiatives in Kenya are run through projects covering areas such as education, water, health and human capacity development through training. A project will thus have the stages of identification, planning and designing, implementation, monitoring and evaluation. Monitoring and evaluation helps determine whether intended goals and objectives have been achieved.

The choice of EABL's Foundation is based on the fact that the Foundation was among the earliest established firms dealing with CSR in Kenya and believed to adopt several approaches to CSR. EABL aims at contributing actively to the needs of the society in which they operate across the region of East Africa, and leading the people. The company recognises that communities around it have a wide range of unsatisfied needs to which it can

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make contributions. EABL gives community support through its foundation, whose primary focus is to govern the Group's Corporate Citizenship investments through a commitment of 1% of EABL's post tax profits every year. The Foundation's CSR initiatives include water of life project, skills for life, environment conservation and emergency incidences that attract national attention. This study therefore sets out to find out the community's view of mutuality in CSR initiatives via a study of EABL's Water of Life project in Gakoe, Thika.

Through EABL Foundation, Gakoe community of Wepma, Thika District is benefiting from a Kshs four million water project. The water of life project facilitated by Africa Medical Research Foundation (AMREF) has provided about 20, 000 residents of the area with clean water. EABL partnered with AMREF to manage and facilitate the project. AMREF is said to have worked very closely with the local community on how to operate and maintain the wells for the future, a contention which the study endeavours to investigate. In the past, the community of Wepma has had very poor access to clean water. Many people particularly women, had to walk about six kilometres daily to collect water from the rivers and streams which were unprotected and open to pollution. With easy access to water, it was believed there would be more time for income-generating activities, farming and education. The general health of the community was also set to improve as water borne diseases such as typhoid, diarrhoea and amoebiosis decrease. Improved health, education and access to incomes to command other needs like food and good shelter constitutes the basic needs, hence adoption of Basic Needs Approach by the study in the later discussion.

Problem Statement

Corporate Social Responsibility has widely been used as a marketing strategy by the corporate world with the aim of increasing a firm's profits (Utting, 2005; Bendell et al, 2005; Cappellin and Giulian, 2004). Moreover, available literature shows that when split off from commodities and when done with the involvement of the local community, CSR can highly contribute to community development (U N, 1993; Bryame, 2003; Manokha, 2004; Utting, 2005). More often than not, it is the corporate's view of the initiatives that is known and thus the perception in the society. There are studies done at the macro-level focusing on what companies do to their shareholders, workers and activities touching on community, but assessment of whether such initiatives are done with the involvement of the local community, more so their view of the extent of mutuality in such CSR initiatives, is scanty. Hence, the study sets out to establish the community's view of mutuality in CSR initiatives through a case study of EABL's Water of Life Project in Gakoe, Thika.

Research Questions

As noted in the study background and problem statement, the gap identified in literature on CSR in community development is the lack of documented community views on such CSR initiatives. The study thus aims to answer the question, what is the community's view of mutuality in East African Breweries' CSR Gakoe Water of Life project? The following specific questions will help answer the main question:

What was the contribution of the community at the conceptualisation of EABL's Gakoe Water Project? What was the contribution of EABL at the conceptualisation of Gakoe Water Project? What was the contribution of the community in resource mobilisation for Gakoe Water Project? What was the contribution of EABL in resource mobilisation for Gakoe Water Project?

Significance of the study

In the past, scholars have expressed fears that only the corporate world's view, as the players in CSR, is known and understood. The study will help in addressing such fears amongst scholars in their scholarly works and contributions to policy-making. It will highly contribute to the understanding of local-level development, especially the role of local community in such development.

Recommendations of the study will be useful to policy-makers for better planning of companies' engagement in CSR initiatives. Knowing the community's view of their engagement by the companies will help companies adopt appropriate ways of engagements that help both the communities and the companies as well. The study will be useful to Non-Governmental Organisations (NGOS) and Community Based Organisations (CBOs) in designing community engagements in their various activities at local-level development.

This chapter gives an in-depth review of literature on corporate social responsibility; its origin and development, its prospects for community development, its theoretical underpinnings. It also gives an overview of the concepts community development, mutuality, and the theoretical framework

is discussed around three theories of Alternative Development, Community Participation and Basic Needs Approach.

Corporate Social Responsibility

The international CSR agenda is dominated by NGOs, investors, consumers, businesses and business associations. Newell (2001) and Alyson (2001) are categorical that any CSR initiative directed to a group of people ought to be designed and implemented with the involvement of that group of people.

The report usually concentrates on what companies call the non-financial activities which are deemed to be positive in nature. Such CSR initiatives are usually geared towards development of the local communities.

Theoretical Underpinnings of CSR

Stakeholder and governance theory suggests that modern business should no longer be pre-occupied exclusively with the interests of shareholders and relations with the state and trade unions, but must respond to the concerns of multiple stakeholders, including NGOs, consumers, environmentalists, and local communities.

CSR and Community Development

All of these CSR projects are established in Africa. Despite the growing claims on the part of firms about their corporate responsibility, general lack of attention to poorer communities outside regions and sectors in which CSR debate is grounded continues to exist (Newell, 2001). However, Newell notes that there are cases of positive practices amongst companies in relation to communities. In this project, with the help of the elders, traditional

knowledge was incorporated into the project. Formal agreements were signed between the company and local communities, and which included an Environmental Agreement, Socio-Economic Monitoring Agreement and Separate participation Agreements. Newell notes that there is need for a community-based corporate accountability dependent on participation and engagements with a community.

It is on this aspect of supporting community development that this study sets out to establish the potential of CSR for community development by analyzing East African Breweries' approaches to CSR, and more specifically, the Gakoe Water of Life Project in Thika.

Concept of Mutuality

According to Jordan (1986) mutuality is an arrangement in which individuals relate to one another based on an interest in each other as whole, complex people. Jordan argues that traditional psychoanalytic theory and object relations theory have emphasised a line of development marked by increasing internal structure, boundedness and use of the other as a need-gratifying “ object.”

In organisational relations, the study will consider the level of partnership between EABL and the community in terms of their contributions.

Community's contributions at each stage of the water project- conceptualisation, resource mobilisation and in the on-going operations- will be compared with that of EABL at the same stage. The community's view on the extent of partnership between EABL and the community on the various

activities in each stage will be sought. The extent will be as operationalised by the study: Not There, Less, Much, Very Much.

Theoretical Framework

The study will combine three different theories so as to achieve its ultimate goal. Each theory fills on the gaps of an earlier theory, hence combining to give best possible framework.

Development efforts that would benefit people most must be society-led or people-centred. Initiatives geared towards development in a local setting should have the locals themselves as the source of the ideas. There should be a need identified by the people themselves for an initiative to sound necessary. With identification of a need by the locals themselves, there is need for interventions from both within and without aimed at building on the people's capacity or empowering the locals through training to help them manage own initiatives. People are engaged in development activities driven by them or by outsiders like the government, NGOs and the private sector through a process of participation. The participation involves contributions by the people in terms of own-direct finances, local labour, and other local resources like land on which to locate the project or indigenous knowledge required in the planning, management and monitoring of the development activities. Participation by the intended beneficiaries of a development project influences the direction and execution of development projects. Such influence is often aimed at acquiring the basic necessities of the community participating, which for majority of the local people in developing countries include food, water, shelter, health services and education.