“Corporate social responsibility evolution in South Africa”

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Corporate social responsibility evolution in South Africa

Abstract

Corporate social responsibility (CSR) has come to the forefront of every stakeholder's thinking. Particularly, the recent global financial crisis has led to a remarkable debate to the corporate sectors about their role and responsibility towards the community and the society at large. On the other hand, the contribution of business firms, government, regulatory bodies and other organizations to the society is important to a greater extent for addressing socio-economic problems of a country. Thus, CSR is an important issue and its involvement by corporate sectors, government and other agencies in society are imperative. Hence, this study aims to gain a deep intuitive knowledge of their influence on CSR adoption in South Africa. The study is literature based. The findings reveal that much has been done in South Africa in terms of CSR regulations and development of CSR programs; addressing the social needs through CSR involvement by the government and private sectors, and spending a substantial amount on corporate social investment initiatives each year.

Keywords: CSR, CSR development, South Africa.
JEL Classification: Z10, M14, M19, L10.

Introduction

Due to social and economic gradual changes across the globe, business ethics and corporate social responsibility (CSR) issues are given high priority by the corporate sectors (De Felice et al., 2014). Companies are being urged to focus on CSR related issues such as environmental, economic, ethical and other social issues besides the financial aspects due to the fact that they are responsible for the impacts of their operational activities on the wider community. Moreover, it has been argued that CSR also derives from other factors such as government's inability to provide adequate social services, having different cultures within the society, and increase in pressures of globalization and international trade (Friedman et al., 2008; Jamali, 2008; Jamali and Mirshak, 2007; Njenga and Smit, 2007; Perrini et al., 2007, Van Rooyen, 2007). Thus, CSR is an important factor for socio-economic development and its involvement by the business firms and other various stakeholders are imperative.

South Africa is facing substantial socio-economic challenges and there is still a vast gap between rich and poor in South African society even after achieving its democracy in 1994 (The CSI Handbook, 2008). As a result, CSR became an important issue to the South African economy and the public at large (Csrtoday.org, 2011) to address the socio-economic problems of the country. Consequently, the contribution of business firms, government, regulatory bodies and other organizations to the society is important to a greater extent for addressing socio-economic problems of a country. Hence, this study aims to gain a deep intuitive knowledge of their influence on CSR adoption in South Africa. To address the social needs, the global famous and first democratically elected South African president Nelson Mandela stated that "government cannot by itself meet these socio-economic challenges. The private sector, non-governmental organizations and ordinary people have to make their contribution" (cited in The CSI Handbook, 2008, p. 33). In this respect, this study seeks to explore how CSR issues and approaches are addressed in South African context.

CSR literature has mainly been linked to developed economies. There has been relatively limited academic research on CSR in the developing world (Kamal and Deegan, 2013), particularly in the African continent (Hinson and Ndhlovu, 2011). This study seeks to fill this gap in the CSR literature by providing insights into discussion on the CSR motives in an African country's context (i.e. South Africa). As such, this study will contribute to better understanding of the context of CSR in South Africa.

Research methodology

This study applied qualitative approach and relied on secondary data. Content analysis is used to analyze the secondary data. To gather secondary data, multiple sources of data such as academic journals, news articles, state documents, corporate annual reports and several search engines (e.g. Google and Yahoo) are used.

In the sequel, the study provides a wide range of literature that documents a comprehensive overview of CSR development in South Africa. Here, CSR history including South African CSR history, CSR regulations in South Africa, CSR drivers in South Africa, CSR investment and CSR activities in South Africa are considered to underpin the study.

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1. An overview of CSR concept – from historical perspective

World Business Council for Sustainable Development (1998, p. 3) posits that "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large". The concept of CSR became popular in the early 1950s and CSR practice has increased over the years (Carroll, 2008; Papasolomou-Doukakis et al., 2005).

However, the concept of CSR has a long history and it has been generated from the norms of social responsibility when the emerging businesses, particularly in Great Britain and the United States of America, were concerned about the legal status of employment with respect to their employees in the late nineteenth century (Carroll, 2008). Wren (2005), a management historian, states that there were criticisms of the emerging factory system in Great Britain and United States of America in late 1800s regarding the employment of women and children. Besides the employees' concern, business people started thinking to engage in philanthropy (or corporate contributions) to support community in the late 1800s (Carroll, 2008). For example, in Great Britain during 1880s, a piano manufacturing company contributed its own business money to buy a land to build church, library, and schools for the employees (Wren, 2005). In 1875, a New York City based company, R.H. Macy Company, contributed funds to an orphan asylum (Healed, 1970). Philanthropy is one of the earliest forms of CSR (Healed, 1970) and played a significant role in the development of CSR in the late 1800s and early 1900s (Carroll, 2008). Healed (1970) suggested that new view of CSR began to emerge through philanthropy during the period 1918-1929.

With regard to the growing phenomenon of CSR concept, Carroll (2008) argues that there is no easy way to delimitate how the concept of CSR has been grown from a narrow to a broader perspective over the decades, particularly prior to the 1950s. It can be argued that CSR is a product of early 1950s (Carroll, 2008), it became popular during the latter half of the twentieth century (Shahin and Zairi, 2007) and subsequently it has become dominant in business reporting in the twenty-first century (Crowther and Aras, 2008).

However, it is clear from CSR trends that we all have a moral obligation or duty to act in a socially responsible manner (Shocker and Sethi, 1973, cited in O'Donovan, 2002, p. 344) though different countries have different priorities and values (Baker, 2009).

2. CSR history in South Africa

The social role of corporate activities in South Africa is mainly dominated by large enterprises (Ladzani and Seeletse, 2012). However, besides the corporate entities, the country's apartheid history plays a big role to drive CSR in South Africa (Fig, 2002). Since 1994, although poverty and inequality still remain high in South Africa, much has been done by the South African corporate sectors and its government with regard to the social development through radical transformation of country's economy and social involvement of business enterprises (The CSI Handbook, 2008). Mr Cyril Ramaphosa (The current Deputy President of the Republic of South Africa, 2014) said that:

Despite substantial progress in our New Democracy, the transformation of South African society and economic empowerment of all our people remain thorny and much debated issues (cited in The CSI Handbook, 2004, p. 14).

Historically, the CSR concept in South Africa was mainly dominated by the notion of corporate philanthropic responsibility, particularly pre-1994 (Ramlall, 2012). CSR initiatives in South Africa first mainly derived from the banking, mining and oil industries in the early 1970s (Fourie, 2005). The first "recorded" CSR case in South Africa can be found in 1972 when Meyer Feldberg (a professor of Business Administration at the University of Cape Town), delivered a lecture on 'Business profits and social responsibility' at the University of Cape Town (Fourie, 2005). Professor Meyer Feldberg argued that business leaders should "get involved in the communities in which they operate and sold products, or from which they drew employees" for the sustainability and prosperity (The CSI Handbook, 2004).

In the 1970s, business organizations recognized that the poor living conditions of the Black majority were seriously affecting the country's economic development. In this context, the "Urban Foundation," was established in 1976 (today called National Business Initiative, established in 1995) to set up a long term development goal for the improvement of the Black population (www.csr-weltweit.de, 2011). Until 1995, the foundation contributed 1.8 billion Rand for housing projects, completed many schools and trained more than 20 000 schoolteachers (Fourie, 2005).

The Sullivan Principles, during 1977, were launched in South Africa for American companies operating in South Africa (Fourie, 2005; Van-Den Ende, 2004). The Principles were launched in order to persuade American companies in South Africa to treat their African employees and American

employees equally (Van-Den Ende, 2004). Furthermore, according to the Sullivan Principles, American companies that invested in South Africa were required to contribute to community development from their profits. As a result, many big businesses in South Africa started establishing "trust funds" for contributing to social causes. For example, Anglo-American and De Beer's Chairman's Fund, the Gencor Development Fund, Gold Fields Foundation, the Liberty Foundation, and many other companies established such types of trust funds (Fourie, 2005).

To support the historically-disadvantaged population groups (Black, Coloured and Indian populations and some Chinese who were South African citizens by birth or who were naturalized during the apartheid period), the South African government introduced 'Black Economic Empowerment' (BEE). The government launched the BEE to encourage transformation in the economy and redress the inequalities of apartheid by providing socio-economic opportunities to historically disadvantaged groups, as the economic opportunities were hardly available to them during the apartheid era (www.econobee.co.za, 2012).

To promote CSR activities in South Africa, the BEE Act of 2003 was set up by the government. CSR programs are formalized through 'Corporate Social Investment' guidelines provided by BEE (www.csr-weltweit.de, 2011). BEE also refers to 'Broad Based Black Economic Empowerment' (BBBEE). The BBBEE Act 53 of 2003 became a law in January 2004 and "has placed BEE firmly on the corporate agenda" (Skinner and Mersham, 2008). Companies need to become BEE-compliant if they want to do any business with the government (www.econobee.co.za, 2012).

Visser (2008, p. 479) has stated that "CSR debates in Africa have historically been framed in terms of the ethics of colonialism and apartheid and the prevalence of corruption and fraud on the Africa continent". However, regarding CSR in South Africa, there is a substantial support from the companies (local and foreign) operating in the country including the government. CSR projects are carried out by most large and multinational companies and CSR activities are encouraged, in particular, by the following factors (www.csr-weltweit.de, 2011):

- The new constitution of 1994 and the reform of the legislature have brought social and environmental topics to the top of companies' agendas.
- The BEE Act of 2003, which specifies the advancement of historically-disadvantaged groups of the population, prescribes particular activities to companies for the more equal distribution of resources.
- South Africa's massive HIV/AIDS problem encourages companies' involvement in the health field.

It is worth noting that, in South Africa, firms generally prefer the term 'Corporate Social Investment' (CSI) instead of CSR (Fig, 2005). Furthermore, most CSR initiatives are conducted via CSI (Nxasana, 2010). Trialogue, the regular publisher of the Corporate Social Investment Handbook (CSI Handbook), found that most South African companies adopted the following key elements of strategic CSI programs to guide their CSI activities:

Key elements of strategic CSI programs adopted by companies
♦ Formalized approach/documented strategy
♦ Regular reporting
♦ Senior management/Board involvement
♦ Alignment with core business
♦ Working partnerships
♦ Dedicated CSI staff
♦ Dedicated CSI department/Foundation/Trust
♦ Regular stakeholder consultation
♦ Employee involvement
♦ Regular monitoring and measurement
♦ Replication of successful projects
♦ Development of best-practice guidelines
♦ Sharing of lessons and insights

Source: The CSI handbook (2006).

With regard to the integration of CSI programs within the company's structure and business objectives, the CSI handbook (2006) provides the following guidelines to follow:

CSI guidelines
♦ Align CSI with the business
♦ Select focus areas
♦ Understand the development context
♦ Consolidate the CSI function
♦ Integrate CSI into the business
♦ Encourage employee volunteerism
♦ Engage stakeholders
♦ Forge working partnerships
♦ Monitor and evaluate projects
♦ Replicate and scale up successful models
♦ Build knowledge-sharing mechanisms
♦ Report on CSI practice

Source: The CSI handbook (2006).

3. CSR regulations in South Africa

In order to be socially responsible, there are a range of CSR-related regulations in South Africa which have been introduced by South African government to encourage corporate sectors for CSR practices (Ramlall, 2012). The following are examples of CSR relevant laws in South Africa:

CSR-related laws in South Africa
♦ BBBEE Act 53 of 2003
♦ Mineral and Petroleum Resources Development Act 28 of 2002
♦ Promotion of Access to Information Act 2 of 2000
♦ Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000
♦ National Water Act 36 of 1998
♦ Employment Equity Act 55 of 1998
♦ Skills Development Act 97 of 1998
♦ National Environmental Management Act 107 of 1998
♦ Labor Relations Act 66 of 1995
♦ Occupational Health and Safety Act 85 of 1993
♦ Mine Health and Safety Act 29 of 1996

Source: www.csr-weltweit.de (2011).

1. Most prominent local regulatory framework

- Except for BEE and its specifications, there are no special laws that explicitly regulate CSR in South Africa. However, in addition to the BEE framework, South African mining companies are required to submit their environmental management plans to the government if they are not ISO 14100 certified (www.csr-weltweit.de, 2011).
- In 2000, the United Nations Global Compact local network was established in South Africa. This network is coordinated by the National Business Initiative and conducts seminars regarding long-term investments, anti-corruption and HIV/AIDS across the country (www.csr-weltweit.de, 2011).
- The South African King III Report on Corporate Governance, which is also recognized by international community, provides guidelines on how business should disclose their economic, social and environmental performance together with their financial results in annual reporting.
- As part of local regulation, the guidelines of JSE Listing Requirements and JSE SRI Index also play a major role in terms of CSR.

2. The international regulatory framework

Regarding CSR issues, South African companies are also influenced by a number of international codes, standards and agreements besides the local regulatory framework. The most prominent international regulatory frameworks that exist in South Africa are:

International Regulatory Frameworks in South Africa
♦ Universal declaration of Human Rights,
♦ International Labour Organization standards,
♦ International Organization for Standardisation (ISO) 9000, ISO 14000,
♦ Global Reporting Initiative Sustainability Reporting Guidelines,
♦ Sigma Guidelines,
♦ Dow Jones Sustainability Index,
♦ FTSE4GOOD Index,
♦ Accountability 1000 (AA 1000),
♦ Social Accountability 8000 (SA 8000)
♦ UN Global Compact

Source: Freemantle and Rockey (2004, p. 20).

4. CSR drivers in South Africa

Van-Den Ende (2004) has said that though there is no direct obligation in South Africa, corporate sector receives pressures from various groups for social development and environmental protection. In South Africa, the key CSR drivers are as follows:

- A significant driver of CSR is the JSE, which sets standards in the CSR sector for listed companies (csrtoday.org, 2011). The JSE launched the SRI Index in South Africa in May 2004 "in response to the burgeoning debate around sustainability globally and particularly in the South African context" (www.jse.co.za, 2012). One of the key objectives of SRI Index is to "identify those companies listed on the JSE that integrate the principles of the triple bottom line and good governance into their business activities" (JSE SRI Index, 2014, p. 2). There were a total of 72 JSE listed companies under SRI Index until 2013 (www.jse.co.za, 2015). The SRI Index measures companies' policies, management systems and performance, and reporting in relation to the three pillars of the triple bottom line (i.e. environmental, social and economic sustainability), as well as corporate governance practice (JSE SRI Index, 2014).
- Trade Unions are also a strong driving force of CSR in South Africa. They play a significant role with regard to labor law, working conditions, job allocation, employee benefits and HIV/AIDS medications distribution to employees (www.csr-weltweit.de, 2011).
- The state's role in terms of the direction of CSR in South Africa is broad because CSR pressure on South African companies comes mainly from political guidelines (csrtoday.org, 2011). This is done in order to "transform the economy" and "address the legacy of extreme inequality" (The CSI Handbook, 2008, p. 33). The government and politicians play a prominent role in social, economic and ecological development through the BEE campaign. As a result, CSR involvement of companies is very positive (www.csr-weltweit.de, 2011).
- Due to the experience from the legacy of the apartheid regime, BBBEE also plays a strong role in terms of socio-economic development. BBBEE demands of BBE companies to provide opportunities for historically disadvantaged groups in respect of job allocation, access to equity stakes and managerial positions. BEE enterprises follow the guidelines set out in the BBEEE framework and they are rated based on the BBBEE scorecard. For instance, the BBBEE scorecard awards enterprises five points for socio-economic development. The Codes of

Good Practice were gazetted on 9th February 2007 in order to work out a methodology of measuring the BEE elements of the scorecards (www.econobee.co.za, 2012).

- South African civil society organizations also have an influential voice regarding the environmental protection, equal opportunities and human rights. For instance, AfriForum, a prominent civil society organization in South Africa, adopted a civil rights charter to address freedom, equal rights and justice for all (www.afriforum.co.za, 2012a). AfriForum recently launched a community safety plan to activate communities against crime (www.afriforum.co.za, 2012b). Another civil society organization called 'South African Civil Society Committee' (C17) deals with climate issues for environmental protection (www.c17.org.za, 2012). There are more than 100,000 civil society organizations in South Africa (csrtoday.org, 2011, p. 1).
- Customers' views are also an important factor in South Africa. Many customers prefer to buy products from socially responsible companies. For example, according to a research study done by Institute for Corporate Citizenship (based in UNISA), it shows that 22% of South African customers have purchased goods of a company based on its CSR reputation (csrtoday.org, 2011, p. 2).
- The media/press also plays a key institutional role in South Africa by "providing avenues for stakeholders to exert pressure through political structures" (De Villiers and Alexander, 2011, p. 4). For example, media/press provides BEE-related information almost every day (csrtoday.org, 2011).

In the section to follow, this study deals with isomorphism pressures that emerge from various bodies and institutions to drive social issues in the country by addressing them. To gain further insight about isomorphism in South African context, three different types of isomorphism such as coercive, mimetic and normative are highlighted.

- **Coercive isomorphism pressures:** It stems from political influences and from threats to public legitimacy (DiMaggio and Powell, 1983). Coercive isomorphism refers to the pressures exerted on the companies for a course action. In order to advocate the pressures on the organizations which are dependent on, the pressures may be in the form of forces or invitations to join the collusion (Amran and Devi, 2008; DiMaggio and Powell, 1983). For example, COSATU (the Congress of South African Trade Unions), South African Civil Society Committee (C17) and the JSE SRI Index pressure government and organizations on social, economic and environmental issues. COSATU has recently organized a number of national protests across the country against the South African National Roads Agency (SANRAL) for starting the e-tolling systems for Gauteng's roads and warned of massive protest if the Gauteng e-tolling system were to be implemented. Many people around the country supported the protest. For example, more than 100, 000 workers and general public joined with the mass protest in Johannesburg on 7th March 2012. Gauteng is one of the nine provinces of South Africa that "generates nearly 38 percent of the total value of South Africa's economic activities" (www.fin24.com, 2012). The SANRAL improved and upgraded the road's network in Gauteng in order to improve economic activities in the Gauteng area that will significantly support the country's overall economy. SANRAL borrowed money for improving and upgrading the roads. As a result, the road users (the motorists) will be required to pay the toll fees. COSATU does not support the e-tolling systems and argues that it will be an additional financial burden on people to pay e-toll fees as public transport is inadequate. COSATU was launched in December 1985 and represents 33 unions with more than two million workers as members (www.cosatu.org.za, 2012). COSATU was one of the key negotiators during the transition in the early 1990s with the African National Congress (the ruling party of South Africa since 1994) and the South African Communist Party (De Villiers and Alexander, 2011). However, it is important to note that the South African government has implemented the Gauteng e-tolling system.

The South African Civil Society Committee (C17) pressures government and business organizations to deal with climate change, particularly for environmental protection. C17 was established in January 2011 to coordinate civil society activities during the seventeenth Conference of the Parties (COP17) that was held in Durban from 28 November 2011 to 9 December 2011 (www.c17.org.za, 2012).

All listed companies, according to the JSE SRI Index, are required to disclose CSR/Sustainability information in their annual reports or produce sustainability reports and integrate triple bottom lines across their business activities (www.jse.co.za, 2012; JSE SRI Index, 2014). Furthermore, one of the core indicators set out in the JSE SRI Index criteria is that a company should:

Identify and manage the broader impact of the company within the company's sphere of influence or where the company operates from a social, environmental, ethical and economic perspective, directly and indirectly (JSE SRI Index, 2014, p. 4).

- **Mimetic isomorphism pressures**: It appears when there is an uncertainty within the environment (Amran and Devi, 2008; DiMaggio and Powell, 1983). An organization may tend to model itself on other organizations in order to respond to the uncertainties emerging in the environment due to lack of proper guidelines and initiatives (Amran and Devi, 2008; DiMaggio and Powell, 1983). For example, the African National Congress Youth League (ANCYL) is pressurising government for expropriation of land without compensation and nationalization of mines and banks. In this case, government is not fully aware of the impact of its own actions on other parties who have occupied the land for many years and the impact on the country's economy should mining nationalization be done. The Youth League argues that "the post-democratic government has not done well in the transformation of the economy" (cited in Boyle, 2011, p. 1). The ANCYL works as an autonomous body within the overall structure of the African National Congress.
- **Normative isomorphism pressures**: Normative pressure derives from professionalization (DiMaggio and Powell, 1983). It has been observed that education and professional networks are the important sources of normative isomorphism (Amran and Devi, 2008; DiMaggio and Powell, 1983). Universities and training centres can create and develop the normative pressure by providing training and knowledge through the specialists (DiMaggio and Powell, 1983). For example, Base of the Pyramid (BoP learning lab, established by the University of Stellenbosch Business School in South Africa), the Institute for Corporate Citizenship (established by UNISA), the South African Institute of Directors and South African Institute of Chartered Accountants (SAICA) play an important role in providing continuous knowledge and guidance in terms of environmental issues, social development, corporate governance, corporate citizenship and ethics.

5. CSR investment in South Africa

Following the emergence of CSR trend globally, CSR investment in South Africa has also increased since 1994 (www.csr-weltweit.de, 2011). Finlay (2004, p. 1) stated that:

Socially responsible business has become the buzz-phrase in corporate circles – and companies in South Africa may have to reach beyond the chequebook philanthropy of the past if they want to walk the talk of sustainable business.

A survey shows that, in the United States, one dollar out of every nine goes for CSR investment and in South Africa only 1% of a R1.7 trillion investment industry goes towards social projects (Finlay, 2004). However, CSR projects in South Africa have developed through CSI initiatives and CSI expenditure by South African corporate sectors has grown remarkably over the years. Total CSR expenditure in South Africa amounted to 4.1 billion Rand in 2007/2008 (The CSI Handbook, 2008). In 2013, South Africa (including large companies and state-owned enterprises) spent 7.8 billion Rand on CSI projects, which was 13% higher than the previous year (The CSI Handbook, 2013).

6. CSR activities by South African companies

Major areas of CSR activity by South African companies are education, social and community development, health and HIV/AIDS, environment, food security and agriculture, entrepreneurship and small business support, job creation, training and skill development, sport development, arts and culture, housing and living conditions, and safety and security (The CSI Handbook, 2013). Table 1 below shows, as an example, the key focus areas of CSR activity and money spent on CSI initiatives by fifteen South African companies (large spenders on CSI) in 2012/2013.

Table 1. CSI profiles in South Africa – 2012/2013

Company	CSI spent 2012/2013 (Rand in million)	Key focus areas
Gold Fields	1 044.30	Education; infrastructure; health and wellbeing; environment
Anglo American	777.70	Health and welfare; education; infrastructure in mining communities
Woolworths Holdings	438.00	Food security; child safety; education
Sasol	332.20	Education; health and welfare; job creation; arts, culture and sports development; environment
Kumba Iron Ore	275.60	Education; health and welfare; skills development and capacity building; SMME development; infrastructure development; agriculture
Eskom	194.30	Education; health; enterprise development; environment; school infrastructure
Old Mutual	177.10	Enterprise development; skills capacity building; education; staff volunteerism

Table 1 (cont.). CSI profiles in South Africa – 2012/2013

Company	CSI spent 2012/2013 (Rand in million)	Key focus areas
Transnet Foundation	132.00	Health; education; sports; staff volunteerism
African Rainbow Minerals	126.00	Health; education; sporting events; community capacity building; arts and culture; job creation; infrastructure
Standard Bank Group	125.00	Education; enterprise development; health and wellness; employee community involvement
Nedbank Group	108.20	Education
Absa	91.50	Financial literacy, youth development; enterprise development
Impala Platinum Holdings	90.00	Infrastructure; health; education; community empowerment; poverty alleviation
First Rand Foundation (FNB, RMB, WesBANK, FirstRand Group)	85.00	Education, health, arts, culture and heritage, food security
Vodacom Group	83.00	Education; health; ICT

Source: The CSI Handbook (2013, pp. 62-64).

In conclusion, it is clear that much has been done in South Africa in terms of CSR regulations and development of CSR programs; addressing the social needs through CSR involvement by the government and private sectors, and spending a substantial amount on CSI initiatives each year.

Conclusions

Nowadays business organizations are not only an economic entity of a country, they are also considered as a "multifunctional entity" as they take into account environmental, ethical, political and other social issues in their business planning (Malgharani et al., 2015). It is clear that, besides the corporate level, CSR issues are also significant at the broader level of the country's economy as it also concerns other issues such as human rights, politics, justice, et cetera (Stancu and Crowther, 2014). CSR initiatives in South Africa first mainly derived from the banking, mining and oil industries in the early 1970s. The term 'Corporate Social Investment' (CSI) is more preferable then the term CSR by the South African corporate sectors (Fig, 2005) and most of the CSR projects are carried out in the name of CSI. Since 1994, although poverty and inequality still remain high in South Africa, much has been done by the South African corporate sectors and its government with regard to the social development through radical transformation of country's economy and social involvement of business enterprises (The CSI Handbook, 2008). There are a number of CSR related regulations that exist in South Africa. The key drivers of CSR in South Africa are Johannesburg Stock Exchange, Broad-Based Black Economic Empowerment, Congress of South African Trade Unions, civil society organizations, Base of the Pyramid (BoP Learning Lab), Institute for Corporate Citizenship, and South African Institute of Directors.

Due to the apartheid history of South Africa and in the light of greater social development and a prosperous society in the country, philanthropic contribution is sacrosanct. Thus, it is imperative that South African business sectors and government emphasize the philanthropic contributions to a great extent. Visser (2008) is of the view that philanthropic responsibility is the most direct way to develop communities in the developing countries. Furthermore, a well-developed CSR policy is necessary for South African companies for enforcing companies to address CSR issues adequately.

The main implication of this study is that, since South Africa is one of the leading economies on the continent and the country was under apartheid regime for centuries, companies in other African countries and international investors will also benefit from the findings of this study. Consequently, South Africa can take a lead in CSR activities and practices which can have a significant positive impact on the African continent. With CSR becoming an integral part of business around the world and South Africa playing a significant role in global economic affairs, this study will assist international investors to know how CSR issues have been addressed in South Africa. This study includes contributions pertaining to CSR motives, issues and activities in South African context.

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