



Are companies giving enough attention to their CSI initiatives?

# Business smarts

**south african** corporates spent almost R8 billion on corporate social investment (CSI) last year, an increase of R6 billion in just 10 years.

This emerged earlier this year when Tshikululu Social Investment presented results of research it had done into what motivated companies to undertake corporate social investment. They showed that social responsibility programmes were generally seen as an extension of a company's values and culture and a means of demonstrating their commitment to the development of South Africa.

*CSI spend has increased by R6 billion in the last 10 years*

Yet, while many companies started their CSI programmes long before government or industry regulations demanded that they do, monitoring and tracking systems are often faulty or non-existent. The result is – predictably – that the money spent will not always necessarily translate into concrete examples of improved lives. Or at least, not as many improved lives as are necessary to build a solid, hardy society which is

not plagued by, as Tshikululu Social Investment CEO Tracey Henry called it, “the triple dilemma of poverty, unemployment and inequality.”

Neil Robinson, chief operating officer of Relate Bracelets, a 100% not-for-profit social enterprise, says he is concerned about the fact that corporates are spending such large and important sums of money while, on the other hand, not-for-profit organisations are reporting earnings of up to 40% less than previously. “It is an appalling thought that even some of the almost R8 billion spent on social development last year could have been frittered away because there was not enough strategic thinking and implementation around where big business is spending their money. Whether their motives are purely moral, or a combination of moral and legislative imperative, not a cent should be going to waste,” says Robinson.

## Checks and balances

Legislation requires that corporates donate 1% of their net profit after tax to social-economic development investment. Many big companies are rigorous about