



A public–private partnership between the public and mining sector to improve the design and implementation of Corporate Social Responsibility (CSR): The case of Lejweleputswa District in the Free State Province

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DEDICATION

This thesis is dedicated to my mother

Ms Julia Mahlatsi

&

*the late Prof Freek Cronjé: (25.08.1962 -
01.04.2016)*

DECLARATION

I, **LESABANE AUDREY MOALUSI**, hereby declare that this study, “A public–private partnership between the public and mining sectors to improve the design and implementation of corporate social responsibility (CSR): The case of Lejweleputswa District in the Free State Province,” is my own original work and that all sources used or quoted have been accurately reported and acknowledged by means of complete references, and that this thesis has not been previously in its entirety or partially submitted by me or any other person for degree purposes at this, or at any other University.

L.A MOALUSI

A handwritten signature in black ink, appearing to read 'Moalusi', written in a cursive style.

Signature

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Jeremiah 29: 11 “For I know the plans I have for you,” declares the LORD, “plans to prosper you and not to harm you, plans to give you hope and a future.”

Thank You Jesus.

ABSTRACT

Corporate social responsibility (CSR) has become increasingly important in conceptualising the involvement of both the public sector and private companies in resolving societal problems. The practical problem with which this study is concerned is made up of social and environmental issues relating to mines and how CSR may, or may not, address them. The current state of CSR implementation by both public and private sectors seems to be wanting. The implementation of CSR in South Africa in the past has been the responsibility of the private sector, while the public sector as a partner has played a minor role. Mining companies operating in the Free State Province have in the past been involved in some form of CSR that was not integrated into municipal Integrated Development Plans (IDPs) or other spheres of government planning.

The public sector is battling to render services to the communities adjacent to mines and thus is unable to address all the social problems experienced by those communities. Furthermore, the legislative framework in South Africa has not articulated the role and contribution of the public sector clearly with regard to CSR. What is thus crucial for this study is to suggest how public–private partnerships between mining and government can be established to secure effective CSR programmes. The purpose of this thesis is therefore to explore how CSR can be better implemented through Public Private Partnerships (PPPs).

Different studies from the extant literature on CSR have looked at the importance of CSR and how it relates to both government and civil society. The argument for this study is that CSR needs to be better articulated with public sector plans and activities. According to Perrini (2006:305), CSR has acquired an unquestionably high degree of relevance for a large number of different actors and this has led to the development of a wide range of knowledge and best practices. Previous research on the design and implementation of CSR has argued that partnerships between different stakeholders have contributed towards good business. However, issues pertaining to CSR and partnership within a business environment have been a matter of serious concern because of the limited role played by the public sector.

The gap in the literature – what we do not know – concerns how CSR has been integrated into development plans at various levels in the public sector, including the mining context. One possibility is that we do not yet know how to implement better integration between CSR and the public sector. While the South African government has introduced policies on how business should implement CSR, in most cases, these policies get no further than office desks and their implementation is neither monitored nor evaluated. The research question on which this study is based is therefore: “How can a public and private sector partnership help to develop effective CSR practices in the Lejweleputswa District in the Free State Province?”

The motivation for this research was to understand how a PPP could improve the design and implementation of CSR between the public sector and the mining houses. Data was therefore collected to respond to the research question that tries to investigate how private CSR activities are integrated, or not, with public sector plans and activities, and how this integration might be improved. An overview of the research design and qualitative research methods is presented. The study employed a questionnaire involving 5-point Likert scale questions, semi-structured individual interviews and focus group interviews, involving managers of national, provincial and local government and mining companies, as well local communities within the Lejweleputswa district.

The study's key finding is that CSR and other related programmes as listed in the Social Labour Plans of mining companies are not linked with the Integrated Development Plan (IDP) processes nor appear in related documentation. The study revealed that the initiatives of public and private sectors are not well integrated and coordinated. The results also highlighted that CSR initiatives get less than their due support from both public and private sectors, as reflected in the limited resources allocated.

The contribution of this study to current research on CSR is to offer a better understanding of how CSR can be implemented through PPPs. The study sheds light on the practical planning processes that should be communicated thoroughly by all role-players and stakeholders (together referred to as actors), and not confined to a boardroom agenda. Secondly, the study contributes to addressing the gap in the literature about how to implement CSR through PPPs, involving thorough-going partnerships between mining and the public sector. Thirdly, the study places particular emphasis on the development of a specific model for the implementation of CSR through PPPs to address community issues. The Lejweleputswa District CSR Implementation Model emphasises that all planning processes play a crucial role in how CSR can be effectively, efficiently and economically implemented.

Key words: Community; Corporate Social Responsibility (CSR); Government; Mining Sector; Private Sector; Public Sector institutions Public-Private Partnership; Stakeholders.

ABBREVIATIONS

The following abbreviations are used in this thesis:

AIDS	Acquired immune deficiency syndrome
ACGN	African Corporate Governance Network
ANC	African National Congress
APRM	African Peer Review Mechanism
B-BBEE	Broad-based black economic empowerment
BOO	build, own, operate
BOT	build, operate, transfer
BRIC	Brazil, Russia, India & China
BRICS	Brazil, Russia, India, China & South Africa
BTO	build, transfer, operate
CAQDAS	Computer-Assisted Qualitative Data Analysis Software
CED	Committee for Economic Development
CIDA	Canadian International Development Agency
CSI	Corporate Social Investment
CSP	Corporate Social Performance
CSR	Corporate Social Responsibility
CSR1	corporate social responsibility
CSR2	corporate social responsiveness
CSR3	corporate social rectitude
CSR4	corporate global citizenship
DFID	Department for International Development (UK)
DMR	Department of Mineral Resources
EEA	Employment Equity Act, 66 of 1995
EC	European Commission
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FS	Free State province
GRI	Global reporting initiative
GSP	Global Sullivan principles
HIV	Human immunodeficiency virus
HDSA	Historically disadvantaged South African
ICC	International Chamber of Commerce
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations Framework Act, 13 of 2005

ILO	International Labour Organisation
IMF	International Monetary Fund
IoDSA	Institute of Directors Southern Africa
ISO 14000	International Standards Organisation's standard for environmental management system
JET	Joint Education Trust
KING CODE	King Report on Corporate Governance, a code of corporate governance issued by the King Committee on Corporate Governance, and last updated 2016 (King IV)
LED	Local Economic Development
LRA	Labour Relations Act, 66 of 1995
MDGs	Millennium Development Goals
MNC	Multinational companies
MFMA	Local Government Municipal Finance Management Act, 56 of 2003
MHS	Mining Health and Safety Act, 29 of 1996
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002
NDP	National Development Plan
NEMA	National Environmental Management Act, 107 of 1998
NEPAD	New Partnership for Africa's Development framework
NGOs	Non-governmental organisations
NIE	New Institutional Economics
NPM	New Public Management theory
NSDP	National Spatial Development Perspective
NWA	National Water Act, 36 of 1998
NWU	North-West University
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety Act, 85 of 1993
PA	public administration
PAIA	Promotion of Access to Information Act, 2 of 2000
PAM	public administration and management
PFMA	Public Finance Management Act, 1 of 1999
PGDS	Provincial growth and development strategies
PPP	Public Private Partnership
PSDF	Provincial Spatial Development Framework (FS)
RDP	Reconstruction and Development Act, 7 of 1994
Rio + 10	World Summit on Sustainable Development held in Rio, Brazil 2010
RSPP	Russian Union of Industrial Entrepreneurs

SAMI	South African Mineral Industry Report
SDGs	Sustainable development goals
SER	Sociaal-Economische Raad (Dutch Social & Economic Council)
SGL	Sibanye Gold Limited
SLP	Social labour plan
SPAID	Support Programme for Accelerated Infrastructure Development
SRI	Socially responsible investment
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNECA	United Nations Economic Commission for Africa
UNPRI	United Nations Principles for Responsible Investment
USAID	United States Agency for International Development
WBCSD	World Business Council for Sustainable Development
WSSD	World Summit on Sustainable Development

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CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

Corporate social responsibility (CSR) as a concept has evolved to highlight private companies' conduct towards resolving societal problems and their contribution to sustainable development. However, recent studies and debates have suggested that CSR design and implementation processes remain largely unexplored (Maon, Lindgreen, & Swaen, 2009).

CSR programmes address a wide array of social and environmental issues, from human rights and working conditions to climate change and greenhouse gas emissions. CSR has been described as the activity of integrating social and environmental concerns into business routines on a voluntary basis. According to the Bench Marks Foundation's Policy Gap 6 Report (Bench Marks Foundation, 2012), the failure to base CSR programmes and concrete investments on the actual needs of communities, has led to numerous failed investments. Previous studies have shown that international development agencies like the United States Agency for International Development (USAID), United Nations Global Compact (2013a; 2013b), the UK's Department for International Development (DFID), the World Bank, and European Commission (EC), have embraced the CSR concept to improve societal ills within their area of operations. It has been argued that to attain sustainable development in most developing countries, CSR could be the most appropriate tool.

Lange and Kolstad (2012:135) maintain that one aspect of CSR is corporate community involvement, that is, addressing the interests and concerns of members of the local community in which a corporation operates. In order to understand the role that the public sector plays in CSR, it is important to consider the research conducted on behalf of the World Bank by Fox, Ward and Howard (2002). According to Fox et al. (2002:3), the role of the public sector in strengthening CSR ensures that the finances accrued through investments reach the poorest of the people and that public-sector agencies play a crucial role in providing an "enabling environment" for CSR.

Fox, *et al.* (2002:3) maintain that public sector engagement has been classified along two axes. The first axis identifies four key public-sector roles: mandating, which means that the public sector defines the minimum standards through which business performance is embedded within the legal framework; facilitating, which means that public sector agencies incentivise companies to engage with the CSR agenda; partnering, which means the public sector works with the private sector and civil society to tackle social and environmental problems; and endorsing,

which means the public sector is able to offer political support and endorsement of the concept of CSR initiatives.

Fox, *et al.* (2002:7-16) argue that the second axis reflects public sector activities under ten key themes of the CSR agenda: setting and ensuring compliance with minimum standards; public policy role of business; corporate governance; responsible investment; philanthropy and community development; stakeholder engagement and representation; pro-CSR production and consumption; pro-CSR certification: “beyond compliance” standards and management systems; pro-CSR reporting and transparency; and multilateral processes, guidelines and conventions.

As far as the implementation of CSR in Africa is concerned, previous studies have indicated that as more and more of the large multinational companies expand their businesses on the continent, the activities of CSR have gained momentum. Visser (2008a) points out that the practice of CSR in Africa and other developing nations is less formalised than in developed countries; according to him, CSR is linked to traditional communitarian values and religious concepts, for example, African humanism (*ubuntu*) in South Africa, co-existence (*kyosei*) in Japan and a harmonious society (*xiaokang*) in China.

The mining sector has played an active role in the economy of South Africa and elsewhere in Africa for approximately 140 years. Wentzel (2003) notes that during the latter half of the nineteenth century, the discovery of diamonds and gold, coupled with accompanying industrialisation, lured thousands of migrant labourers from the southern African region to the mining and industrial centres of South Africa. Most commentators agree that the activities of the mining houses in South Africa were inextricably linked with colonial and subsequently apartheid policies, and were especially fuelled by the migrant labour system (Hamann, 2004:279).

After 1994, significant changes in terms of legislation across all sectors emerged in South Africa. Different industry charters, for example the Mining Charter, were also the order of the day. According to the Mining Charter Impact Assessment Report (2009), the South African government, like many other governments globally endowed with abundant mineral resources, has developed market-driven policies to accelerate the pace of the transformation of the mining sector. The South African Minerals Industry Report (SAMI) (South Africa. Department of Mineral Resources, 2006) acknowledges that the mining industry in South Africa – which is largely supported by gold, diamond, coal and platinum production – has made an important contribution to the South African economy.

In a study conducted within the communities of the Platinum Belt, the Bench Marks Foundation (2012:126) found a persistent problem of neglect in respect of fair, transparent and honest engagement by companies with communities regarding their needs and aspirations. The Bench

Marks Foundation's recommendations to government in its Policy Gap 6 review (2012:124) are that government should ensure that mining communities be included and represented in all decision-making processes that affect their livelihood. On the other hand, it is essential for the private sector to take cognisance of these requirements when designing CSR programmes.

Hamann (2004:280) argues that since South Africa's transition to democracy, two important categories of institutional change have taken place, with implications for the evolving CSR debate in the country's mining industry. First, the South African government has been able to put in place policies on how CSR business should be conducted. However, in most cases, the implementation of these policies has not been pursued, monitored or evaluated. To some extent, this state of affairs has strongly underscored the importance of CSR over the last couple of years, as communities have demanded action in this regard. In the second instance, some South African private companies have taken the route of designing and implementing CSR programmes as part of their vision, while others have been guided and/or obliged to do so by new legislation since 1994, as well as by international policies. Dawkins and Ngunjiri (2008:287) maintain that South Africa is the leading economy for sub-Saharan Africa – despite officially being pushed into the second place on the continent by Nigeria in 2015 – and argue that its economy is a good example for other countries to emulate.

In order to show the importance of implementing CSR and how it links up with quite a number of public sector development frameworks and policies, it is necessary first to understand why planning and development are such important processes in managing any type of development affecting the environment. Recent urban studies debates have suggested that development and planning policy should return to normative social justice theory as a guide to planning practice and not focus primarily on economic gain (Smith, 1994). It is therefore very important that planning processes in all spheres of government are linked with company CSR programmes aimed at the development of communities, and that development is the central focus of future programmes.

The coordination between the three spheres of government in South Africa came about through the Inter-Governmental Relations Framework Act 13 of 2005, which provided for the creation of structures and institutions to facilitate inter-governmental cooperation and coordination. Planning at both provincial and local spheres of government became a priority for the government, and this resulted in Provincial Growth and Development Strategies (PGDS) and the development of Integrated Development Plans (IDPs) by municipalities.

From 2005, planning processes sought to align all the programmes designed and implemented on behalf of communities, including CSR, in future development at both local and regional level. During 2012 the South African Cabinet approved the National Development Plan (NDP) which

offers a long-term perspective as well as an indication of the role that different sectors of society need to play in reaching the goals envisaged in that perspective (South Africa National Planning Commission, 2011). According to the NDP, government must create conditions and an environment for public and private investment in CSR to address the socio-economic as well as environmental issues affecting communities. For the public sector to realise its role in the design and implementation of CSR initiatives, there needs to be proper communication to harness the relationships between the two sectors.

The legislative framework in the South African context is clear on what is expected of the private sector with regard to CSR, but it does not articulate in sufficient detail the role and contribution of the public sector. Various studies have looked at the importance of CSR and how it relates to both government and civil society (Steurer, 2010). The results from these studies suggest that governments can play a crucial role in advancing both sustainable development and CSR. The role that Public–Private Partnership (PPP) should play in promoting CSR in South Africa has not been very effectively promoted and remains hardly visible. What is also evident from the research is that CSR has not been integrated adequately into the development plans at different levels of the public sector, including the mining context.

Partnership is viewed as a particularly important solution to the many developmental challenges the world faces today (Christiansen, 2013; Deva, 2006; McQuaid (2010:127; Seitanidi & Crane, 2009). Previous research studies on the concept of CSR show that a wide array of literature exists that has explored the role of Public–Private Partnership in the implementation of CSR. Fox, *et al.* (2002), the European Commission (2007), Steurer (2010), and Russo and Perrini (2010) have all investigated the role played by the public sector in CSR and suggested how public policy could be enhanced. Moreover, according to McQuaid (2010:127), across and beyond the EU, policy makers are turning to new forms of partnership by including a wider range of role-players and stakeholders in the design, planning and delivery of public policies.

McQuaid (2010:127) argues that partnerships differ according to circumstances, and that it is important to be able to identify and choose the appropriate type. As Selsky and Parker (2005:850-851) observe, partnerships differ greatly in size, scope, and purpose. They note that businesses are encouraged to partner with both non-governmental organisations (NGOs) and governments to provide benefits and services in a more transparent manner. It has been suggested that there are five dimensions through which the concept of partnership can be better understood (McQuaid, 2000:13):

- first, the purpose of the partnership and whether it is strategic or project driven;
- second, the people or organisations involved, and the structure of their relationship(s);

- third, the timing of the partnership as well as its stages of development over time;
- fourth, the space or geographic area in which it operates or will operate and fifth, the implementation of the partnership.

All these dimensions will have an impact on the effective and efficient implementation of the partnership in the long run. Accordingly, if stakeholders wish their partnership to succeed, they need to ensure that they address the five dimensions mentioned above.

McQuaid (2010:4) distinguishes three forms of partnership in the area of social inclusion policy:

- *facilitating partnerships*, which manage long-standing and strategic policy issues;
- *co-ordinating partnerships*, concerned with the management and implementation of policies based on agreed priorities; and
- *implementing partnerships*, concerned with specific and mutually beneficial projects.

The relationship among the different partners as well as the form of partnership the stakeholders choose will influence how viable the partnership will be in the design and implementation of CSR.

Partnerships between different stakeholders play a crucial role in addressing developmental initiatives during the implementation of CSR. McQuaid (2010:3), defines a private–public partnership as “any action which relies on the agreement of actors in the public and private sectors and which also contributes in some way to improving the urban economy and the quality of life.” Given the breadth of the notion, Nijhof, De Bruijn and Honders (2008:153) argue that CSR can only be fully developed in partnerships in which new roles can be explored. It is through CSR that the private sector can live up to the expectations of stakeholders and respond to their demands.

Nijhof, *et al.* (2008:163) emphasise that although partnerships between different stakeholders might result in societal benefits, it is important to keep in mind that CSR issues differ from one stakeholder to another. However, Mirafteb (2004:90) warns that when the private sector becomes involved in partnerships with the public sector and impoverished communities, it tends to ignore the interests of the community and assume control of all ensuing processes. Notably, this means that the interests of the private sector continue to lie in maintaining their financial position and profits, while the community remains poverty-stricken and unable to challenge any decisions taken on their behalf.

Martimort and Pouyet (2008:393) thus argue that one of the most intriguing issues in modern industrial organisation consists of outlining the division of labour between the public and private sectors. According to these authors, decision makers must advocate partnerships between the public and the private sectors capable of providing major services and public goods to the general public. Consequently, as the various stakeholders continue to interact, it is important that the partnership formed should assist in improving the design and implementation of CSR. Moreover, Teisman and Klijn (2002:198) argue that partnerships, and public–private partnerships in particular, should be seen as new schemes of governance that involve interdependencies between all kinds of societal actors. CSR through public–private partnerships should aim to provide a lasting solution to issues affecting local communities.

Partnerships have become increasingly popular and widely adopted as a productive way for corporations and communities to work together to address complex social and environmental problems (Christiansen, 2013:48). The implementation of CSR initiatives through partnership increases the range of support that stakeholders can offer to communities. According to Hamann (2004:278), the quest for a win–win solution in which CSR business objectives are achieved in tandem with those of other stakeholders is indeed epitomised in the concept of partnership. While Warner and Sullivan (2004:12) note that the concept of partnership has been wholeheartedly embraced, they caution that little consideration has been given to what it means in practice as well as how it might be implemented successfully.

According to these authors, partnership involves the combining of resources, competences, capacity and expertise, thereby achieving outcomes that add value to the sustainable development of local communities. This means that effective partnership between the various stakeholders in the implementation of CSR will result in better co-ordinated development programmes. Warner and Sullivan (2004:19) depict the role that each of the sectors can play, in the Table reproduced as Table 1.1, below.

Table 1.1: Roles of different sectors

Government authorities	Oil, Gas and Mining companies	Civil society organisations
<ul style="list-style-type: none"> • Provide strategic coordination through local development plans • Provide new decentralised powers (to regional and local governments) • Give access to budgets for providing public services • Play a role as a broker or capacity builder 	<ul style="list-style-type: none"> • Provide employment • Share knowledge of procurement and supply chain management • Build local infrastructure • Provide capital equipment, technical skills and logistics management • Have a performance-led work ethic • Give access to best international practices • Have a capacity for advocacy 	<ul style="list-style-type: none"> • Have local knowledge • Have the capacity to mobilise community participation, tools and methods to ensure relevance to local need • Offer independent monitoring

(Source: Warner & Sullivan, 2004:19)

The continuing decline of the mining industry in South Africa and the absence of an alternative employment sector inhibit the emergence of much-needed development. Currently in the Lejweleputswa District of the Free State, two mining houses are operational, Harmony and Sibanye Gold Limited (in 2012 the unbundling of Sibanye from Gold Fields Limited was completed). Both mining houses are involved in some form of CSR that is not well coordinated by the public sector, and in particular, by local municipalities. The background provided above has tried to highlight the challenges faced by the public and private sectors, as well as by civil society, in the implementation of CSR. A well-coordinated CSR and developmental approach must be founded on a model that defines the roles that each stakeholder has to play to achieve the agreed objectives. This research examines the impact of public-private partnerships in the implementation of CSR and develops a model to advance better-coordinated CSR in the mining context.

1.2 Problem statement

The implementation of CSR in South Africa in the past has been the responsibility of the private sector, while the public sector has played a minor role. To exacerbate the situation, the implementation and monitoring of CSR policies on the part of the public sector (government at all spheres) are problematic owing to a lack of integration of plans. Policy development by the public sector within the South African context has also not been clear on how the two sectors

might establish better and more coordinated CSR programmes between them. This results in the haphazard implementation of policies. Indeed, Hamann (2003b:237) asserts that the role of mining in sustainable CSR development should be under scrutiny by government, but this is currently non-existent or ineffective. NGOs perceive mining companies as acting irresponsibly with regard to the needs of communities and the environment, and this brings them into conflict with mining companies and government. What was therefore crucial for this study was to indicate how public–private partnerships between mining and government can be established and implemented to secure effective CSR programmes.

Mining has been carried out for many years in the Free State Province, its impact (positive or negative) varying from one area to another. In the past, CSR development was visible: it included the construction of houses for mining employees and schools for their children, as well as other social amenities. What is different in the present era is that there is less social development expenditure forthcoming from the mining sector. Mining employees are facing challenges ranging from unemployment, poverty, eviction from their houses (since they are unable to service home loans), to an increase in HIV/Aids. The public sector is battling to render services to the communities adjacent to the mines in the study area and is unable to address all the social problems being experienced by communities. If the mining sector, through its CSR programmes, had worked in partnership with the public sector, some of the challenges mentioned above could have been addressed. An essential feature of the partnership between the public and private sector in implementing CSR is its ability to involve all stakeholders to address the social, economic and environmental facets of life in mining communities. Therefore, the specific problem that this study investigated was: ***To determine how a public and private sector partnership in terms of the design and implementation of CSR can help to develop effective CSR practices in the Lejweleputswa District in the Free State Province.***

1.3 Research questions

Based on the background (Section 1) and Problem Statement (Section 2), above, the primary research question of the study is:

How can a public and private sector partnerships in terms of the design and implementation of CSR help to develop effective CSR practices in the Lejweleputswa District in the Free State Province?

The following secondary questions have been formulated to address the primary research question with greater specificity:

RQ1: How are the phenomena of CSR and PPP defined in the literature?

RQ2: What are the theoretical foundations of CSR and of PPP?

RQ3: What are the current government guidelines, legislation, and policies in South Africa on the implementation of CSR? RQ4: How will a PPP between government and the mining industry improve CSR in general?

RQ5: What model can be developed for Lejweleputswa District, Free State province, to secure the effective implementation of CSR programmes in the mining sector

1.4 Research objectives

The **primary objective** of this study is to:

Determine how a public and private sector partnerships in terms of the design and implementation of CSR can help to develop effective CSR practices in the Lejweleputswa District in the Free State Province.

The secondary objectives of the study are to:

RO1: Define CSR and PPP from the literature;

RO2: Determine the different theories that form the foundation of CSR, with a focus on PPP;

RO3: Assess the current government guidelines, legislation, and policies in South Africa for the implementation of CSR;

RO4: Determine how PPP between government and the mining sector can improve CSR; and

RO5: Develop a model for the Lejweleputswa District, Free State Province, to secure the effective implementation of CSR programmes in the mining sector.

1.5 Central theoretical argument

As already indicated, the purpose of this study is to explore the role of PPP in the implementation of CSR programmes as these relate to mining houses. According to Perrini (2006:305), CSR has acquired an unquestionably high degree of relevance for a large number of different actors and this has led to the development of a wide range of knowledge and best practices. Jamali and Mirshak (2007:244) argue that the fundamental idea of CSR is the obligation to work towards meeting the needs of a wider array of stakeholders. According to these authors, CSR is a set of management practices that ensures the company maximises the positive impacts of its operations on society or “operating in a manner that meets and even

exceeds the legal, ethical, commercial and public expectations that society has of business” (Jamali & Mirshak, 2007:244).

According to Russo and Perrini (2010:207), although the concept of CSR has been widely investigated, a generally accepted theoretical framework does not yet exist. Nijhof, *et al.* (2008:153) argue that what is central to CSR is that different stakeholders assume various roles that need to be brought together in a partnership, in order to achieve specified objectives. And indeed, companies are increasingly engaging in partnerships with public and civil society organisations to tackle social problems that exceed the coping capacities of individual sectors (Stadtler, 2011:86). At the World Summit on Sustainable Development (WSSD) held in Johannesburg in South Africa in 2002, a significant number of commitments were made towards sustainable development, and one such recommendation was to place the corporate sector at the centre of international efforts to reduce poverty and by contributing to new social partnerships (Warner & Sullivan, 2004:12).

1.5.1 Theoretical approaches to CSR and PPP

1.5.1.1 Corporate social responsibility theories

Over the past years, a growing body of research on CSR has revealed several theoretical approaches to the study of CSR and PPP. According to Garriga and Melé (2004:51), the CSR field presents not only a landscape of theories, but also a proliferation of approaches that are controversial, complex and unclear. Garriga and Melé (2004:52) nevertheless classify these theories into four groups:

1.5.1.1.1 Instrumental theories

According to Garriga and Melé (2004:53), this theory examines how business recognises social demands because it depends on society for its existence, continuity and growth. Generally speaking, this theory deals with the economic aspects of interactions between business and society, provided they are consistent with wealth creation.

1.5.1.1.2 Political theories

The second theory, according to Garriga and Melé (2004:56), is a political theory that emphasises that the social power of a corporation is a function of its relationship to society and political power. This relationship induces the corporation to accept social duties and obligations, or to participate in certain kinds of social cooperation.

1.5.1.1.3 Integrative theories

This perspective focuses on how business integrates into its operations social demands, which are generally considered the way in which society interacts with business. Again, this happens because business recognises that it depends on society for its continuity and growth. Stakeholder management is included within the integrative theories group, because it involves various social groups and stakeholders in managerial decision making (Garriga & Melé, 2004:57).

1.5.1.1.4 Ethical theories

The last group of theories emphasises the extent to which the relationship between business and society is embedded in ethical values. Garriga and Melé (2004:60) note that this leads to a vision of CSR from an ethical perspective which insists that firms accept social responsibility as an ethical obligation above any other consideration.

Because of the ever-changing expectations and roles of different stakeholders in the design and implementation of CSR, all four groups of theories should be taken into consideration for a coordinated programme to be achieved. In combination, the theories adumbrate the overall perspective that frames this research. Running like a thread through all of them is the idea of the importance of stakeholder consultation. In this regard, Perrini (2006:308) proposes that stakeholder theory is most appropriate for dealing with large corporations. He argues that CSR is premised on a 'stakeholder model' which varies according to the company's context of reference, but is dynamically linked to the different categories of stakeholders.

1.5.1.2 Stakeholder theory

Stakeholder theory emerged in the 1980s to explain the relationship between society and business. Freeman (1984) formulated the question of stakeholder management, noting that the term referred to "those groups who can affect or are affected by the achievement of an organisation's purpose" (Freeman, 1984:49). For Donaldson and Preston (1995), stakeholder theory has evolved to address the role played by the various stakeholders within a given environment and is useful in explaining the structure and operations of the established corporation. An important concept in stakeholder theory, according to Perrini (2006:308), is what Phillips, et al. (2003) call stakeholder legitimacy. Phillips et al. (2003) argue for two sorts of legitimacy: the first concerns stakeholders who are of crucial importance and are legitimate (derivative). The second derives from the moral obligation owed to other (normative) stakeholders. Researchers have examined many of the outcomes of CSR in various stakeholder realms and argue that there is a dearth of research on the psychological mechanisms through which stakeholders interpret CSR activities (Bhattacharya, Korschun &

Sen, 2009:257). Stakeholder theory has nevertheless gained a substantial following on the basis of its descriptive accuracy, instrumental power, and normative validity (Donaldson & Preston, 1995:70).

Albareda, Lozano, Tencati, Midttun and Perrini (2008:347) assert that in recent years, governments have joined other stakeholders as drivers of CSR. They suggest that the prevailing approach to responsible identity has evolved from stakeholder thinking. According to Hutchins, Walck, Sterk and Campbell (2007:26), the concept of CSR is grounded in stakeholder theory in that it requires firms to identify the economic, legal, ethical and discretionary issues that its stakeholders view as affecting the firm's activities. The next question concerns the kind of partnership that would assist stakeholders in solving complex social and environmental problems.

Donaldson and Preston (1995:70-71) suggest that the choice of stakeholder approach can be summarised in the following central theses:

- First, stakeholder theory is descriptive in describing a corporation as a constellation of cooperative and competitive interests possessing intrinsic value.
- Secondly, stakeholder theory is also instrumental as it establishes a framework for examining the connections between stakeholder management and corporate performance goals.
- Thirdly, aspects of stakeholder theory and its fundamental basis are normative and involve the interests of all stakeholders.
- Lastly, stakeholder theory is managerial in that it describes existing situations and also recommends attitudes, structures and practices that, taken together, constitute stakeholder management.

Previous research on the design and implementation of CSR has argued that partnerships between different stakeholders have contributed towards good business. The issues of CSR and partnership within a business environment have been a matter of serious concern because of the limited role played by the public sector. A coordinated and strong partnership within the CSR environment includes the active involvement of communities. These propositions all feed into the inevitability of a public-private partnership initiative as necessary for the achievement of a lasting solution to the problems of local communities.

Christiansen (2013) affirms that partnerships between different stakeholders are increasingly seen as highly relevant to solving social and environmental challenges, both internationally and

at a local level. He further contends that partnerships are often used to address social and environmental issues as part of CSR efforts. Brown and Forster (2013:303) conclude that there has been some progress on blending CSR and stakeholder theories with models and frameworks that encompass economic and moral arguments. What is evident is that stakeholder theory offers a way of assessing the performance of each stakeholder involved in any partnership.

1.5.2 Public-private partnership theories

Partnership is key to the success of the stakeholders in any initiative or future collaboration. In this section, the following theories of partnership will be discussed: Governance, New Public Management, and Urban Regime theories.

1.5.2.1 Governance theory

The terms 'governance' and 'government' are often used interchangeably, but for the purposes of this study, the two concepts are distinguished as separate entities. The literature studied views 'government' as associated with an institution or state that has some form of authority, while 'governance' is a much broader concept that covers how various issues are regulated and coordinated. In South Africa, for instance, the King Reports (i.e. King I, King II and King III) (Institute of Directors in Southern Africa [IoDSA], 2009) on corporate governance have been adopted by public and private sector organisations to promote better-integrated performance as well as the implementation of CSR. According to Ansell and Gash (2008:543), better cooperation and coordination between government and other stakeholders are crucial.

According to the World Bank (1991), the concept of governance refers to the "the manner in which power is exercised in the management of a country's economic and social resources" (Weiss, 2000:797). Stoker (1998:17) argues that governance theory concerns itself with a "new process of governing, or a changed condition of ordered rule; or the new method by which society is governed". Stoker (1998:17) suggests that the essence of governance is its focus on the different governing mechanisms that can be employed, and in this sense does not rest on the power or authority of the government.

Critical to the development of partnerships between the different stakeholders is the understanding of how processes within PPP can be governed. This necessitates a review of how governance theory impacts on partnerships as well as CSR. Ewalt (2001:13) notes that the theory of governance "asserts that good governance is when the state retrenches, becomes less powerful, assumes a low profile, and operates in a network with private interests and groups as a partner". According to Stoker (1998:18), there are five propositions that assist in answering critical questions relating to governance theory:

- **Governance refers to institutions and actors from within and beyond government.** This proposition challenges the complexity of government and calls for the involvement of other actors in public-private partnerships, in both decision making and service delivery.
- **Governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues.** Governance theory looks at the shift in responsibilities in addressing issues affecting civil society and demands that all actors be recognised.
- **Governance identifies the power dependence involved in the relationships between institutions involved in collective action.** Thus no one organisation has the power and resources to tackle issues affecting communities, and there must be partnership among the different actors.
- **Governance is about autonomous self-governing networks of actors.** The theory analyses how partnership among the different actors can contribute to a network that makes decisions to achieve a common purpose;
- **Governance recognises the capacity to get things done which does not rest on the power of government to command or use its authority.** It tries to define a new form of governing which entails identifying the key stakeholders and establishing a relationship with them.

These propositions provide a map according to which government and the private sector are supposed to operate, and both sectors need to change and adapt to the new circumstances.

1.5.2.2 New public management (NPM) theory

The second theory to be discussed arises from the ways in which public service is managed. The literature shows that there has been a shift from public administration to public management. Osborne, Radnor and Nasi (2013:138) argue that NPM has been drawn from a body of private sector theory derived from the disciplines of manufacturing and industry, such as Porter's influential work on competitive advantage. According to Hood (1991:5), the origins of NPM can be traced to the marriage of two streams of ideas, that is, the 'new institutional economies' and the latest of a set of successive waves of business-type 'managerialism' in the public sector. According to Hood, the institutional balance of these sets of ideas differs from country to country.

Denhardt and Denhardt (2000:550) argue that 'New Public Management' refers to a cluster of ideas and practices that seek, at their core, to use private sector and business approaches in the public sector. Ewalt (2001:13) concludes that a key concept in NPM is 'steering'; as

Denhardt and Denhardt (2000:549) put it, “those who steer the boat have far more power over its destination than those who row it”. What is vital is that for a partnership to succeed, one of the actors must take the lead to coordinate all the activities. Osborne, *et al.* (2012:149) present four propositions as the basis of a new public service-dominant paradigm that offers the essential elements of effective public management practice within New Public Governance:

- *Proposition 1:* Citizen and user are key stakeholders in public policy and public service delivery processes and their participation in these processes adds value to both.
- *Proposition 2:* A public service-dominant marketing approach is essential in offering and shaping the expectations of users and staff in delivering services.
- *Proposition 3:* Co-production becomes a non-negotiable component of public service delivery. The experience and knowledge of the service user are at the heart of effective public service design and delivery.
- *Proposition 4:* Operations management within public services without a public service-dominant approach will only lead to efficient and not effective public services.

Osborne, *et al.* (2012:142) suggest that New Public Management Theory fails to take sufficient account of the interaction resulting from citizen engagement and user involvement, and argue that a stakeholder approach to public service delivery is the solution. While NPM can be seen as a new approach towards addressing the implementation of programmes by both the public and private sector, partnership between the two sectors is central to the realisation of any goals.

1.5.2.3 Urban regime theory

A last theorisation of how partnerships between different sectors can be better understood is the urban regime theory. Mossberger and Stoker (2001:811) point out that urban regime theory came to prominence with the publication of Clarence Stone’s study of Atlanta in 1989, and that regime analysis has subsequently been used extensively in the analysis of urban politics in American cities. It offers a way of examining how various interests have been incorporated into governing coalitions.

Homkes (2011:3) holds the view that PPPs can generally benefit through the application of theoretical constructs from international regime research, complemented by adjacent literature from management and organisational studies. According to Homkes (2011:25), partnerships, as regimes, are social institutions that assist in the compilation of rights, rules, decision-making procedures, and programmatic activities to guide human actions in a given area. Partnerships

stand to gain most from a multidisciplinary approach involving regime theory and other micro-level theories on management and organisation (Homkes, 2011:26).

According to Mossberger and Stoker (2001:812), regime analysis maintains that partnership arrangements between local governments and private actors contribute towards the overall capacity to govern. They argue that because urban regimes bring together resources where government action alone is insufficient, they by definition include nongovernmental actors. Austin and McCaffrey (2002:35) claim that it is necessary to re-examine regime theory's typologies as they relate to businesses' involvement. According to them, PPPs and cross-sector collaborations provide important structural vehicles on which urban governance and regime dynamics ride. Coalition between the private and public sectors does not revolve around one agenda, one policy, or one collaboration style but can be captured by adjectives such as pro-growth or progressive (Austin & McCaffrey, 2002:46).

What has been learned from examination of these theories is that within the PPP, role clarification as well as the status of participation by different stakeholders needed to be elucidated. The central theoretical thread in this study, therefore, is to focus on how partnerships between different stakeholders can contribute towards a better-coordinated CSR programme. Through its empirical findings, the research further confirms the importance of public-private partnership in the design and implementation of corporate social responsibility (CSR). Stakeholder Theory and Governance Theory form the point of departure for this study.

1.6 Research design

Having identified the research questions and objectives, the next step in this research process was to develop the research design. According to Mouton (2001:56), a research design usually focuses on the end product and indicates the kind of evidence that is required to answer the research questions in full. The research design encompasses the purpose of the research, the nature of the data to be gathered and processed, as well as the interpretation or analysis of the data. In short, the research design is the way in which the researcher proposes to go about answering the research questions (Webb & Auriacombe, 2006:589).

The research approach followed in the study involved a qualitative and mainly explanatory investigation. Qualitative research has been defined by Creswell (2002:1) as a process of enquiry aimed at gaining an understanding of social and human problems, based on the holistic picture formed from the detailed views and opinions obtained from informants in their natural setting. According to Ritchie and Lewis (2003:22), qualitative research covers a broad range of approaches encompassing various beliefs about what there is to know about the social world and how to acquire that knowledge. Hammersley (2000:400) maintains that qualitative

research's value lies in its ability to invent ways of talking about the complex and difficult question of what is actually happening. According to Berg (2004:7), "[q]ualitative techniques allow researchers to share in the understandings and perceptions of others and to explore how people structure and give meaning to their daily lives".

Through a qualitative approach and making use of inductive reasoning, the study endeavoured to understand and answer the primary research question, namely, how a public-private partnership between the public and mining sectors could improve the design and implementation of CSR within the mining sector.

1.6.1 Research procedures

Information for this research was obtained by means of two main procedures, namely a **literature study** and a thorough **survey**.

1.6.1.1 Literature study

The research entailed a literature study of both international and national sources on CSR, focusing on the question of how partnerships among the various stakeholders might contribute to the future of CSR. The literature study seeks to contextualise the study and show how partnerships could enhance the implementation of CSR in the mining sector. To ensure the thoroughness of the literature study, the following databases were consulted:

- The Internet and various search engines such as Google and Google Scholar, as well as, for example, EBSCO (a provider of research databases) and JSTOR (a digital library).
- Industry databases, e.g. those of mining houses and the Department of Mineral Resources (DMR).
- Books, scientific journals and popular magazine articles.
- Newspaper articles.
- Research studies and related scientific reports.
- Other research data (e.g. publications and reports by government departments and/or other organisations).

1.6.1.2 Survey

A survey was conducted to obtain the requisite data from appropriate stakeholders, namely, the public and private sectors, as well as the local community. Data was generated through semi-structured interviews, focus-group discussions, key informant discussions, and personal

observations. Neuman (2006:276) defines the survey procedure as follows: “It conceptualises and operationalises variables as questions and then organises data that is collected”.

Jarbandhan and Schutte (2006:670) identify four principal uses of survey procedures in the social sciences. Surveys are useful to:

- gain information on the demographic characteristics of a particular group of people;
- focus on the social environment in which that particular group functions;
- look at the activities of that group; and
- investigate attitudes and opinions on specific matters.

As already indicated, interviews and focus-group discussions were the main means of data collection. Fossey, Harvey, McDermott and Davidson (2002:727) assert that qualitative research interviews aim to elicit participants’ views of their lives and to gain access to their experiences, feelings and social world, while focus-group discussions are a special type of interview wherein research participants get together to converse under the guidance of a supervisor or researcher (Neuman, 2003:396). Focus-group interviews create an opportunity for the participants to express their opinions and perceptions on the subject matter without being restricted.

According to Cronjé and Chenga (2007:213), there are four elements that contribute towards the **trustworthiness** of qualitative research, namely:

- **Truth value** (confidence in the truth of the findings and the context in which the study was undertaken).
- **Applicability** (the degree to which the findings can be applied to other contexts and settings or to other groups).
- **Consistency** (whether the findings would be consistent if the enquiry were replicated with the same subjects or in a similar context).
- **Neutrality** (the degree to which the findings are a function solely of the informants and conditions of research, and not of other biases).

The researcher established the trustworthiness of this research by adhering to the requirements of these four elements.

1.6.2 Data collection

Qualitative data collection in this study comprised two techniques. It involved interaction with individuals on a one-to-one basis through **semi-structured interviews** that allowed them to volunteer information. The second technique was the use of **focus groups** of eight to twelve people, which were appropriate for gathering additional data in a group setting (see also 6.1.2).

According to Gill, Stewart, Treasure and Chadwick (2008:291), **semi-structured interviews** consist of several key questions that help to define the areas to be explored, while permitting the interviewer or interviewee to diverge to pursue an idea or response in more detail. In this study, semi-structured interviews were conducted with the identified respondents, who were invited by letter to participate (voluntarily) in the research. To gain their trust, the researcher distributed consent forms that explained the purpose of the study. The interviews were conducted at a non-threatening venue so that respondents would feel at ease in participating. The researcher obtained permission from the respondents to take notes and make use of audio-recording devices during the interview.

Kitzinger (1995:299) describes **focus groups** as a form of group interview that capitalises on communication between research participants in order to generate data; they are useful for exploring people's knowledge and experiences and can be used to examine not only what people think but how they think and why they think that way. For Gill, *et al.* (2008:293), focus groups are used for generating information pertaining to collective views and the meanings behind those views, serving thus to generate a rich understanding of participants' experiences and beliefs. In this study, a total of four focus groups (consisting of 8 to 12 people) were constituted: the first consisted of managers from national and provincial departments; the second, managers from the two local, affected municipalities; the third, managers from two mining houses, and the fourth, representatives of the local communities (ward councillors and ward committee members). The researcher moderated the discussion by providing a clear explanation of the purpose of the study. One advantage of using focus groups was that the meetings were audio-taped, which enabled the researcher to gain additional insight into how the group interacted.

The researcher created a list of potential **key informants** to interview, who assisted in gathering the necessary information needed to answer the research questions. The total study population consisted of approximately 40 participants. The researcher sent a letter of invitation to potential parties to participate in the research project. Face-to-face interviews with the various sectors and the meeting with the managers from both the government and mining sectors was held at a venue accessible for all participants. Discussions were conducted with key informants who had first-hand information about their communities and were able to provide insight into how CSR

programmes had been implemented in their respective localities. The key informants in the study came from the entire target population: mining representatives, community leaders, residents, and public service officials.

Mouton (2001:105-107) argues that an efficient data-collection system is beneficial in that it serves as a historical record for the researcher and even for future researchers. He maintains that the researcher should ensure that quality assurance relating to the research is monitored. According to Auriacombe and Mouton (2007:448), **sampling** in qualitative field research is designed to enhance the informational value of one's observations by maximising variations, and not for statistical generalisation. The sampling method used in this study was purposive sampling, a non-probability sampling technique in terms of which the researcher makes a decision on individuals based upon their knowledge and willingness to participate in the research. This method sought to obtain as much data as possible from different stakeholders to compare their attitudes towards the implementation of CSR through PPP within the mining sector.

The population in this study comprised the relevant stakeholder groups in the Lejweleputswa district: the mining sector, the public service sector, members of local communities, as well as current and former employees of mining houses. The researcher then created a list of potential key individuals or groups for the interviews and focus-group discussions. The list was later reviewed and narrowed down by purposively identifying persons from the different sectors who were able to provide the needed information.

1.6.3 Data analysis

The qualitative data analysis process in this study entailed recording, transcribing and translating information – mainly from Sesotho (Southern Sotho) into English – gathered in the interviews and focus group sessions. This information and other data collected was analysed through the use of thematic conceptual analysis. Thus in analysing the data, the researcher followed the following eight steps identified by Busch, De Maret, Flynn, Kellum, Le, Meyers, Saunders, White and Palmquist (2005):

- Deciding on the level of analysis.
- Deciding how many concepts to code for.
- Deciding whether to code for the existence or frequency of a concept.
- Deciding how to distinguish among the concepts.
- Developing rules for the coding of texts.

- Deciding what to do with irrelevant information.
- Coding texts
- Analysing results.

Cloete (2007) maintains that the availability of computer software packages specifically designed for qualitative data analysis has significantly reduced the need for the traditional filing technique. The Computer-Assisted Qualitative Data Analysis Software (CAQDAS) that was used is part of the ATLAS/ti package. Barry (1998:16) maintains that the ATLAS/ti statistical package is very user-friendly for coding, analysing and interpreting qualitative data.

1.6.4 Significance of the study's contribution

The implementation of CSR in South Africa has thus far been regarded as the responsibility of the private sector, while the public sector as a partner has played a minor role. The South African government has sought to address various developmental issues through legislation and policies, but the implementation and monitoring of these policies are problematic because they and any planning they represent are not fully integrated. Moreover, the South African government's policy on development was not clear on how the public and private sectors could together establish better and more coordinated programmes for CSR.

This research study was undertaken in order to determine if CSR could be implemented through public-private partnership involving the mining sector. This study is important because of the current dearth of research on how CSR can be designed and implemented through PPP. From the available literature on models developed within CSR and PPP, the study develops a model to be used in the design and implementation of CSR. The model can be employed to assist all spheres of governments in designing and implementing CSR through PPP. The model fills the gap that existed in the drafting of credible IDP and can also work as practical starting point for both sectors in implementing future projects through PPP.

The model includes a process plan describing the formation of a partnership, the signing of a memorandum of understanding, the terms of reference as well as resources needed to make the project succeed.

1.6.5 Limitations and delimitations of the study

This section gives an overview of both limitations and delimitations that inform how the research questions were addressed in the study. According to Simon (2010), limitations are potential weaknesses that are out of the researcher's control, while delimitations are those characteristics that limit and define the boundaries of the study and are within the researcher's control.

1.6.5.1 Limitations

The following limitations were noted in this study:

- First, a major drawback associated with qualitative research methods is that they are time-consuming, since most of the data to be collected is based on the availability of the respondents. Also, discussions or interviews may tend to deviate from the issues being studied.
- Second, the researcher would in most cases find it difficult to verify the information collected from the respondents, which means that at least some of the answers are based entirely on the perceptions of the respondents at that particular time.
- Third, the practices of CSR in this study are limited to a particular area of study, i.e. selected mining towns within the Lejweleputswa district.
- Fourth, the study made use of purposive sampling techniques in selecting and identifying the respondents for the study, which might inherently tend towards some form of bias during data collection (Etikan, Musa & Alkassim 2016:1; Sharma, 2017:751).
- Lastly, the findings from the qualitative research in this study may not be generalised due to the small sample size as well as the subjective nature of the research.

1.6.5.2 Delimitations

The following common delimitations were selected to define the boundaries of the research:

- First, the composition of the population for the study was determined and anything outside of the population was left out.
- Second, the selection of the research question was based on the interests and motivation of the researcher.
- Third, the type of research methodology (qualitative) chosen.
- Lastly, the research design, chosen because of the nature of the topic and the methodology selected to investigate it.

1.6.6 Ethical considerations

The North-West University (NWU) considers research ethics a high priority. The Research Ethics Committee of the NWU was formed to serve as a gatekeeper for ethical concerns in

research. Currently, postgraduate students are expected to complete a research ethics application form before commencing with their respective projects. The research ethics application communicates the scope of the research and to what extent ethical considerations should be taken into consideration with regard to people, animals, etc. Only after consideration of the application will the Research Ethics Committee of the NWU approve the research. This process ensures that the proposed research is conducted in an ethical manner. The following ethical considerations were borne in mind during the conduct of this research:

- **Voluntary participation** (no participant was forced to take part in the research and participants were free to withdraw from the research at any time).
- **No harm to participants** (the researcher ensured that no physical or psychological harm was done to the participants as a result of the study).
- **Anonymity and confidentiality** (all information gathered during the study was handled confidentially, and permission from the participants will be obtained for any information shared in public).
- **Not deceiving the subjects** (participants were informed of the aim, purpose and procedures of the study and were not deceived in any way).

1.7 Chapter outline

The study comprises the following seven chapters:

Chapter 1: Introduction and problem statement – Provides a theoretical background to and orientation for the research problem, including a summary of the methodologies used to carry out the research.

Chapter 2: Literature review – Constitutes a review of relevant literature and includes definitions and conceptualisations of corporate social responsibility and public–private partnership.

Chapter 3: Theoretical background – Evaluates theories relevant to corporate social responsibility and partnerships and in particular, the public–private partnership. It examines the development of these theories and assesses their relevance to the study.

Chapter 4: Current policies and legislative framework for promoting the implementation of CSR – Assesses the current government guidelines, legislation and policies in South Africa and abroad regarding CSR and PPP. The chapter provides an overview of the legislative

framework governing the operations of the mining sector as well as other legislation pertaining to the design and implementation of CSR programmes and Public-Private Partnerships.

Chapter 5: Current Practices of CSR and Research methodology applied – Describes and explains the research methodology adopted, also providing a rationale for it.

Chapter 6. Empirical findings – Features the study's key findings and reports on how a PPP between government and mining may improve CSR in general. All the factors taken into consideration in the conduct of the study are analysed in this chapter.

Chapter 7: Development of a model and recommendations – Describes a model that could be developed for Lejweleputswa District, Free State province, to secure the effective implementation of CSR programmes in the mining sector. The chapter makes recommendations regarding the manner in which a public-private partnership can improve the design and implementation of CSR within the mining sector.

1.8 Chapter summary

This chapter has provided an overview of the scope of the research study. The research questions and objectives have been outlined and explained as well as the gaps in CSR and PPP literature to be addressed. The theoretical background and conceptual framework underpinning the two notions have been introduced so as enable an initial understanding of how CSR can be better designed and implemented through PPP.

In approaching this topic, both the public (the three spheres of government) and private sector (mining companies) operating in the Lejweleputswa district, Free State province, were chosen for investigation. A preliminary review of literature relating to CSR and PPP was conducted to provide a basis for the study, and an overview of the qualitative research methods and research design has been presented.

The next chapter discusses literature review on corporate social responsibility (CSR) and public-private partnerships (PPPs) in order to address the research questions

CHAPTER 2:LITERATURE REVIEW: CORPORATE SOCIAL RESPONSIBILITY AND PUBLIC-PRIVATE PARTNERSHIP

2.1 Introduction

Chapter 2 constitutes a review of literature relevant to corporate social responsibility (CSR) and public–private partnerships (PPPs). Governments worldwide have been unable to cooperate with business on issues that have an impact on society, provoking dissatisfaction among affected communities. The chapter therefore highlights the significant potential role of governments in ensuring that businesses contribute toward societal activities.

There has been much interest recently in the concepts of CSR and PPP and the possibility of their providing coordinated and integrated programmes within the mining sector. This chapter investigates how the two concepts relate to each other and whether there is potential for a relationship to be forged in the design and implementation of CSR within the mining environment.

The purpose of this chapter is therefore twofold. The first part focuses on the concept of CSR to address some of the key themes emerging from the literature review. D'Amato, et al. (2009) provide a framework in terms of which both public and private sectors may can CSR to the benefit of communities. This section discusses the following:

- Overview of CSR.
- Evolution of CSR, which traces the development of the concept of CSR.
- Conceptualisation of CSR.
- Theories and approaches to CSR.
- Challenges and limitations to CSR.

The second part of the chapter suggests how the concepts of partnership and public–private partnership might be applied in the implementation of CSR. There is a considerable body of research on PPP which suggests that if properly implemented it could very well improve service delivery among poor communities (Walzer & Jacobs, 1998; Brinkerhoff, 2003; Klijn & Teisman, 2003; Mirafteb, 2004; Tomlinson, 2005; Lamprecht, 2007; Furneaux, Brown, Tywoniak & Gudmundsson (2009). This section first examines aspects of partnership and PP, moving on to discuss the conceptualisation of PPP, theoretical perspectives on and approaches towards PPP. The chapter finally examines how CSR and PPP could best be integrated.

2.2 Corporate social responsibility (CSR)

Studies from various disciplines show that CSR programmes, whether implemented by public or private sectors, have the potential to address the problems of local communities (Hamann & Acutt, 2003; Bredgaard, 2004; Polášek, 2010; Homkes, 2011; Scherer & Palazzo, 2011).

There is no universally accepted definition of the concept of CSR (Carroll, 1979, 1999; Aupperle, Carroll & Hatfield 1985; Burton, Farh & Hegarty 2000; Blowfield & Frynas, 2005; Campbell, 2007). Aupperle; *et al.* (1985:446), for example, note that although an enormous body of literature has emerged concerning corporate social responsibility, actual empirical research on the definitions, propositions, concepts, and theories advanced has been scarce. Several studies suggest that CSR has acquired an unquestionably high degree of relevance for a large number of different actors, which has led to the elaboration of a wide range of knowledge and best practices (Wood, 1991; Burton *et al.*, 2000; Blowfield & Frynas, 2005; Perrini, 2006; Jamali & Mirshak, 2007). comprising four elements, economic, legal, ethical and discretionary – usefully describes a domain in which managers can operate (Aupperle, 1982, 1984; Aupperle, *et al.*, 1985; Wood, 1991; Sethi, 1975, 1995).

2.2.1 An overview of corporate social responsibility (CSR)

Research on CSR as reviewed in this chapter reveals that the concept of CSR is simply the latest manifestation of earlier debates on the role of business in society. It appears that an interest in business ethics and the social dimensions of business activity has been prevalent for a very long time (Carroll, 1979, Aupperle, *et al.* 1985; Blowfield & Frynas, 2005). According to Aupperle, *et al.* (1985:446), a vast body of literature has emerged concerning corporate social responsibility. While there is a plethora of definitions, propositions, concepts, and theories, there is agreement that research done in the area has been incomplete and simplistic in its methodology; that is, insufficient effort has been made to test definitions, propositions, and concepts empirically (Aupperle, *et al.* 1985:446).

CSR as such is a relatively new field of study whose concepts are value laden and susceptible to particular ideological and emotional interpretations (Aupperle, *et al.* 1985:446). The general discourse regarding CSR refers mainly to notions of philanthropic giving, which is a voluntary act (Carroll, 1979; 1999; Dahlsrud, 2008; Yakovleva & Vazquez-Brust, 2012). However, the literature reviewed shows that CSR has been promoted as enhancing society's basic order, embracing obligations stemming from both legal framework and social conventions (Falck & Heblich, 2007:247). Another important issue linked with CSR is sustainable development, as recognised by the United Nations Conference on Sustainable Development held in Rio de Janeiro in June 2012 (Rio+20). This conference provided the foundation on which sustainable

development could be built in its outcomes document, “The Future We Want” (paragraph 46), which states that:

“We acknowledge that the implementation of sustainable development will depend on active engagement of both the public and private sectors. We recognise that the active participation of the private sector can contribute to the achievement of sustainable development, including through the important tool of public–private partnerships. We support national regulatory and policy frameworks that enable business and industry to advance sustainable development initiatives taking into account the importance of corporate social responsibility. We call on the private sector to engage in responsible business practices, such as those promoted by the UN Global Compact. (United Nations, 2012)”.

This resolution by the United Nations (UN) conference on sustainable development is one of many valuable contributions made by international organisations towards the promotion of CSR. It shifts the emphasis from the private sector alone towards the idea of a shared responsibility. In so doing it renders problematic the notion that companies act altruistically; that they “do well by doing well”, that is, make a profit and make the world a better place at the same time (Falck & Heblich, 2007:247). Communities that require services expect to be respected and consulted on matters affecting them. Practising CSR is not one-way altruism, and should have benefits for both companies

Carroll (1979; 1991) has developed a framework to explain the concept of CSR and how it could be better understood and implemented by both the public and private sectors. Most researchers in the field agree that Carroll’s (1979) CSR framework – which characterises the concept as and society.

CSR research has focused mostly on developed countries and very few studies have been conducted in developing countries (Visser, 2008, 2010; Arli & Lasmono, 2010; Muthuri, Moon, & Idemudia 2012; Jamali, Lund-Thomsen & Khara 2015; Kühn, Stiglbauer & Fifka, 2018). These studies are discussed in the next section as part of an overall picture of CSR, how it has been conceptualised and its growth over the years. A review of the literature identified pertinent economic theories such as agency theory, stakeholder theory and institutional theory, and the discussion that follows examines these and other perspectives on CSR.

Carroll’s (1979, 1999) conceptualisation of CSR identifies multiple components that lend themselves to measurement and testing (Carroll, 1979; 1999; Aupperle, *et al.* 1985; Carroll & Shabana, 2010). Carroll (1979) emphasises that for CSR to fully address the entire range of obligations that businesses have towards society, it must embody the economic, legal, ethical, and discretionary categories of business performance. Recognising these four basic expectations have made it easier to implement the concept of CSR (Carroll, 1979:499), and

they together serve as the cornerstone upon which most stakeholders are able to base their assistance and support.

An early opponent of CSR was Milton Friedman, who claimed:

“There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits, so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. (Polášek, 2010:12)”

In subsequent years, more and more societies have become active and eloquent in terms of what they expect of business, to the extent that business now tends to take into account societal expectations, and CSR has played a key role in ensuring that business is able to give back to society.

Another potential obstacle to businesses engaging in CSR is the issue of voluntarism. Blowfield and Frynas (2005:502) argue that a key distinguishing feature of CSR is the voluntary nature of the initiatives companies undertake in its name, in contrast to the formal regulatory mechanisms historically used to govern business. Those against CSR argue that business should not be legally accountable, although allowing that in certain circumstances a voluntary approach to regulating business behaviour might be beneficial. Polášek (2010:12) notes that since the last decade of the twentieth century, numerous companies around the world have adopted voluntary standards for labour conditions, environmental practices and human rights. Falck and Heblich (2007:247), for example, observe that CSR is now regarded as a voluntary corporate commitment exceeding the explicit and implicit obligations imposed on a company by society's expectations of conventional corporate behaviour.

Another aspect that needs to be discussed is what the future holds for CSR, internationally as well as locally. Burton, Farh and Hegarty (2000:151) argue that the issue of CSR is complicated more than ever owing to globalisation, which calls for business persons to interact with different stakeholders regarding the corporation's place in society. As we have seen, CSR has been linked with sustainable development, which holds that business has a moral responsibility to ensure its activities are ecologically sustainable (Bichta, 2003:9). Sustainable development involves addressing economic vitality, social equity, and environmental protection comprehensively (McKinlay, 2004:44). An important aspect of sustainable development is to establish a common vision of how people would like their future to be (McKinlay, 2004:44).

Whether CSR and sustainable development can be used to augment and improve public services at the local level rests upon mutual understanding and trust among different stakeholders. The literature provides a compelling weight of argument that CSR is a solution on a global scale for multinational companies, on the grounds that left unchecked, the risks of

societal revolt against the presence of such companies will continue to be serious and pressing (Carroll, 1979, 1999; Van Marrewijk & Verre, 2003; Kotler & Lee, 2005; Campbell, 2007). What is also clear is that CSR as implemented by such companies should improve local communities and service delivery on the part of both public and private sectors.

Researchers have conducted studies to clarify our basic understanding of CSR and its theoretical concepts (Frynas, 2005, 2008; Blowfield, 2005); Blowfield and Frynas, 2005; Albareda, *et al.* 2007; Campbell, 2007; Morsing, Schultz & Nielsen 2008; and Kraus & Britzelmaier, 2012). Steurer (2010) argues that the concept CSR underpins related concepts such as corporate sustainability, corporate responsibility and corporate citizenship, and its significance is often discussed within these contexts.

A critical review of literature on CSR and its association with public–private partnerships was a necessary step to inform the development of the analytical framework for the study (Brinkerhoff, 2003; Klijn & Teisman, 2003; Hodge & Greve, 2007, 2010, 2011; Lamprecht, 2007; Furneaux, Brown, Tywoniak & Gudmundsson 2009; Steurer, 2010; Brinkerhoff & Brinkerhoff, 2011). Analysing the links between CSR and the public sector, Steurer (2010) reports that governments are interested in CSR because the efforts of businesses can help to meet national policy objectives on a voluntary basis. He goes on to distinguish five types of CSR policy instruments (legal, economic, informational, partnering, and hybrid) and four thematic fields of action (raise awareness, improve transparency, foster socially responsible investment, and lead by example).

While the overall topic of CSR has been given fairly diverse and widespread coverage in the literature, it must be admitted that there is very little discourse about (the possibility of) its failure. Aaronson and Reeves (2002:5) note that most policymakers do not want to mandate CSR; they are attempting to find a middle way, which holds corporations accountable while not thwarting the many benefits that companies bring to their stakeholders. The next section explores the evolution of CSR and how it has been adapted and adopted to address a wide range of societal issues.

2.2.2 Evolution of corporate social responsibility

The aim of this section is to highlight the historical development of CSR by providing an overview of how it has evolved over time and how it can contribute towards better partnerships among companies, government, and other relevant stakeholders. CSR has evolved from being regarded as a voluntary act on the part of companies, to being a requirement, especially for mining houses or related big business (Carroll, 1999, 2008; Hamann, 2003a; Cochran, 2007; Gjøølberg, 2009, 2011; Visser, 2010). Bredgaard (2004:373) suggests that during the evolution

of CSR in the early industrial societies of the nineteenth century, before the emergence of the welfare state, most companies were engaged in some private, internal and paternalistic enterprises for their employees, mostly on the basis of an unwritten social contract, such as social security in return for employees' loyalty to the company. According to Bredgaard (2004), the motives for CSR during that period were often the religious and ethical beliefs of the owner, or fear of labour unrest and radicalism.

The next stage in the CSR debate, according to Kraus and Brtitzelmaier (2012:283), occurs in the 1930s with the arguments concerning the role of managers of E. Merrick Dodd, a professor at Harvard Law School, in a series of articles featured in the Harvard Law Review. As Kraus and Brtitzelmaier (2012:283) contend, the crux of Dodd's argument was his contention that, in addition to the economic responsibilities they owed shareholders, managers had social responsibilities to society primarily because they were ineluctably in a relationship with the community by providing goods or services (Dodd, 1932, cited by Kraus and Brtitzelmaier, 2012:283). Dodd was arguing against the contention of Berle (1931), also cited by Kraus and Brtitzelmaier (2012), that managers were responsible only to a firm's shareholders. According to Kraus and Brtitzelmaier (2012), managers play a crucial role in ensuring that CSR provides a framework through which societal needs can be addressed.

There was little CSR action during the 1950s that went beyond philanthropy (performing good works for society), as most businesses were merely linking CSR with business benefits (Carroll, 1999:270). Russo and Perrini (2010:208) trace the subsequent evolution of CSR as it gained momentum, progressing from its initial association with the shallow considerations of "temporary fashion" and "window dressing", to a serious and critical concentration on corporate strategic orientation. Cochran (2007:449) similarly describes how over the past decades, CSR has grown from a narrow and often marginalised notion into a complex and multifaceted concept, one which is increasingly central to much of today's corporate decision making. As Maon, *et al.* (2009:72) put it, CSR has developed from relatively uncoordinated and voluntary practices to more explicit commitments in response to stakeholder pressures, and more recently, ongoing future commitments.

Although research has focused increasingly on CSR as a management concern, it has evolved as a concept to highlight the role of private companies in resolving societal problems and contributing to sustainable development (Van Marrewijk & Werre, 2003; Berkhout, 2005; Matten & Crane, 2005; Husted & Allen, 2007; Albareda, *et al.* 2008). CSR is a blanket term for how business can address issues relating to economic responsibility, public responsibility, and social responsiveness (Carroll, 1979; Wood, 1991; Waddock, 2004; Cochran, 2007; Shamir, 2008; Moura-Leite & Padgett, 2011).

Academic interest in CSR has grown commensurately. Clement (2005:420) traces the first appearance of CSR in academic literature to 1926, when Clark noted that business had obligations to society. According to Clement (2005:421), the 1960s saw CSR continuing to struggle for definition, though other scholars maintain that the earliest modern contribution to the CSR issue came in the 1950s, with Bowen’s early work on the concept (Carroll, 1979, 1999; Perrini, 2006; Seppala, 2006). Carroll (1999:270) claims that Bowen should be called the “Father of Corporate Social Responsibility”. Perrini (2006:306) notes that the concept of CSR evolved from two parallel developments:

- The first path comprises the efforts by policy makers to spread the idea of CSR practices by means of numerous initiatives, formal definitions, and so on.
- The second path consists of the academic contributions that evolved from vague awareness of the relationship between companies and social-environmental contexts into an explicit identification of rules of conduct and management tools.

It has been suggested that since the mid-twentieth century CSR has evolved in four chronological phases (Frederick, 1994; Carroll, 1999; Visser, 2010; Abe & Ruanglikhitkul, 2013): the 1950s; 1960–1970; 1980–1990; and lastly the 2000s. In their report to the Economic and Social Commission for Asia and the Pacific (ESCAP), a regional development arm of the United Nations, Abe and Ruanglikhitkul (2013) examined the development of CSR and summarised its evolution as depicted in Table 2.1, below.

There are other examples of the classification of CSR into different phases [Frederick, 1986, 1994, 2008; Waddock, 2004; Benn & Bolton, 2011; Lawrence & Weber, 2011; Kraus & Brtitzelmaier, 2012]. Waddock [2004:14] argues that rather than viewing the different phases as linearly developing stages, it may be helpful to view them as branches from the trunk of CSR that rest on corporate responsibility, corporate citizenship, and stakeholder relationships, as well as corporate social performance. Frederick (1994), on the other hand, suggests that there were three phases in the development of modern management literature concerned with the interaction between corporations and society. These phases – corporate social responsibility (CSR1), corporate social responsiveness (CSR2), and corporate social rectitude (CSR3) – represent three alternative perspectives on CSR [Mitnick, 1995; Dunne, 2007].)

Table 2.1 Development of the concept of CSR

Period	Name of concept	Description	Literature
1950s	Social responsibility of businessmen	The obligations of businessmen to pursue policies, to make decisions or to follow lines of action desirable in terms of the objectives and values of	Bowen (1953)

Period	Name of concept	Description	Literature
		society.	
		Some socially responsible business decisions can be justified by the long-run economic gain of the firm, thus paying back for its socially responsible behaviour.	Davis (1960)
		Private contribution to society's economic and human resources and a willingness on the part of business to see that those resources were utilised for broad social ends.	Frederick (1960)
1960s–1970s	Stakeholder approach	Instead of striving only for larger returns to its shareholders, a responsible enterprise takes into account the interests of employees, suppliers, dealers, local communities and the nation as a whole.	Johnson (1971)
	Three-dimensional model	The concept consists of corporate responsibilities (i.e., economic, legal, ethical and philanthropic), social issues of business (e.g., labour standards, human rights, environmental protection and anti-corruption), and corporate actions (e.g., reactive, defensive, accommodative and proactive).	Carroll (1979)
1980s–1990s	Three-dimensional model of principles, policies and processes	Integration of the principles of corporate responsibility, the policies of social issue management and the process of action into an evolving system.	Wartick and Cochran (1985)
	Institutional framework and extended corporate actions	Four types of corporate responsibilities (i.e., economic, legal, ethical and philanthropic) were linked to three institutional levels (i.e., legal, organisational and individual), while corporate actions are extended to assessment, stockholder management and implementation management.	Wood (1991)
2000s	Three-domains approach	Three domains of corporate responsibilities: economic, legal and ethical.	Schwartz and Carroll (2003)
	New concept	A process to integrate social, environmental, ethical, human rights and consumer concerns into business operations and core strategy in close corporation with the stakeholders.	European Commission (2011)

Source: Adapted from Abe and Ruanglikhitkul (2013:13)

The above table highlights the development of CSR and how it can best be implemented to achieve the desired ends. A chronology of the evolution of CSR such as this is crucial to an understanding of the full resonance of the term today.

- The **first period** as presented shows that CSR was based on companies' obligations towards society through their sense of social responsibility as well as their role in developing the necessary policies to guide their activities.
- The **second period** of the evolution as depicted above shows that more emphasis was placed on the involvement of stakeholders such as employees and communities in the implementation of CSR. During this period scholars attempted to better define the concept of CSR (Carroll, 1979). Carroll (1979) devised a four-dimensional approach comprising economic, legal, ethical, and discretionary categories of business performance.
- The **third period** includes principles, policies and processes (Wartick & Cochran, 1985). Interpreted literally, this means that for CSR to be successfully implemented, companies need to consider their culture as well as the culture of the affected stakeholders, including their shared values, beliefs and practices.
- The **fourth and most recent period of CSR** deals with a three-domain approach, namely economic, legal and ethical (Schwartz & Carroll, 2003) and a new concept. Schwartz and Carroll (2003:508) provide an alternative approach to conceptualising CSR by using a Venn diagram, that is, a three-domain approach which suggests that none of the three CSR domains is more important or significant than the other. With regard to this new approach, the literature, as highlighted in Schwartz and Carroll's (2003) study, shows that some companies' activities might not affect one domain, but could have an influence on other domains. The second issue in the fourth period is the new concept proposed by the European Commission in 2011. The European Commission in their Memo/11/730 titled "Corporate Social Responsibility: A New Definition, A New Agenda for Action," dated 25 October 2011, announced a new strategy on CSR aimed at helping enterprises achieve their full potential in terms of creating wealth, jobs and innovative solutions to the many challenges facing Europe. The European Commission used the new concept to describe a process by which it could integrate social, environmental, and ethical human rights and consumer concerns into business operations, in close cooperation with the stakeholders. The European Commission described the process as no "one-size-fits-all"; it requires different types of enterprises to comply with legislation and collective agreements negotiated between social partners.

What emerges from this review of the evolution of CSR is that companies need to take cognisance of the economic, legal, ethical, and discretionary categories of business performance in implementing CSR. Related concepts such as corporate social performance, corporate social responsiveness, and corporate citizenship have captured the attention and interest of researchers in this field. As a result, scholars' research has focused more on strategic and managerial issues, especially the link between corporate social performance and corporate financial performance (Coffey & Fryxell, 1991; Graves & Waddock, 1994; Swanson, 1995; Ruf, Muralidhar, & Paul 1998). Gjølborg (2011:5) agrees that the concept of CSR in the academic research community has traditionally been the domain of business and management disciplines – the ability to analyse management aspects in terms of how they have been influenced by CSR.

CSR now has the hallmark of being a truly global idea and has been endorsed and actively promoted by key global institutions such as the World Bank, the Organisation for Economic Co-operation and Development (OECD), the UN and the International Chamber of Commerce (ICC) (Gjølborg, 2009:10). Gjølborg (2009:10) contends that CSR has become part of the process of globalisation, resulting in a growing need to secure its human and environmental dimensions.

The evolution of CSR during the past few decades indicates that it has gained momentum and that more companies are giving it serious consideration. CSR is no longer a once-off event but has been integrated into companies' strategic plans. This section has yielded an additional important finding: CSR can be implemented through the involvement of different stakeholders and this necessitates a shift in how both business and government view their respective roles in the implementation of CSR, and what government can do to get companies to adhere to policies and regulations pertaining to CSR. In advanced economies, CSR is linked to formal institutions of stakeholder participation or state intervention (Brammer, Jackson & Matten, 2012:3).

The achievement of CSR in addressing societal issues needs to be documented comprehensively, both within the South African context as well as internationally. Some researchers report that even though the implementation of CSR on the African continent has not been documented, this does not mean that the concept has not evolved or taken root on the continent (Hamann, 2003a; Hamann & Acutt, 2003; Visser, 2006, 2008; Kolk & Lenfant, 2010). The next section leaves the diachronic dimension for the synchronic in exploring the conceptualisation of CSR.

2.2.3 Conceptualising CSR

Kraus and Brtitzelmaier (2012:283) conducted a study to investigate CSR definitions, theories and recent empirical research, and found that out of 161 studies conducted between 2006 and 2011, 81 were qualitative, owing to the ill-defined nature of CSR, especially when focusing on its organisational aspects. Furthermore, these studies revealed that the implementation of CSR had not been carried out in a comprehensive manner, since finance and management control departments were generally not involved in CSR issues.

According to Decker (2004:712), CSR can be concisely conceptualised as a response by businesses to society's concerns, and can function as force for structural change within the industry. Decker (2004:713) notes that businesses see CSR as a source of business risk as well as a source of business opportunity, and if not properly managed it could have a directly negative impact. While CSR has been viewed as of strategic importance to business, the desire of companies to adopt strategies to improve their risk management is a powerful factor in a demonstrable CSR agenda (Decker (2004). If CSR really matters to both the public and private sectors, why is it not enforceable?

There appears still to be some resistance on the part of certain companies not willing to engage with and support CSR programmes, as well as an absence of government policies compelling companies to have CSR strategies and programmes to tackle the ever-present social and economic problems of local communities. It is therefore the aim of this study to show that CSR, if implemented through PPP, can be of benefit to society. Van Marrewijk (2003:95) notes that within academic debates and business environments, hundreds of concepts and definitions have been proposed on ways of doing business in a socially responsible way, such as sustainable development, corporate citizenship, sustainable entrepreneurship, triple bottom line, business ethics, and corporate social responsibility. The concept of CSR has put business executives in an awkward situation, especially those taking responsibility for society and its stakeholders, leaving them with more questions than answers (Van Marrewijk, 2003:96).

Several studies have been conducted to achieve a clear definition of CSR (Carroll, 1979, 1999; Wood, 1991; Schwartz & Carroll, 2003; Dahlsrud, 2008; Smith, 2011; Slavova, 2015). Despite the fact that it has been advocated for decades, there are still gaps in the perception of what CSR means and what it entails and no universal agreement on how it should be defined. This has been problematic for both business and government as it impacts on their programmes to address ever-increasing societal problems. Matten and Moon (2008:405) argue that despite the vast and growing body of literature on CSR and related concepts, defining CSR is not easy for three reasons:

- First, CSR is an “essentially contested concept”, being “appraisive”, “internally complex”, and having relatively open rules of application.
- Second, CSR is an umbrella term, overlapping with or being synonymous with other conceptions of business–society relations.
- Third, CSR has clearly been and continues to be a dynamic phenomenon.

The literature review reveals that CSR is a multi-faceted concept involving issues of business versus development. Several scholars have investigated this phenomenon, with a view to improving the management and implementation of CSR (Aupperle, *et al.*1985; Blowfield & Frynas, 2005; Campbell, 2007; Carroll & Shabana, 2010; Belyaeva & Canen, 2011). Further important facets in discussing the conceptualisation of CSR are what have been referred to as the drivers of CSR (Carroll, 1999; Barkemeyer, 2007; Sandhu, Smallman, Ozanne & Cullen, 2007; Govindan, Kannan & Shankar, 2014). Sandhu, *et al.* (2007:3), for example, observe that stakeholder theory provides important insights into the different drivers that can influence CSR, and provide a general framework to structure the responsible use of corporate power and social involvement. Andrews (2013:60) distinguishes four key drivers of CSR: obtaining competitive advantage, maintaining a stable working environment, managing external perceptions, and keeping employees happy.

The absence of a clear and unitary paradigm is not necessarily a weakness of CSR, as it is still in a state of emergence (Kraus & Brtitzelmaier, 2012). The problem is that CSR is too broadly defined and too vague to be useful in academic debate and corporate implementation (Van Marrewijk, 2003:96). Again, Galbreath (2009:112) describes conceptualisations of CSR as cross-sectional in that they “look inside” a firm at a given point in time and reveal the firm’s social responsibilities. Galbreath (2009:112) notes that conceptualisation of CSR offers little insight into how CSR can be integrally linked with a firm’s strategy or what the firm can do to better understand this link.

Dahlsrud (2008:6) conducted a review of 37 definitions of CSR and concluded that CSR is nothing new at a conceptual level – meaning that business has always had social, environmental and economic impacts and concerns with stakeholders. Other examples in the literature point to variations in the conceptualisation of CSR across various orientations, industrial sectors and geographical locations (Yakovleva & Vazquez-Brust, 2012).

Some scholars feel that CSR has been used in so many contexts that it has lost its meaning and they have begun to analyse the concept through the use of theories and approaches (Preston & Post, 1975; Sethi, 1975, 1995; Zenisek, 1979; Secchi, 2007). Secchi (2007:347)

uses the concepts and theories of CSR to argue that fresh efforts are needed to understand new developments since there is a great heterogeneity of theories and approaches.

As we have seen, the first definition of CSR was advanced by Bowen (1953:6), who stressed the “obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Russo & Perrini, 2010:208). This is echoed and refined in the Global Corporate Social Responsibility Policies Project (2003), which defines CSR as business practices based on ethical values and respect for workers, communities and the environment. There are other definitions of CSR, such as the following:

(a) “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 the local community and society at large... (Holmes & Watts, 2000)”.

(b) *“Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. (Commission of the European Communities, 2001)”.*

(c) *“In general, corporate sustainability and CSR refer to company activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders. (Van Marrewijk, 2003)”.*

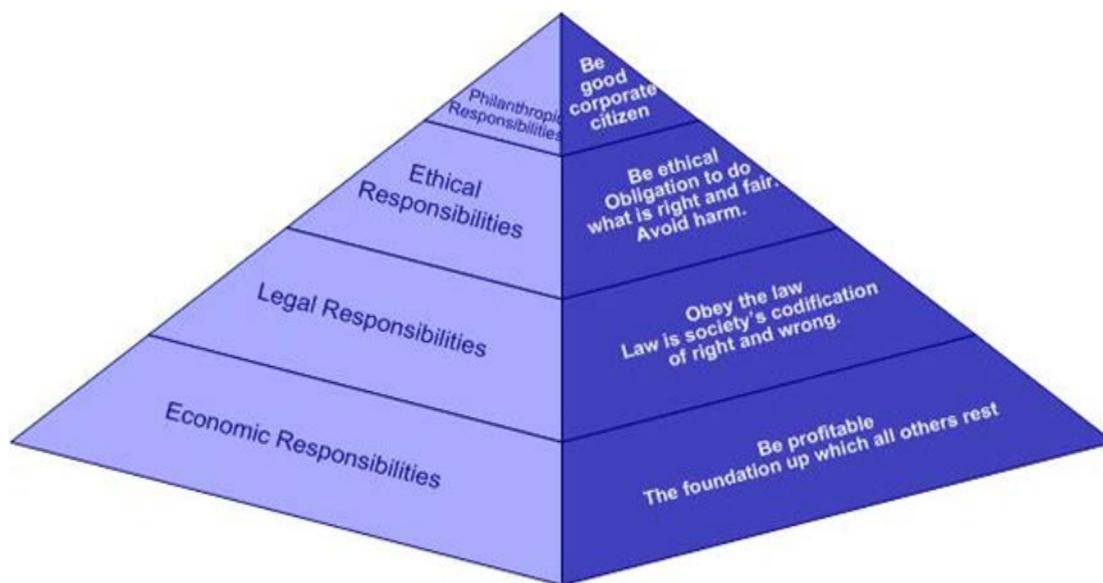
(d) *“Actions that appear to further some social good, beyond the interests of the firm and that which is required by law. (McWilliams & Siegel, 2001)”.*

What is clear is that these definitions contain a finite number of key elements or dimensions: voluntary, stakeholder, social, economic, and environmental (Dahlsrud, 2008). All the definitions suggest that there is a need for all stakeholders to cooperate for CSR programmes to contribute to a better livelihood for communities. There is also consensus that business should be conducted in a (more) humane, ethical and transparent way.

What emerges is the notion that the role of business in relation to society should not always be defined in terms of power, but that business should consider society as a stakeholder that needs to be consulted before any action can be taken. There is a need for a particular focus on the part of all stakeholders. CSR should always be integrated into business strategy and not be considered a once-off event for it to be successful. A body of work that has played a pivotal role in shaping the development and conceptualisation of CSR is that of Carroll (1979, 1999). Carroll (1979:499) proposed three distinct aspects of CSR embedded in a conceptual model of Corporate Social Performance (CSP) that emphasises that managers or companies engaged in CSP need to have (a) a basic definition of CSR, (b) an understanding of the issues of social responsibility, and (c) a specification of the philosophy of responsiveness to the issues. From

these postulates Carroll developed the four-fold framework which comprises economic, legal, ethical, and discretionary aspects of CSR. Thus companies should be profitable, work within a legal framework, uphold ethical or moral standards, and be involved in a discretionary dimension that benefits society. Carroll (1999:288) claims that the CSR concept serves as a point of departure for other related concepts and themes, such as CSP, stakeholder theory, business ethics theory, and corporate citizenship, all of which embrace CSR thinking and are compatible with it.

According to Carroll (1999:288), Donna J. Wood made a major contribution to the implementation of CSR by revisiting the CSP model. She emphasised that business and society are interwoven rather than distinct entities, and that society has certain expectations of appropriate business behaviour and outcomes (Wood, 1991; Carroll, 1999). The author notes that Wood (1991) reformulated the definition of CSR into three principles that motivate business to interact with society: institutional, organisational, and individual factors. The literature review reveals that Wood's (1991) model was more comprehensive and consistent with the earlier models which placed CSR in a broader context. Carroll (1999) consequently revisited his four-part definition of CSR and organised the notion of multiple corporate social responsibilities in a pyramid construct, as illustrated in Figure 2.1.



Carroll's CSR Pyramid

Figure 2.1: Pyramid of corporate social responsibility

Source: Kanji & Agrawal (2016:144)

Carroll (1999:292) concluded that the CSR concept would remain an essential part of business practice since it is a vital constituent of what the public expects of the business community

today. In complementary modelling, Bredgaard (2004:374) has identified four approaches to CSR, which should not be seen as mutually exclusive:

Table 2.2: Typology of CSR approaches

Initiator / Focus	Bottom-up (business-driven)	Top-down (government-driven)
Societal responsibilities	(1) CSR between business and society	(3) CSR between government and business
Labour market responsibilities	(2) CSR in business	(4) CSR between employment policy and business

The implications of this typology of CSR approaches can be summarised as follows:

- The *first type* of CSR focuses broadly on the responsibilities of business towards society, which may or may not include environmental responsibilities, responsibilities towards the local community, human rights, the Third World, labour responsibilities, etc.
- The *second type* of CSR focuses narrowly on the labour market: the responsibilities of individual businesses or companies, especially in relation to recruitment, retention, training, development, and dismissal of labour. This type cuts across national differences and relates to human capital, human resource management and the internal responsibilities of individual firms.
- In the *third type* of CSR, governments and social partners take a more active role and attempt to add value, transparency and coherence to existing business initiatives and to use communication as a steering instrument to persuade more enterprises to join the initiative. It addresses the question of how the business community may improve the social development of society at local, national and global levels.
- In the *fourth type* of CSR, governments and social partners try to play a leading role in CSR but the focus is narrower – on labour market responsibilities in relation to the supply of and demand for labour. It originates from an employment policy perspective which aims to persuade, motivate and put pressure on employers to reduce workplace exclusion and improve the labour market integration of unemployed persons.

Bredgaard's typology (2004:373) outlines the importance of CSR and how it relates to the different stakeholders. As mentioned above, Dahlsrud (2008) identified 37 definitions of CSR originating from 27 authors and covering a time span from 1980 to 2003. Synthesising the content of these definitions, he identified five dimensions through which CSR could be better defined, as listed in Table 2.3 below:

Table 2.3: The five dimensions of defining CSR

Dimensions	The definition is coded to the dimension if it refers to:	Example phrases
The environmental dimension	The natural environment	'a cleaner environment' 'environmental stewardship' 'environmental concerns in business operations'
The social dimension	The relationship between business and society	'contribute to a better society' "integrate social concerns into their business operations'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	'contribute to economic development' 'preserving the profitability' 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	'interactions with their stakeholders' 'how organizations interact with their employees, suppliers, customers and communities'
The voluntary dimension	Actions not prescribed by law	'based on ethical values' 'beyond legal obligations' 'voluntary'

Source: The five dimensions, Dahlsrud (2008)

Having canvassed all these definitions, differences of emphasis, dimensions of operation and approaches, it was decided, for the purposes of this study, to employ an operational definition of CSR by the World Business Council for Sustainable Development (Holmes & Watts, 2000). The organisation defines corporate social responsibility as:

“the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. (Dahlsrud, 2008:8)”.

A second important definition for the purpose of achieving the objectives of this study and, according to Sprinkle and Maines (2010:445), one commonly used in management literature, is the definition of CSR as:

“the firm’s considerations of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm/business/company to accomplish social [and environmental] benefits along with the traditional economic gains which the firm seeks. (Davis, 1973:312)”.

As explained above, CSR involves the social responsibility of businesses towards communities; this implies that finances play an important role in realising the objectives of CSR. For this reason, the next section focuses on economic theories and approaches relating to CSR.

2.2.4 Economic theories and approaches relating to CSR

The key objective of this section is to provide an understanding of the concept of CSR from an economic point of view. The discussion that follows briefly describes how economic theorists have conceptualised CSR and its applications. CSR can be approached through economic theory – neoclassic economic theory, Keynesian economics, and the New Institutional Economics (NIE) – or via various models, such as the three proposed by Redman (2005:96-104): Model 1: The Traditional Conflict; Model 2: Corporate Social Responsibility Brings in the Cash; and Model 3: Multiple Firm Goals, All Created Equal. All can offer policymakers a way of organising their thinking about the elusive and multifaceted concept of CSR.

2.2.4.1 Neoclassic economic theory

As early as 1947, Paul Samuelson devised a conceptual framework guided by neoclassical economics suggesting that economists should separate economics from sociology and asserting that economics had nothing to do with such things as social norms (Aoki, 2007:3). According to Jo (2011:6), neoclassical economic theory is based upon a liberal view of society and a belief in self-responsibility; in principle it cannot accommodate social responsibility of any kind. Hinson and Ndhlovu (2011:337) posit that neoclassical economists advance a rather narrow conception of CSR, believing that firms should focus only on their economic and legal obligations. From this viewpoint, CSR is not only a deflection from the main business of wealth creation but is also an economic (cost) imposition on the firm (Friedman, 1962). The legacy of the notion that economics has nothing to do with societal concerns has had a huge impact on companies' treatment of local communities.

According to Stormer (2003:279), for several decades businesses operated according to the tenets of neoclassical economic theory and the relationship between business and society was examined through the lens of this theory. This produced a perspective in terms of which the corporation's main or even only obligation was profit maximisation for shareholders. CSR was perceived as an entirely voluntary and optional gesture of philanthropy.

2.2.4.2 Keynesian economic theory

Previous research on Keynesian theory includes work by Coddington (1976); Greenwald and Stiglitz (1987); Ball, Mankiw, Romer, Akerlof, Rose, Yellen & Sims, (1988); Grandmont (1989); Bredgaard (2004); Midttun (2005); Moreno (2010); and Acquier, Gond, & Pasquero, (2011). According to Greenwald and Stiglitz (1987:119), Keynes in his theory reconciled conflicting views of capitalism by confronting the unemployment problem, arguing that limited government intervention could solve it, thereby restoring the classical vision of the efficient market.

Furthermore, Greenwald and Stiglitz (1987) argue that Keynesian economic theory criticised the liberal concept of a self-balancing economy and argued for the logical legitimacy of an active welfare state so as to balance the economy. The Keynesian welfare state model was national in its orientation, with the state securing conditions for supporting industries by means of public funding and other forms of partnering, in return for socially responsible behaviour (Midttun, 2005:163). Within the framework of this theory, CSR is encouraged among firms to address societal problems. Golob, Lah and Jančič (2008:83) claim that the main principle embedded in CSR is that no company can act in isolation from social issues and that organisations operate within a network of various stakeholders that influence their operations.

2.2.4.3 New institutional economics

Several authors have dealt with how the new institutional economics (NIE) could contribute to an understanding of CSR (Williamson, 2000; Furubotn, 2001; Dequech, 2006; Eggertsson, 2013). Eggertsson (2013:1) explains that the word 'institution' within the concept of NIE does not refer to organisations but to the effective rules of a social game in which individuals and their organisations are the players. Dequech (2006:109-110) notes that NIE deals with issues pertaining to the theory of economic behaviour under uncertainty. Hodgson (1998:168) claims that the core ideas of institutionalism include institutions, habits, rules, and their evolution; these ideas combine to build a general model facilitating a strong impetus towards specific and historical approaches, moving away from general ideas to specific ideas and theories related to specific economic institutions or types of economy.

In this context the main reasons for the expansion of CSR activities can be found in the erosion of the division of labour between business and government and the growing pressure of civil society actors (Scherer & Palazzo, 2011:903). Sykuta and Cook (2001:2) assert that NIE theories of contracting, agency and property rights allocation suggest that cooperative contractors may be able to design contracts that enhance economic efficiency that other companies cannot easily replicate. This view of economic efficiency involves three basic economic components which are inherently interdependent: the allocation of value, the allocation of uncertainty, and the allocation of property rights.

As an example, Hinson and Ndhlovu (2011:333) suggest that there is general consensus among public and private institutions that the concept of CSR is based on a company's attaining a balance between the interests of all its stakeholders within its operations. To strike this balance, a company has to consult all stakeholders. Many sources of literature acknowledge that the concept of CSR has an industry-specific dimension, and that CSR depends on the situation of individual enterprises and on the context in which they operate (Decker, 2004;

Jamali & Mirshak, 2007; Hinson & Ndhlovu, 2011; Scherer & Palazzo, 2011). According to these authors, there is justification in considering CSR as an element of structural change.

This discussion has attempted to raise the issue of the relationship between business and society, and whether business will voluntarily address the concerns of society. What is important is to analyse whether the relationship between business and society is flexible enough to allow the application of different approaches to promote CSR. Hinson and Ndhlovu (2011:335) examine the ways in which CSR is conceptualised by various scholars and theorists. Their study analyses neo-classical economists' focus on the economic and legal obligations of the firm, on the arguments of Keynesian economists regarding the centrality of social and environmental concerns in the way firms do business, and lastly on the NIE, which seeks to incorporate social, environmental and ethical considerations into economic activity.

Their key findings point to the importance of how companies view societal responsibilities based on broad policies and processes. Neoclassic economic theory, for example, shows that most companies consider they do not have any obligations towards society and that they should focus only on their economic and legal obligations. This view does not support what this study aims to achieve – to encourage both public and private sector involvement in CSR implementation. Keynesian economic theory attempts to promote the concept of social responsibility and claims that companies must be made to balance private with public wellbeing through the creation of welfare state. This theory advocates that companies cannot operate in isolation but need to work in collaboration with relevant stakeholders. Keynesian economic theory contains a positive assessment of how all stakeholders can contribute towards successful CSR implementation. Lastly, the NIE asserts that CSR is crucial and central to the endeavours of the private sector, and that social, economic, environmental and ethical aspects should be incorporated in company strategy. It appears that this theory is the most accommodating of varying societal circumstances. The next section examines aspects of partnership and PPP.

2.3 Partnership perspectives

This second part of this chapter endeavours to achieve a more comprehensive understanding of how the concept of partnership, and especially public–private partnership (PPP), has been utilised as a form of management. A review of the literature shows an increase in research on the concept of partnership, and of PPP in particular, besides that the concept of partnership has been the subject of several interpretations and definitions (Brinkerhoff, 2003; Bovaird, 2004; Mirafteb, 2004; Tomlinson, 2005; Arya & Salk, 2006; Hodge & Greve, 2007, 2010; Ibem, 2011; Babatunde, Opawole & Akinsiku, 2012). Both public and private sectors have been involved in some form of service delivery, which in some quarters may involve a duplication of resources

that could have been averted if the two sectors had collaborated. Brinkerhoff (2003:106) asserts that like participation, partnership means different things to different people, but that the ideal type of partnership encompasses a range of partnership principles, including mutual trust, respect, accountability and influence, with the mutual determination of ends and means.

The concept of partnership in this study operates within a management paradigm based upon an envisaged collaboration between the public and private sector. Partnership has emerged as a management tool in response to the limited resources available to address societal problems (Rosenau, 1999; Scharle, 2002; Brinkerhoff, 2003; Bovaird, 2004; Selsky & Parker, 2005; Jamali & Keshishian, 2009). Rosenau (1999:12) points out that partnerships offer the promise of success when the strengths of more than one player are required. This can involve compromise through constructive collaboration (Rosenau, 1999): instead of sectors operating alone to address societal problems, they cooperate with other sectors to make things happen. There are other examples in the literature underscoring the argument of Scharle (2002:228) that partnerships between various parties with common goals can result in trustworthy combinations.

The general discourse regarding partnership and PPP is informed by the notion that new ways of collaboration have been devised to encourage good governance between various sectors. Selsky and Parker (2005:849-850) observe that collaborative activities have become more prominent and inextricably linked with multiple sectors in many nations in the past 25 years, resulting in what they call a “stunning evolutionary change in institutional forms of governance”.

The intention of this section is to focus on partnership through PPP and how it might best be applied to address challenges such as economic development, education, healthcare, poverty alleviation, community capacity building, and environmental sustainability. The literature reviewed indicates that the two sectors have become more interdependent and that the private sector in some cases has taken the lead in ensuring the political sphere does not interfere with service delivery. The private sector holds the public sector responsible for creating an environment conducive to business within the space in which they operate (Brinkerhoff, 2003; Bovaird, 2004; Mirafteb, 2004; Hodge & Greve, 2007, 2010; Muraguri, 2010; Brinkerhoff & Brinkerhoff, 2011). Selsky and Parker (2005:851) provide a compelling weight of argument that the evolution of partnerships and PPPs as management tools has influenced different sectors to form partnerships because they lack the critical competencies to operate on their own.

The prevailing uncertainty with regard to socio-economic and environmental factors are further considerations. According to Bovaird (2004:203), there are various kinds of emphasis or orientation in PPP. These include the following:

- Sectoral basis — includes partnerships with third sector organisations, civil society associations, and business or private sector.
- Relationship basis — refers to the type of relationship or collaboration between the sectors and the power relations between all sectors.
- Economic basis — refers to the business approach that may be adopted within the partnership and may include supply-side, demand-side or mixed demand partnerships.
- Policy area — covers the legislative regulations and processes that may be followed to develop policies to govern the partnerships;
- Scope — includes whether the partnership will be short term or long term and comprises vertical, horizontal and mixed partnerships.

Before any kind of partnership is proposed or formed, careful thought should be given to these factors by all the parties involved, to ensure that the partnership will achieve what they want it to. Forming collaborations and partnerships among different entities is the most common management process of dealing with uncoordinated service delivery and wasteful expenditure by different sectors.

Bovaird (2004:207) suggests that when such partnerships are formed, they are able to contribute towards competitive advantage in three ways, by:

- providing economies of scale in the provision of certain services or activities;
- providing economies of scope in the provision of certain services or activities; or
- providing opportunities for mutual learning between the partners.

Partnerships between different sectors need to explore ways and means of matching the skills and resources at hand to ensure that service delivery is attained. This pattern of approach indicates that as and when a partnership is formed, all parties assume the same level of decision making and no sector is above another in terms of the authority to make decisions. Brinkerhoff and Brinkerhoff (2011:2) note that public–private partnership has been promoted as a means of enhancing governance effectiveness. Stakeholders, organisations and individuals should therefore exercise care in their choice of partner(s), taking the following aims into account:

- First, to enhance the efficiency and effectiveness of service delivery through an improved and reliable approach.

- Secondly, to provide stakeholders with solutions required to solve identified problems.
- Thirdly, to ensure that all actors are equal and win-win situations are envisaged.
- Lastly, that the decision-making processes promote a broader operationalisation of the public good.

According to Martimort and Pouyet (2006:1), most scholars and public decision makers have advocated a pragmatic approach in promoting efficient partnerships between the public and private sectors for the provision of major services and public goods to the general public. Provided that they are committed to their particular interests and that these interests are catered for, pragmatic partnerships result in trustworthy connections (Scharle, 2002:227). The ways in which these connections are negotiated and the respective levels of commitment means that the type of relationship can vary considerably from one partnership to another. Lamprecht (2007:38) usefully distinguishes between "active" (dynamic) and "passive" (dependent) partnerships.

Table 2.4: Characteristics of “active” and “dependent” partnerships

"Active" partnerships	"Dependent" partnerships
Process of collaboration	Blueprint, fixed term
Negotiated, changing roles	Rigid roles based on static assumptions about “comparative advantage”
Clear purposes, roles and linkages but an openness to change appropriate	Some functional division of responsibility in theory, but unclear purposes, roles and linkages in practice
Shared risks	Individual interests
Debate and dissent	Consensus on or resignation to role
Learning and information exchange	Poor communication flows
'Activity-based' origins – emerging from practice	Resource-based origins – primarily to gain access to funds

Source: Lamprecht (2007:380)

2.3.1 Conceptualisation of PPP

The concept of partnership thus boils down to a mutual understanding between different parties that aims to work towards achieving a certain common goal. The following discussion of PPP will reveal how the concept can be applied in various strategic management areas. According to McQuaid (2010:125), within a public policy environment it can be defined as co-operation between people or organisations in the public or private sector for mutual benefit.

Although partnership approaches have received widespread support from across the political spectrum and are likely to remain high on the policy agenda at all levels McQuaid (2010:129),

there is a general view in the literature that there is no consensual definition of the concept of PPP (McQuaid, 2010; Romero, Mufundisi & Miranda, 2015). Bovaird (2004:200) defines PPP to mean working arrangements based on a mutual commitment between public sector organisations with any organisations outside of the public sector. It is critical for this study to decide upon a meaningful and relevant definition of PPP is clearly identified and substantiated. The following seems a good place to start:

“agreements where public-sector bodies enter into long-term contractual agreements with private sector entities for the management of public sector infrastructure facilities or the provision of services by the private sector entity to the community on behalf of a public-sector entity (Grimsey & Lewis, 2002; Klijn, Edelenbos, Kort & Van Twist, 2008; Schäferhoff, Campe & Kaan, 2009; Brinkerhoff & Brinkerhoff, 2011)”.

Based on the above definition of PPP, the objective of the current research study is to understand how a PPP in terms of the design and implementation of CSR can help to develop effective CSR practices in the Lejweleputswa District in the Free State province.

Mouraviev and Kakabadse (2012:263) acknowledge that PPP implies something more than cooperation between the public and private sectors; it is a binding contractual agreement in which parties develop mutual products or services and are able to share the costs, risks and benefits. Mouraviev (2013:13) emphasises two key characteristics of PPP, mutuality and organisational identity. Mutuality and organisational identity entail partnerships based on the cooperation and collaboration of various sectors that each maintains its identity, without one dominating the other.

It is clear that any initiative from either the public or the private sector that aims at targeting the community on behalf of the public sector suggests the need for a collaborative effort from both parties. Ibem (2011:137) claims that over the years, PPP has been the subject of conceptual and theoretical debates and that PPPs are now seen as various types of institutional, contractual and collaborative arrangements between public, private and third-sector organisations in the provision of public services (Andriof & Waddock, 2002; Miraftab, 2004; Adams, Young & Zhihong, 2006; Brown, Orr & Luo, 2006).

Ibem (2011:137) cautions that there is little or no evidence suggesting that the services provided through PPPs are more affordable than other options, and suggests that the issue of affordability in service provision under a PPP arrangement deserves further investigation. Ibem (2011:138) argues that PPP has an advantage over other options in that it provides synergy for addressing intricate societal challenges such as service provisioning, while on the other hand, PPP enables weak organisations to gain access to resources and competences that they lack. Boeva and Vassileva (2008:3) claim that PPPs are undoubtedly an element of today's national

and international business processes as they encompass a certain approach to connect state and business efforts in solving strategic issues of great significance. Research conducted by international business theoreticians and practitioners has investigated innovative functions within which such connections between the state and private sectors can be achieved (Boeva & Vassileva, 2008:3). Boeva and Vassileva (2008:4) claim that PPP has brought significant changes to the role of the state regarding the dynamics and mode of provision of public services. According to Roehrich, Lewis and George (2014:110), over the past decade, the use of PPPs has grown almost five-fold and they continue to be deployed for a wide range of public sector infrastructure and service delivery.

PPPs now have an iconic status around the world, but there is a need to review the international experience with PPPs and determine the degree to which they are working effectively in meeting public interest (Hodge & Greve, 2010:S8).

Furneaux et al. (2009:1) emphasise that PPPs are a way of mobilising private finance and resources to deliver public infrastructure and also take responsibility for financing and maintenance or operation of a facility to provide long-term service outcomes, and Budds (2000:7) claims that PPPs entail the private sector taking a greater share of risks and opportunities than service provision alone. To fulfil these and other functions, there are five basic elements required for a PPP programme to be successful (Boeva & Vassileva, 2008:12-13):

- First, political will. For PPP to succeed, political will and government support are basic conditions for successful partner programmes. PPP is an alternative to traditional public procurement.
- Secondly, a suitable regulatory framework. This factor involves the creation of a suitable environment for business and putting a statutory framework in place to regulate business.
- Thirdly, process and skills. This involves thoroughness and transparency, and the rules should be clear and adequately documented. For PPP to be successful, abilities and skills usually lacking within the public sector are required.
- Fourthly, value for money. The costs and the quality price ratio involved in the implementation of PPP must utilise innovation and creative abilities, as well as methods of lifecycle costing and risk management.
- Fifth, projects. A government planning to implement a PPP programme should be prepared to invest political capital, create a suitable investment environment document relevant policy, monitor invested funds, and also ensure programme success and outcomes.

2.3.2 Theoretical perspectives on and approaches to PPP

Research into how PPP can be implemented to achieve a well-coordinated CSR programme can be approached via different theoretical perspectives. The purpose of this section is to identify and discuss established theories of partnership and PPP that may conduce to an understanding how best CSR can be implemented. The basic assumption underlying this research is that many services are rendered by different sectors, resulting in a lack of coordination and duplication of resources. If these sectors were to collaborate, the result should be more effective and efficient service delivery. Advocates of PPP include the following: McQuaid (2000); Osborne (2000); Brinkerhoff (2003); Klijn and Teisman (2003); Lamprecht (2007:26); Martimort and Pouyet (2008); and Brinkerhoff and Brinkerhoff (2011).

There are numerous competing as well as complementary theoretical perspectives that can assist in understanding the nature and effects of PPPs. Muraguri (2010:291) categorises these (as depicted in Table 2.5, below) into (i) those that are economics related, (ii) those that are based on organisational as well as institutional aspects, and (iii) those that are reflexive, that is, responsive to challenges.

Table 2.5: General categories of PPP theory

Category	Examples of theories
Economics related	Evolutionary economics Neoclassical economics Public finance Information economics
Organisational and institutionally based	Organisational theory Institutional economics Industrial organisation
Responsive/reflexive	Development policy theory

Source: Muraguri (2010:291)

The above suggests that PPP is not a simple concept but rather a complex area that should be examined from different angles and disciplinary perspectives. The section that follows briefly discusses the following theories: evolutionary economics, organisational theory, and development policy theory; a more detailed discussion of the theories is included in Chapter 3.

2.3.2.1 Evolutionary economics theory

The objective of this section is to review the literature pertaining to evolutionary economics theory and its application to public–private partnership. According to Faber, Van den Bergh, Idenburg and Oosterhuis (2005), evolutionary economics theory can be traced to as far back as

the question posed by Veblen (1898): “Why is economics not an evolutionary science?” Some decades later, Schumpeter elaborated on this theory, and it gained full momentum from the 1970s through the work of Nelson and Winter (1982). Nelson and Winter (1982) maintain that this theory is increasingly regarded as a useful way of assessing processes of structural change within institutions and organisations in their efforts to survive.

Evolutionary economics theory, according to Dosi and Nelson (1994:154), has thus been developed on the basis of a biological analogy focusing on the survival of companies. In this context, the firm’s drive to achieve profit maximisation is the equivalent of an animal’s instinct for survival (Dosi & Nelson, 1994; Nelson, 1995, 2002; Faber et al., 2005).

This perspective suggests that the task of economics is to accommodate the realities of how companies behave and restructure their resources to meet societal challenges (Nelson & Winter, 1982; Foster, 1997; Grabher & Stark, 1997; Boschma & Lambooy, 1999; Winter, 2005). Winter (2005:47) contends that evolutionary theory is also concerned with long-extended processes of cumulative growth: most firms start quite small and because of their success grow large. In the evolutionary struggle for survival, managers of firms need to be well informed about how they can use their resources to partner with other stakeholders. Boschma and Lambooy (1999:412) note that evolutionary theory provides a few key concepts, like selection and path-dependency, which may well enrich our understanding of the capacity of economic regions to adjust in a world of increasing variation.

The indication is that the success of PPP is about how the two sectors perform in a variety of situations and encourage other stakeholders to collaborate in an effort to address any challenges that may arise. Nelson and Winter (1998:18) claim that the core concern of evolutionary theory is how firms’ behaviour patterns and market outcomes are jointly determined over time by both their input and output levels. Winter (2005) claims that evolutionary theory demands detailed attention to individual firms and the problems they face in dealing with competitive environments.

In applying this understanding to the PPP context, one concludes that companies do not always benefit most through stand-alone policies to achieve their goals, but should explore what might be achieved through collaborating and partnering with other parties. According to evolutionary economic theory, by doing this and remaining responsive to any changes in the economic environment, an organisation may well achieve most for its various stakeholders.

In the next section, the PPP phenomenon and how it relates to the current study is discussed through the lens of institutional theory.

2.3.2.2 Institutional theory

Institutional theory seeks to account for how the various institutions of power exert influence in both the public and the private economic sectors (Dacin, Goodstein & Scott, 2002; Selsky & Parker, 2005; Gjølborg, 2011). Dacin, *et al.* (2002:45) claim that institutional theory has risen to prominence as a popular and powerful explanation for both individual and organisational action. Modern institutional theory is not limited to the study of government bureaucracies and includes the traditional study of jurisdictional public administration (Frederickson, Smith, Larimer & Licari, 2012:67). This view is supported by Gjølborg (2011:26), who notes that new institutional theory offers more of a social and cultural perspective on how organisations are supposed to adapt to changing environments.

The central thrust of institutional theory is the attempt to provide a rich, complex view of organisations as they are influenced by normative pressures arising from external sources such as the state, or from within the organisation itself (Zucker, 1987; Dacin, *et al.*, 2002; Selsky & Parker, 2005; Gjølborg, 2011; Frederickson, *et al.*, 2012). Frederickson, *et al.* (2012) note that a number of scholars have studied institutional theory within the following conceptual frameworks:

- Structural theory and hybrid national forms, and the associations between forms and bureaucratic functioning.
- Organisational design theory, which includes centralisation, decentralisation, devolution, and other structural variations.
- Democratic control-of-bureaucracy theory associated with political economy scholarship.
- Bureaucratic or administrative behaviour perspective.
- Managerial or new public management scholarship.
- Performance, outcomes, and results perspectives.
- Politics of bureaucracy theory.
- Privatisation, contracting out, as well as non-profit organisations analysis.
- Institutionalism, working from the political economies and rational choice perspectives.

These conceptual frameworks account for the ways in which institutional theory can provide an understanding of how organisations function, as well as of how public and private interventions need to be implemented to meet societal challenges. According to Frederickson, *et al.* (2012:70), the overall purpose of institutional theory is to encompass the scholarship on co-

production, multiple stakeholders, public–private partnerships, privatisation and contracting. They note that institutional theory is useful in describing the different linkages, networks, irregularities and considerable interdependence among public problems and public jurisdictions.

An important implication of this theory is that in future the initiators of CSR through PPP will have little difficulty in identifying common goals hitherto disregarded. Political, social and economic factors inevitably shape the type of partnership that will enable the successful implementation of CSR, but PPP appears to be the logical solution. Gjølborg (2011:26) and March and Olsen (1984) emphasise that organisations should comply with the expectations of their institutional environments in order to establish how products and services are best produced, adopting appropriate organisational structures and management practices.

According to Selsky and Parker (2005:849), collaborative activities between different sectors have become more widespread, resulting in a stunning evolutionary change in institutional forms of governance. With societal problems, especially in mining areas, continuing to increase, and with individual efforts by each sector declining, any intervention must make full use of the institutional environment.

Selsky and Parker (2005:859) report that there are numerous institutional arrangements for government–business partnerships, including contracts and intergovernmental agreements. The implementation of PPPs depends on the successful development of legal procedures, agreements, and contracts that define the relationship clearly. Bryson, Crosby and Stone (2006:45) conclude that driving forces in both the competitive and institutional environments, which include normative, legal, and regulatory elements with which organisations must conform, help stimulate partnership formation, while simultaneously becoming restraining forces that hinder sustainability.

A problem with institutional theory, according to Kivleniece and Quelin (2012:4), is that public–private partnerships have failed to provide a systematic framework and theoretical categorisation of alternative mechanisms through which collaboration can be organised and exchanged hazards alleviated. Whether institutional theory as applied within a PPP framework is the best approach to implement CSR in the mining area is what the current study aims to determine.

2.3.2.3 Development policy theory

This section attempts to explicate development policy theory. Scholars have pointed out that development policy theory is a collection of theories focusing on how the needs of society are satisfied as well as how change in society is achieved (Gereffi, 1989; Peet & Watts, 1993; Martin & Sunley, 1996; Woolcock, 1998; Preston, 1999; Woolcock & Narayan, 2000; Ranis,

2004). This section will focus on how development policy theories have influenced the implementation of PPP, bearing in mind that different theories under this broad heading may view partnership differently.

Preston (1999:2) states that development theory originated during decolonisation and after the Cold War. Development policy emerged as parts of the “colonial world” were reconfigured into a “developing world” in the aftermath of World War II and the Great Depression of the 1930s (Peet & Watts, 1993:232). According to Peet and Watts (1993), however, the evolution of development theories can be traced to as early as 1760, and this history is summarised in Table 2.6, below:

Table 2.6: Normative aspects of development theory

	The State is understood as a set of institutions which act as a system of political regulation	Civil Society is understood as a non-state sphere of organisation where hegemony and consent are organised	The Market is understood as a nexus between buyers and sellers
Periodisation	Market failures, regulation for growth with equity, institutional and political capacity	Associational life, households, communities, lobbies, NGOs, non-state economic and cultural production	State failures, separability of equity and efficiency, harmony
Phase 1 1760–1890 (First Industrial Revolution)	Relative backwardness and catching up, e.g. protectionism, forced savings	Marx, Proto-Socialist and European populist – small-scale co-operatives, collective control	Classical Political Economy – Laissez-faire, division of labour and comparative advantage
Phase 2 1890–1945 (Classical Imperialism)	Soviet Socialism – Nationalisation, central planning, etc.	Gramsci, Arendt, Neo-Marxist Theory – Autonomy of civil society, solidarity, pluralistic right	Neoclassic Economics Harmony and just returns, general equilibrium models
The “Development” Revolution			
Phase 3 1945–1980 (Growth to Crisis)	Third-World Socialism and Radical Dependency – delinking, basic needs, central planning	Development Populism Agrarianism, community development informal sector	Neoclassical Economic Development Pluralist state theory, agriculture and innovation, aid and trade
	Development Economics and Growth with Equity Redistributive strategies, basic needs	Weberian Modernisation Rationality, modernity, institutional capacity	Modernisation Theory Human capital, stages of growth, need achievement

	The State is understood as a set of institutions which act as a system of political regulation	Civil Society is understood as a non-state sphere of organisation where hegemony and consent are organised	The Market is understood as a nexus between buyers and sellers
Phase 4 1980 –1990 (Crisis stabilisation, Adjustment)	New Political Economy Developmental State : Neo-Weberian state capacity, relative autonomy, embeddedness	New Institutional Economics Transaction cost approaches, imperfect and asymmetrical information	Neoliberal Counter-revolution Price distortion, market strategies, trade theory
	New Growth Theory Endogenous government behaviour, collective action theory	The Public Sphere Local knowledge, new social movement, post-Marxism	

Source: Based on Peet & Watts (1993:234-235)

The above table reveals that categorising development theory historically is a challenging task, as relationships among the various stakeholders (the state, civil society and business) continue to change. It appears, however, that partnership among the three sectors with regard to utilising CSR to address societal challenges can promote positive sustainability outcomes. Peet and Watts (1993:242) suggest that development can only occur when the people affected participate in the design of the proposed policies. This factor is thus critical as an outcome of this study, if it is to evolve the most meaningful approach or framework for the successful implementation of CSR in a mining town such as Welkom within the Lejweleputswa district.

Woolcock and Narayan (2000:227) note that the major theories of development held rather narrow, even contradictory, views about the role of social relationships in economic development and offered few constructive policy recommendations. For instance, neoclassical and public choice theorists assign no distinctive properties to social relations. Preston (1999) nevertheless observes that First World theorists have the responsibility to set down the lessons for social science which have been learned over the years about this theory and move on to new concerns centred upon the complexities of change and the possibilities for development.

Gereffi (1989:505) notes that the sociology of development has evolved by formulating comparative generalisations that incorporate the experience of particularly dynamic sets of societies in the world system. What this means is that both policy makers and sociologists will have to engage in research to identify ways in which development policy is able to incorporate future societies. Development policy appears to be the preferred theory to link PPP and CSR, as it incorporates society as an important stakeholder.

Woolcock and Narayan (2000:228) argue that the major development theories have variously interpreted social relations as burdensome, exploitative, liberating, or irrelevant, insofar as they pertain to the wealth and poverty of nations. Gereffi (1989:508) notes two theories that play a crucial role in the development area. The first is the World-Systems Theory, which according to him employs the concept of semi-peripheral countries to identify nations that promote the stability and legitimacy of the three-tiered world economy. The second is the Dependency Theory, which indicates that structural dependency on foreign capital and external markets in rapidly industrialising Third-World nations is not incompatible with capitalist economic development. According to Preston (1999:8), the role of business is central to development, as indeed is advocated by international organisations such as the International Monetary Fund (IMF) and World Bank.

Woolcock (1998) asserts that a range of development outcomes flows from different types of community capacity and state functioning, while Narayan (1999) contends that the core ideas of bridging social capital and state–society relations lie in various interventions that combine governance in society. This suggests how public–private partnership can be implemented to address the problems of society. Woolcock and Narayan (2000:238) describe how representatives of the state, the corporate sector, and civil society can establish partnerships through which to pursue common goals for development to proceed. They contend that social capital has a role to play in mediating between public and private institutions.

The central concern of this study is to determine how CSR can be implemented through public–private partnerships. This chapter has critically reviewed various theories to understand and assess their applicability to the purposes of this study. It has emerged that the current emphasis on organisational and institutional change most decidedly does not imply a diminished role for government, but a different and undoubtedly more effective role (Ranis, 2004:27). Information from studies cited above using a variety of theoretical frameworks suggests that partnerships between the public and private sectors and civil society will help society make the paradigm shift required to deal effectively with social problems and issues. Both the public and private sectors have to change their attitudes towards the inclusion of additional stakeholders who happen to be important role players.

2.3.3 Challenges of PPP

This section examines the challenges facing public–private partnerships in different contexts, assessing their magnitude and addressing the question of how they are to be identified. Also under the spotlight are the consequences of failed PPPs. A number of scholars have contributed to the discourse on these challenges and recommend a broad spectrum of solutions to secure the future of PPPs (Grimsey & Lewis, 2002; Spackman, 2002; Hart, 2003; Wettenhall,

2003; Jamali, 2004; Bloomfield, 2006; Jacobson & Choi, 2008; Forrer, Kee, Newcomer and Boyer, 2010; Tang, Shen, & Cheng, 2010).

The incentives for embarking on PPP are several. According to Forrer, *et al.* (2010:477), governments do not always have the requisite in-house knowledge and rely on consulting firms to do their thinking and even manage their contracts, which then prompts government to engage partners that have the necessary expertise, know-how, and managerial skills to carry out government responsibilities. By entering into partnerships with the private sector, governments are able to gain access to technical expertise as well as to exploit the private sector's willingness to share their expertise in exchange for long-term service contracts (Forrer, *et al.* 2010:477). The authors claim that this type of partnership ties the two parties together in a common pursuit, and they are able to work collaboratively toward the success of the enterprise. According to Bloomfield (2006:402), public-private partnerships are often described as innovative, collaborative undertakings in which the public and private sectors share the risks, responsibilities, and rewards.

Bloomfield (2006:405-408) claims that as a starting point for developing PPPs there needs to be a practical approach to planning, implementing, and monitoring these complex ventures. He offers the following caveats:

- The business partnership is an inapplicable and inappropriate model for the partnership between government and business, which is one that confers certain rights and obligations on the partners and requires partners to have shared objectives, mutual trust, and communication.
- Long-term contracts pose significant risks to local governments in the absence of predictable market forces, with inadequate expertise, and given the high cost involved in drafting these contracts.
- The lack of transparency seems to be a barrier to how contracts are developed, which are often not readily comprehensible to laypersons.

From the above, it appears that the relationship between the two sectors must be redirected in such a way that a win-win situation is created for the purpose of achieving common goals. Questions of mutual trust, communication and transparency must be taken into account.

The study conducted by Ismail and Harris (2014:9) on the challenges associated with implementing PPP and the factors hindering its successful adoption in Malaysia, confirms that it is possible for either the government or the private sector to take the necessary measures to overcome such challenges, to ensure maximum benefit is achieved from the PPP projects.

Ismail and Harris (2014) note that this could be a problem unless the government creates a win-win situation with the private sector, without burdening the public as the end-users of the facilities provided.

In terms of the numerous challenges accompanying the implementation of PPP seen in countries like Malaysia, the situation in South Africa is no different. PPP is playing an increasingly significant role in South Africa, particularly since the government's creation of the PPP Unit. A further perspective on the challenges of implementing PPP in South Africa has been highlighted by the Support Programme for Accelerated Infrastructure Development (SPAID), in a report dated April 2007 (South Africa. Presidency of the Government of South Africa & Business Trust, 2007). The report noted that the legal framework for PPPs in South Africa is characterised by the following challenges:

- First, a lack of policy direction from government and clarity for both the implementing agencies and the private sector about why South Africa should adopt PPPs and what the role of the PPP Unit should be.
- Second, the inconsistent commitment by government to PPPs at different levels of government and commitment and direction on PPPs over time.
- Third, a general mistrust among those involved in implementing the services.
- Fourth, limited time frames given for the implementation of PPPs, coupled with a lack of resources, skills and authority among the staff implementing the PPPs.
- Fifth, that the PPP Unit established by government lacks the resources to promote PPPs and support implementing agencies in developing and committing to PPPs.
- Sixth, government policy is still biased towards traditional public procurement and against PPPs.
- Seventh, the lack of fiscal imperative on the part of government to use PPPs.
- Eighth, in respect of municipalities where all the activities are to be implemented, there is a completely different market and legal environment for PPPs.

Taking the identified challenges into account, the two sectors are expected to examine their roles to ensure that such challenges are mitigated and addressed. Not mentioned above but among the serious challenges that can hamper development is political interference, which leads to mistrust and delays in implementing service delivery projects (Bloomfield, 2006). Another possible result is that societal expectations and needs are never addressed, owing to

delays in implementation. In short, instead of wasting resources and time, both the public and private sectors have to focus on making a difference to people's lives. The next section explores the ways in which CSR and PPP are interrelated.

2.4 Corporate social responsibility and public-private partnership

This section briefly discusses how the concepts of CSR and PPP relate to each other and whether there are any positive implications of such relationship for society. A fundamental issue emerging from this literature review is the lack of unanimity with regard to the meaning and best practice of both CSR and PPP. However, this has not deterred multinational companies and the government from pursuing the implementation of CSR to address societal needs. According to the United States Agency for International Development (USAID)'s 2010 report, there is currently universal consensus on the practicality, viability and sustainability of using CSR practices and PPPs to address social, environmental and economic issues within a community (USAID, 2010: iv).

The literature review shows that many corporations involved in CSR globally treat CSR as a management concept concerned with the private's sector's role in respect of the community. What is important is whether the relationship between CSR and PPP is flexible enough to allow for both sectors to address societal concerns. The two concepts, CSR and PPP, together constitute a multi-faceted resource offering a host of opportunities to improve society and redress the inequities of the past. It is therefore important to understand how the two interrelate.

The notion of putting society first is central: Robins (2008:331) notes that communities nowadays expect businesses to provide services that extend well beyond historically inherited norms and contemporary legal obligations. CSR introduces non-profit objectives into the business alongside the profit motive (Robins, 2008:331). Corporate social responsibility is the continued commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and of society at large.

The literature on PPP provides a compelling weight of argument that PPP is necessary for development and that all stakeholders, including the private sector, have to manage the relationship by sharing resources and power in providing services to the community. If the public and private sectors continue to ignore the needs of society, the risks to livelihood and development will be serious and persistent. What is also clear, however, is that implementing CSR through PPP without the input of local communities, especially within the mining sector, will be severely detrimental to the moral fibre of society. Similarly, all stakeholders involved in the implementation of CSR – government, society, and the private sector – could benefit

enormously from interacting with one another. It is not difficult to envisage how both the public and private sectors could demonstrate their commitment to the amelioration of societal ills through such partnerships.

The literature offers numerous instances of how both the private sector and government can approach the implementation of CSR through PPP. Lastly, it appears that there needs to be self-scrutiny on the part of both the public and private sectors in managing the partnership, as this will require a paradigm shift in respect of how fiscal resources are utilised.

2.5 Chapter summary

This chapter has provided a review of the research literature pertaining to the concepts of CSR and PPP and how, if correctly implemented, PPP is the preferred approach to tackle societal issues and sustainable development in future. The first part gave an overview of the concept of CSR, and how it has evolved as a management concept. This was followed by a discussion of the conceptualisation and definition of CSR, with an explanation of how the various theories and approaches to CSR inform the overall purpose of the study.

A discussion on partnership ensued, illustrating how PPP could be applied in the implementation of CSR. This section examined the conceptualisation of PPP, theoretical perspectives and approaches to PPP, as well as challenges in implementing PPP. Finally, this chapter dealt with how the concepts of CSR and PPP relate to each other, and whether there are any positive implications for society with a view to addressing developmental issues. These could inform further research. The next chapter presents a theoretical overview of CSR and partnerships, particularly PPPs.

CHAPTER 3: THEORETICAL BACKGROUND: CORPORATE SOCIAL RESPONSIBILITY AND PUBLIC–PRIVATE PARTNERSHIPS

3.1 Introduction

This chapter begins with a discussion of theoretical perspectives on the concepts of CSR and PPPs, and how these theories relate to the research problem in this study. The chapter attempts to demonstrate that the theories investigated are appropriate and that their application to this study will enable the researcher to better explain how CSR can be implemented through PPP in a mining area.

The literature review emphasised that CSR and PPP differ not only conceptually, but also in implementation. In some circles, one still encounters the view that business should not be involved in any societal activities and Pedersen (2006:137) points out that in spite of its current popularity, CSR remains an ambiguous and much debated construct. From a more practical perspective, CSR also remains difficult to operationalise. This uncertainty is exacerbated by the fact that CSR is a context-dependent concept that may mean different things to people. Isakson (2012:16) notes that earlier CSR research focused on ethical perspectives, but that the underlying orientation has shifted towards strategy, with the organisation as the unit of analysis. Research on CSR can take various avenues by using specific theoretical perspectives to address strategic intent regarding the enablement or operationalisation of CSR (Isakson, 2012:18).

The recent literature, and particularly that dealing with partnerships and PPPs, calls for an approach in which the private sector provides social services as well as infrastructure to communities on behalf of the government. Romero *et al.* (2015) claim that on this basis PPPs have been heavily promoted by a wide range of institutions, donor governments and corporate bodies in developed and developing countries, and that they feature prominently in discussions post-2015 and in financing for development agendas. The role of a theoretical framework within CSR and PPP is essential to an understanding of the benefits and gains that can be derived from CSR initiatives. The following section is devoted to relevant theoretical perspectives. However, first it is necessary to distinguish between the related concepts of Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR).

3.2 Relation between CSI and CSR

The history of CRS in South Africa can in fact be traced to the involvement of multinational companies in Corporate Social Investment (CSI) programmes, as a form of philanthropic giving in order to address social and economic issues in local communities.

De Wet (2005:7) defines CSI as “a company’s contributions (cash or non-cash) to people, organisations or communities that are external to the company.” For Hinson and Ndlovu (2011:335), CSI is a South African phenomenon, one in which CSR activities were initially interpreted as corporate philanthropy, with an emphasis on education, health care and welfare. According to Betancourt (2016:542), CSI describes the social spending and role of companies in communities and has become an important term in corporate language.

The *CSI Handbook* distinguishes between CSR and CSI as follows:

“Within the overarching social responsibility framework, CSI refers to a company’s financial and non-cash contributions – beyond its commercial operations – to disadvantaged communities and individuals for the purpose of social upliftment and welfare. While CSI programmes do not operate in isolation of other CSR considerations, CSI is just one way in which companies fulfil their social responsibility obligations and, as such, is only one element of the broader CSR agenda. Nevertheless, in South Africa, CSI has become an important part of this agenda. This is reflected in CSI’s evolution, over the last decade, from ad hoc philanthropic gesture to strategic business consideration. (Dialogue, 2010)”.

Several authors have concluded that the two concepts significantly overlap, and can be linked with corporate governance and corporate citizenship in South Africa (Hamann, 2003, 2004; Hamann & Kapelus, 2004; Fig, 2005; Visser, 2005). For Babarinde (2009:359), for instance, CSR conventionally involves corporate social investment or involvement (CSI), and the phrases have been employed interchangeably. It is perhaps best to regard Corporate Social Investment as a company’s response to its perception of its Corporate Social Responsibility. As the “investment” element in the expression CSI implies, the financial and other contributions made stand in the long term to benefit both donor and recipients, in a kind of win-win situation for both society and the organisation concerned. Part of the investment involves stakeholders strongly identifying themselves with the corporation concerned.

3.3 Theoretical perspectives on CSR

The discussion below focuses on the following theories: Agency Theory, Frederick’s theories of CSR (1978; 1986; 1998), and Stakeholder Theory. A stakeholder approach is used to explore the concept of CSR to ascertain whether it can be implemented through PPP. The aim is to provide a better understanding of the processes, and to establish how CSR can succeed in the

mining sector. The researcher also provides a comprehensive overview of the several pertinent theories through a critical review of the literature, to assist with the development of a model for the study, in order to secure the effective implementation of CSR programmes in the mining sector.

3.3.1 Agency theory

In the context of the study of CSR, agency theory has been subjected to a variety analyses and interpretations, ranging from how it relates to the operations of firms to its relevance to the implementation of CSR (Eisenhardt, 1989; Hill & Jones, 1992; Roberts, 2005; Crowther & Martinez, 2007; Reverte, 2009; Arora & Dharwadkar, 2011; Gallego-Alvarez, Manuel Prado-Lorenzo & García-Sánchez, 2011). The general discourse regarding the evolution of agency theory, according to Shankman (1999), trace its origin to a seminal article by Ross (1973), titled, "The Economic Theory of Agency: The Principal's Problem", (cited in Shankman, 1999:321). Shankman (1999) notes that agency theory has its roots in the theory of private property rights, and has developed over the past twenty years in various fields of social science research. According to Crowther and Martinez (2007:5), agency theory emerged as a means of explaining the relationship between ownership and management and as a legitimation of the purported alignment of interests.

Agency theory describes how managers within companies operate and how their decision-making processes influence the future of companies with regard to their relationship with society (Hill & Jones, 1992; Crowther & Martinez, 2007; Raelin & Bondy, 2013). Crowther and Martinez (2007:5) define agency theory as the relationship between owners and management and the ability of managers to act as custodians of companies and manage those companies in the best interests of the owners. Eisenhardt (1989:58) claims that agency theory is still surrounded by controversy because it purports to resolve the problems that can occur in the relationship between the principal, who is the owner, and the agent employed to perform the work. The strength of agency theory nevertheless lies in the fact that it focuses on the relationship between owners and managers, as well as on the relationship between the company and society.

Agency theory is therefore useful in analysing most cooperative efforts, especially in difficult situations where the principal monitors the work of the agent (Eisenhardt, 1989; Hill & Jones, 1992; McWilliams, Siegel, & Wright, 2006b; Roberts, 2005; Pedersen & Andersen, 2006; Crowther & Martinez, 2007; Ismail, 2009; Reverte, 2009; Arora & Dharwadkar, 2011). McWilliams, *et al.* (2006b:12) suggest that perhaps the most powerful aspect of agency theory is its analysis of the role that the management of the company plays with regard to CSR activities.

According to Reverte (2009:353), agency theory views business organisations as a nexus of contracts between various economic agents who act opportunistically within efficient markets. Agency theory thus raises serious issues of the self-interest and opportunistic behaviour of managers which, according to Pederson and Andersen (2006:230), pose a threat to relationships within the company, while local communities suffer from the negative effects of the company's activities. Roberts (2005:253) notes that the core assumption of Agency Theory concerns the self-interested opportunism of executives. A central focus of agency theory is therefore the question of how principals control the behaviour of managers and prevent them from acting purely on self-interest (Mitchell, Agle, & Wood, 1997). Apparently, the solution lies in monitoring and the provision of incentives.

According to Brammer, *et al.* (2012:5), agency theory has become prominent in viewing and understanding the relation of business ethics to society, and how companies on a voluntary basis integrate their social and environmental concerns with different stakeholders. There is the question of why companies do not implement CSR. According to Guay, Doh and Sinclair (2004:130), resistance towards implementing CSR often comes about because managers and owners do not behave in concert. For the interests of managers and owners to be properly aligned, risk allocation between them needs to be improved, as well as the monitoring and oversight of managers (Guay, *et al.* 2004:130). Wiese and Toporowski (2013:103) note that agency theory can play a crucial role in helping avoid CSR failures by providing an overview of the relationships that exist within the company, especially between agents and principals.

Pederson and Andersen (2006:229) indicate that doing the right thing in business enables companies to meet the various needs and expectations of different stakeholders. Their argument assumes that the notion of CSR is essentially beneficial to all stakeholders and to profit maximisation. But agency theory reminds us that much of organisational life, whether we like it or not, is based on self-interest (Eisenhardt, 1989:64). Crowther and Jatana (2005) therefore argue that the way to maximise performance for society at large is for managers, on behalf of all stakeholders, to ensure that the value created is not yielded only to shareholders, but distributed to all stakeholders. What often gets lost in discussions on agency theory and its relationship with CSR is the fact that the focus is always on two parties, shareholders and managers, and not on society as well.

Frankental (2001:18) notes that the governance of companies reflects the interests of shareholders but not of other stakeholders. This implies that a company is responsible for its wider impact on society and yet these wider responsibilities are not reflected in the accountability of companies. According to McWilliams and Siegel (2001:118), Friedman (1970) emphasised that engaging in CSR is symptomatic of an agency problem or a conflict between the interests of managers and shareholders which affects the actions of firms. What is usually

found in such situations is that shareholders are only interested in profits, while managers may understand the benefits the firm could accrue by engaging in CSR activities. Eisenhardt (1989:65) suggests that agency theory predicts that managers may vary in how they choose contracts between firms and other stakeholders and in their ability to take risks.

To sum up, agency theory is mainly concerned with the power dynamics within organisations. Although it may be useful in analysing ways in which a business could structure itself for the successful implementation of CSR, agency theory as such is not relevant to this study and cannot serve as a theoretical foundation for an understanding of how CSR can be implemented through PPP. The next section explores certain theories of CSR and the contribution of these theories to the implementation of CSR through PPP.

3.3.2 Theories of CSR

This section presents an interrogation of available literature on the different theories of CSR, outlining their evolution and contribution towards the implementation of CSR. These theories of CSR are derived from well-established scholarly research that has developed over a period of time within business and management fields, where the focus has been on whether business has a role to play in respect of society or not.

Gjølberg (2011:14) claims that early scholarship on CSR was largely normative in that emphasis was placed solely on developing moral arguments for companies' assuming social responsibilities. Normative arguments are also central to stakeholder theory, and what unites these theories is the pursuit of ways in which business ought to behave with regard to its role in society (Gjølberg, 2011:14). The multi-disciplinary diversity associated with CSR has spawned numerous theories and approaches (Secchi, 2007:349-350). Secchi sums these up by distinguishing three groups:

- The **utilitarian group** – this group of theories' intentions is to focus on problems of externalities and social costs, and according to Secchi (2007), include theories on social costs and functionalism.
- The **managerial category** – this group of theories deals with problems of responsibility as approached from inside the firm, and includes corporate social performance, social accountability, auditing and reporting, and the social responsibility of multinationals.
- The **relational theories** include those theories in which the relations between the firm and the environment are at the centre of the analysis. Examples of these theories are business and society, the stakeholder approach, corporate global citizenship, and social contract theory.

According to Secchi (2007:348), classifications of theories on CSR (business and societal issues) have been ventured by Preston (1975), followed by scholars such as Frederick (1978, 1986, 1998), Klonoski (1991) and Garriga and Melé (2004). The discussion which follows examines the ideas about CSR developed by Frederick (1978, 1986, 1998).

3.3.2.1 Theories of CSR according to Frederick (1978, 1986, 1998)

The first section is based on in-depth research conducted by Frederick (1978, 1986, 1998) on the interaction between business and society, and how the concept of CSR has evolved over time. Frederick (2008:522) claims that CSR occurs when a business firm consciously and deliberately acts to enhance the social well-being of communities affected by the firm's economic operations. He argues that the relationship between business and society should aim at achieving a balance between the firm's economic operations and the aspirations of local communities. Frederick (2008:524) maintains that the concept of CSR has evolved in four phases through which companies pass and that form the basis for theorising about CSR. In the discussion that follows, these are labelled CSR1, CSR2, CSR3 and CSR4.

3.3.2.1.1 CSR1 – Corporate Social Responsibility

CSR1, according to Frederick, refers to corporate social responsibility. A growing body of research on CSR has demonstrated that little attention has been paid to understanding why corporations act in socially responsible ways or not (Carroll, 1979, 1991, 1999; Aupperle, *et al.* 1985; Burton, *et al.* 2000; Blowfield & Frynas, 2005; Campbell, 2007). As O'Dwyer (2003:526) explains, CSR1 was popularised by Preston (1975) as a prescriptive philosophical approach aimed at defining CSR1 as a process by which corporations voluntarily demonstrate greater responsibility and accountability to the wider society. O'Dwyer (2003:526) argues that CSR1 is based on obligation and the notion of a social contract between business and society. Frederick (1994) also stresses that the prime focus of CSR1 is on corporate social obligations towards society to provide services beyond profit, on the basis that the two are linked in some way. The interaction between business and society through the concept of CSR has shifted from the ethical obligations of corporations (CSR1) towards how corporations have responded to societal pressures (Frederick, 1994:154).

3.3.2.1.2 CSR2 – Corporate Social Responsiveness

The second phase of this theory is corporate social responsiveness, designated CSR2. According to Waddock (2004:16), the emergence of CSR2 reflects a more proactive stance on the part of companies to take action in dealing with external stakeholders. Waddock (2004:16) emphasises that CSR2 is more practice-oriented than CSR1, since companies' social responsiveness emerges from their experience, rather than from scholars and activists.

Frederick (1994:154) defines corporate social responsiveness as “the capacity of a corporation to respond to social pressures and whether a company has to respond and to what extent”.

According to Carroll (1979:501), social responsiveness ranges from no response to a proactive response in that the concept focuses not on management’s accepting a moral obligation, but on the degree and kind of managerial action taken to address the social problem. Furthermore, Carroll (1979:502) claims corporate social responsiveness has been discussed as the action phase of management’s responding in the social sphere without getting bogged down in the quagmire of definitional problems associated with the concept of CSR. Moir (2001:20) and O’Dwyer (2003:527) suggest that the shift from CSR1 to CSR2 reflects a move from a philosophical approach to one that focuses on managerial action, since social responsiveness refers to “the capacity of a corporation to respond to social pressures”.

The shift in focus from CSR1 to CSR2 implies that business has to decide what response is appropriate in its engagement with societal issues. Frederick (1994) notes the importance of organisational design and managerial competency to how well a company responds to societal demands and needs. CSR2 is thus a managerial approach which places great emphasis on the management of a company’s relations with society and represented a new theoretical thrust in the business-and-society nexus (Frederick, 1994:156).

3.3.2.1.3 CSR3 – Corporate Social Rectitude

The third theoretical perspective, according to Frederick, is Corporate Social Rectitude (CSR3). CSR3 deals with how corporate decision makers incorporate issues of morality and ethics in their decisions and actions. Decision makers need guidance in identifying the ethical and moral implications of their decisions (Amba-Rao, 1993:555).

Frederick (1986:126) claims that the interaction between business and other institutions in society is implicated in normative or ethical matters in three ways: first, part of the responsibility is to make clear the values that are at stake as business and society interact with one another. Secondly, the interaction examines where both business and society stand with regard to those values. Thirdly, it points to the moral consequences of pursuing the values business practitioners and their companies hold. This means that in business, managers are guided by both business and societal values that support the moral imperatives through which CSR can be achieved.

Frederick (1986) established that in CSR3 the emphasis is neither on social responsibility nor on social responsiveness but on the culture of ethics that embraces the most fundamental moral principles of humankind. Schwartz and Carroll (2003:508) note that the ethical domain of CSR includes those activities that are based on standards, norms or expectations of consumers,

employees, shareholders, and the community: things that are regarded as fair, just, or in keeping with the respect for or protection of stakeholders' moral rights. Frederick (2008) points out that culture plays a crucial role in shaping a company's practices. Donaldson and Dunfee (1994:252), for example, claim that the field of business ethics has been troubled by a lack of direction and has become entangled in its own logic. They argue that in order to arrive at accurate findings regarding the attitudes and behaviour of communities, emphasis should first be on the role that communities play in generating moral norms by which corporations can act.

Dubious ethics and moral practices within a company damage more than just the company's reputation: the consequences of such practices will have a lasting impact on society. What is also clear from the discussion, however, is that for companies to succeed in implementing CSR, they have to incorporate CSR3 and address issues pertaining to business ethics to avoid society's being adversely affected.

3.3.2.1.4 CSR4 – Corporate Global Citizenship

This section provides an overview of corporate global citizenship (CSR4), the last phase in the theory of CSR as described by Frederick (1998). Frederick (2008:527) defines corporations as legal entities that have duties and obligations, and, like other stakeholders and citizens, companies are responsible for their actions. Corporate citizenship is present in the other phases, CSR1, CSR2 and CSR3 (Frederick, 2008). The embrace of corporate citizenship, according to Windsor (2006), signals a voluntary decision to improve social welfare. It is therefore important to understand the new role of corporations and how this is interrelated with CSR.

Characterising corporations as citizens can be a challenging task which needs managers within companies to have a clear understanding of the organisation's new role. For Matten and Crane (2005:166), corporate citizenship has emerged in management literature as a prominent term in defining the social role of business. Corporate citizenship is seen as a means by which corporates are encouraged to apply globally accepted standard operating procedures and guidelines to manage their operations. A key aspect of corporate citizenship, according to Matten and Crane (2005:170), is that this concept is not simply about corporate social policies and programmes, but also about the relationship between a business (as a citizen) and the government. The CSR theories developed by Frederick show that the concept is versatile, and for it to be clearly understood, all four phases have to be taken into consideration.

Furthermore, these theories show that CSR provides a well-supported rationale for conducting this research, as well as helping the reader to understand the broader theoretical perspectives through which this study is approached. The next section provides an examination of Institutional Theory as it relates to the concept of CSR.

3.3.3 Institutional theory

This theory has been widely applied in relation to the concept of CSR (Levy & Kaplan, 2008; Arya & Zhang, 2009; Schultz & Wehmeier, 2010; Brammer et al., 2012; Lim & Tsutsui, 2012). Lim and Tsutsui (2012:77) argue that institutional theory explains organisational behaviour in terms of the social environment in which organisations operate. As Jamali and Neville (2011:602) describe it, institutional theory is characterised by an underlying scepticism, rooted in the conviction that institutional arrangements and social processes matter in the formulation of organisational action.

In a study investigating the role of institutions in enabling and constraining socially responsible behaviour, Arya and Zhang (2009:1089) conclude that governments that enact CSR laws are effective in establishing social expectations about responsible corporate behaviour. Of course, CSR cannot guarantee that the sectors involved in a PPP will be able to work harmoniously for the betterment of society. For Levy and Kaplan (2008), institutional theory provides an explanation of corporate behaviour in terms not attributable to competitive market pressures. As they develop CSR programmes, businesses may have to face the criticism that CSR is not legally binding but rather a voluntary contribution to society.

Brammer et al. (2012:4) contend that the application of institutional theory to understand CSR-related phenomena appears to be right at the centre of what CSR is all about. In this regard, Gjølborg (2009a:611) argues that public policies and political-economic institutions have played a crucial role in influencing business firms in terms of their contribution to society; however, the efforts of such firms may also be influenced by what is perceived as legitimate and acceptable by stakeholders within specific institutional environments.

The failure of political and social institutions to enforce laws and guidelines for the exercise of CSR by business firms can result in CSR not being taken seriously. What is also clear, according to Campbell (2007:948), is that most of the literature on CSR has failed to explore whether institutional conditions affect the tendency of firms to behave in socially responsible ways. Arya and Zhang (2009:1092) argue that as institutions evolve, the belief that the private sector must help in the national imperative of socio-economic transformation is likely to become increasingly internalised by managers. Business firms are referred to as institutions, and as and when they engage with society, they need to take into consideration how society over time has viewed CSR. Institutional theory is thus an example of how the concept of CSR in conjunction with PPP can be better understood.

3.3.4 Stakeholder theory

This section provides a critical analysis of stakeholder theory as it relates to CSR. There are various examples in the literature illustrating how widely stakeholder theory has been applied (Freeman, 1984; Goodpaster, 1991; Clarkson, 1995; Donaldson & Preston, 1995; Jones, 1995; Mitchell, *et al.* 1997; Bryson, 2004). The implementation of CSR programmes involves the participation of different stakeholders who perform various roles within a given context. According to Hutchins, *et al.* (2007:26), the concept of CSR is grounded in stakeholder theory in that it requires firms to identify the economic, legal, ethical and discretionary issues that its stakeholders view as affecting firms' activities. In most business firms, CSR affords companies the advantage of reaching out and designing relevant programmes to meet strategic objectives.

According to McWilliams and Siegel (2001:118), stakeholder theory has emerged as the dominant paradigm in CSR and has evolved in several new and interesting ways. Stakeholder theory best reflects the modern understanding of companies as integrated in, rather than separated from, the rest of society (Pedersen, 2006). The theory, has gained currency in both business and sociological literature in recent years in light of its practicality from the perspective of both managers and scholars. Several researchers and academics have noted that stakeholder theory embraces the responsibility of not only its internal stakeholders, but its external stakeholders as well (McWilliams & Siegel, 2001; Prieto-Carrón, Lund-Thomsen, Chan, Muro, & Bhushan, 2006; Jamali, 2008; Matten & Moon, 2008; Galbreath, 2009). This section focuses on the following: the origin and development of stakeholder theory; the definition of stakeholders; classification of the various stakeholders; arguments against stakeholder theory; and lastly, the application of stakeholder theory within CSR.

3.3.4.1 Evolution of stakeholder theory

Stakeholder theory emerged in the 1980s to explain the relationship between society and business. According to Spence, Coles, and Harris (2001:332), stakeholder theory reacts against the notion that the primary responsibility of a firm is to its stockholders and that the firm has no obligations towards other stakeholders. Preston and Sapienza (1990) claim that the term 'stakeholder' first appeared in management literature in 1958, in the work of Dill, whose Scandinavian field study identified the four major sectors as customers, suppliers, competitors and regulatory groups.

But Mainardes, Alves and Raposo (2011:227) maintain that the concept of 'stakeholder' in business science literature can be traced to Adam Smith's 1759 work, *The theory of moral sentiments*, and that the term itself was first used by SRI International, an American non-profit organisation established by Stanford University in 1946 (Mainardes, *et al.* 2011:231). There is

general consensus that Freeman (1984) was the first researcher to clearly identify the strategic importance of stakeholders to any company. Freeman (1984) formulated the question of stakeholder management and concluded that the term refers to “those groups who can affect or are affected by the achievement of an organisation’s purpose” (Freeman, 1984:49).

Earlier literature on stakeholder theory shows that, if utilised correctly, the theory can help organisations to develop effective strategies to manage a variety of stakeholders. This is because the theory was developed to address the roles played by various stakeholders within a given environment and is useful in explaining the structure and operations of an established corporation (Donaldson & Preston, 1995). The question of whether stakeholders play a key role in the operations of a business firm depends on how active and strong the stakeholders are in fighting for their rights. Scholars and professionals, instead of trying to dismiss the importance of stakeholders in a given business context, need to focus on the advantages as opposed to the disadvantages they offer. There is consensus that stakeholder theory was originally developed within a framework of four distinct lines of organisational management research (Mainardes, *et al.* 2011:230):

- Strategic Organisational Planning.
- Systems Theory.
- Corporate Social Responsibility.
- Organisational Theory.

What emerges from this discussion is that people and society will likely be at the centre of any developmental projects. The presence of stakeholders and the question of how they should be treated remain essential elements in addressing societal issues.

3.3.4.2 Definition of stakeholders

As noted in the previous section, the term ‘stakeholder’ has been defined and interpreted in various ways. According to Mitchell *et al.* (1997:854), stakeholders can be identified along the following axes:

- How stakeholders use power to influence the firm.
- The legitimacy of their relationship with the firm.
- The urgency of their claim on the firm.

The term 'stakeholder' refers to people or groups possessing common interests in attaining desired goals who are involved in one way or another in (the outcomes of) a company's activities. The next section examines the classification of stakeholders and explains in detail the process of identifying relevant stakeholders.

3.3.4.3 Classification of stakeholders

Literature on the concept and management of stakeholders notes that what is essential for both the public and private sectors is to identify who the stakeholders are, their aims, their influence on the local community, and their ways of working. Understanding this basic process assists the sectors in addressing the different needs and demands of stakeholders. Jawahar and McLaughlin (2001:398) assert that stakeholder theory is based on the premise that organisations face different pressures and threats at different stages in the organisational life cycle, and that the organisation is likely to use different strategies to deal with different stakeholder groups.

What has been gathered from the literature on stakeholder theory is that it prescribes how companies ought to assume their responsibilities towards their stakeholders. According to Öberseder, Schlegelmilch, and Murphy (2013:1841), the basic purpose of the theory is to determine whether and why corporations attend to the interests of stakeholders together with or in addition to their own interests.

This section focuses on the categorisation of stakeholders, with reference to the work of Goodpaster, 1991; Clarkson, 1995; Donaldson & Preston, 1995; and Mitchell, *et al.* 1997. Goodpaster (1991:60) argues that the classification of stakeholders is based on two factors: a strategic approach, and moral concerns with how the firm's operations may impact other stakeholders. Stakeholders tend to be classified as primary or secondary stakeholders.

Clarkson (1995:106) points out that a primary stakeholder is a group that the business cannot function without: shareholders and investors, employees, customers, and suppliers. Secondary stakeholders comprise those groups that are not directly involved in the operations of the business but are affected by such operations (Clarkson, 1995:107). According to Clarkson (1995:110), business firms are in reality the only primary stakeholders, and for them to survive they must depend on their ability to fulfil their economic and social mandates based on creating and distributing wealth. In respect of the above, Mainardes, *et al.* (2011) suggest that the strategic behaviour of an organisation is subject to how it can meet the needs of the various stakeholders in accordance with their respective importance. By doing so successfully, the business firm is able to prevent any conflict that might arise between it and the relevant stakeholders.

A different classification of stakeholders is proposed by Donaldson and Preston (1995). Stakeholders can be regarded in the light of three distinctive perspectives:

- The **instrumental view**, where firms react to stakeholder opinions only when they are concerned with economic objectives like profit maximisation.
- The **descriptive view**, which examines stakeholder management as it is found in actual organisations.
- The **normative view**, which scrutinises the day-to-day interactions of groups affected by or affecting the organisation.

The next section takes a closer look at various arguments critical of stakeholder theory.

3.3.4.4 Arguments against stakeholder theory

The literature features numerous arguments against stakeholder theory (Phillips, 1997; Sternberg, 1997; Jones & Wicks, 1999; Gibson, 2000; Marcoux, 2003; Phillips et al., 2003). Sternberg (1997:4-5), for example, argues that stakeholder theory is not a model for, or even compatible with business, and is as incompatible with good corporate governance as it is with business. Mainardes, *et al.* (2011:237) claim that most of the critique of stakeholder theory is not aimed at the theory itself, but rather as the content of the term 'stakeholder', which is regarded as essentially vague. Orts and Strudler (2002:215) likewise argue that the definition of the concept of stakeholder is "blurred", and that the theory is limited in its focus on the interests of stakeholders. They suggest that stakeholder theory cannot adequately account for the moral obligation that businesses have to obey the law.

Sternberg (1997:8) suggests that stakeholder theorists have not been able to justify their claim that organisations should be accountable to all their stakeholders. This notion undermines accountability and property rights, such as owners' right to know how their property will be utilised. According to Key (1999:321), Freeman's stakeholder theory can be criticised in four ways:

- The theory does not provide an adequate explanation of process.
- The theory does not provide complete linkage between internal and external stakeholders.
- The theory does not pay sufficient attention to the system within which business operates and how the system is analysed.
- The theory does not accurately assess the environment.

Phillips (1997:52) notes that stakeholder theory lacks the philosophical sophistication that other models of business ethics have, and for it to become a proper theory, those shortcomings must be remedied. Phillips (1997:52) goes on to isolate two problems associated with stakeholders not being able to achieve their goals: the lack of a normative and justificatory framework, and the basic question of stakeholder identity.

Jones and Wicks (1999:206) argue that stakeholder theory offers a potential foundation for the growth of social science-based research, and an umbrella term describing a class of narrative accounts. Stakeholder theory is thus not complete (Jones & Wicks, 1999:206). Convergent stakeholder theory, which combines normative and instrumental elements, may provide a way comprehensively to address issues that involve stakeholders. In respect of whether stakeholder theory has universal concerns for moral processes and outcomes, Jones and Wicks (1999:212), report that there is little agreement on what those moral processes and outcomes should be.

Another problem cited by critics of stakeholder theory is the basic claim made by the proponents of this theory that businesses should consider the interests of stakeholders in the first place. Gibson (2000:245) argues for the traditional view that the primary function of businesses is to maximise profits for shareholders and not be concerned with the interests of other "stakeholders". In contrast, Sundaram and Inkpen (2004:360) suggest that managers have moral and ethical responsibilities to all stakeholders, obviously including shareholders, and the reality is that trade-offs have to be made when managerial decisions are made. For Sternberg (1997:5), stakeholder theory fails to provide effective standards against which corporate managers can be judged, which leaves managers free to pursue their own arbitrary ends. The central problem which emerges from the literature is that managers in business firms are expected to take both shareholders' and other stakeholders' interests into consideration and not focus on self-interest. Businesses should in fact strive to create an environment in which both shareholder and stakeholder interests can be realised while pursuing shareholder value maximisation.

Gibson (2000:245) suggests there are three approaches to stakeholder theory that offer the strongest arguments for the stakeholder approach: prudence, agency, and obligation or deontology. Stakeholder theory in its normative approach relies on a sophisticated version of deontology, supported by the view that:

- Business firms have an obligation towards stakeholders based on stakeholder interests.
- Stakeholder groups should be treated differently from individuals.
- Stakeholders should be equally treated. (Gibson, 2000:249)

Marcoux (2003:1) objects that stakeholder theory fails to recognise the moral status of shareholders and focuses on the role of managers as assuming responsibility for the entire business. Stakeholder theory has made it obligatory for business firms to address the interests of stakeholders, while failing to account for the moral duties of managers (Marcoux, 2003).

From the above arguments, it is clear that the role of managers seems to eclipse the interests of stakeholders. The question of whether stakeholder theory is made up of management concepts or not has been raised by several authors (Donaldson & Preston, 1995; Phillips, *et al.* 2003). However, critics of stakeholder theory are guilty of a number of distortions and misinterpretations, which are listed by Phillips, *et al.* (2003:483):

- First, the claim that managers within business firms are interested in shareholder wealth maximisation and enriching themselves at the expense of shareholders, and that business firms need to focus on the interests of the organisation and not shareowners.
- Second, that stakeholder theory provides managers with a ready excuse to act in their own self-interest, and that stakeholder theory cannot account for the opportunistic manager.
- Third, the claim that Stakeholder Theory implies that all stakeholders must be treated equally irrespective of their contribution.

Phillips, *et al.* (2003:495) argue that for stakeholder theory to be recognised as a theory of strategic management and organisational ethics, it should be applied to all businesses, large and small. Furthermore, it is necessary to clarify and address the distortions and misconceptions created by critics, and to appreciate both the power and limitations of this approach. The application of stakeholder theory is a challenging task and subject to how researchers interpret its goals. For instance, Phillips, *et al.* (2003) argue that the critics of stakeholder theory in general are not correct, since different scenarios might require different responses. They argue that although many such studies are quite useful, the moral language and acknowledgement of a moral foundation make stakeholder theory distinctive.

Key (1999:323) concludes that, despite all the criticism, stakeholder theory has been found to be a useful research tool within the area of management as it provides a concrete alternative to the concepts of corporate social performance and CSR. It remains essential, however, to recognise the limitations of stakeholder theory (Donaldson & Dunfee, 1995).

What is important in the present context is the significance of stakeholder theory to the concept of CSR and PPP, and to the development of an appropriate model that can then be tested.

3.3.4.5 Stakeholder theory and CSR

In this section, the focus is on how stakeholder theory can be linked with CSR by critically analysing its usefulness and potential contribution. The further aim of the section is to obtain a deeper understanding of how CSR can best be implemented through PPP. As Kaler (2006:250) explains, stakeholder theory has two main functions: first, it deals with distributive justice within business firms in respect of the interests of stakeholders relative to those of shareholders; and secondly, it is useful in understanding CSR and how business firms take their obligations to stakeholders beyond their shareholders.

Several authors have suggested that there is pressure on the business sector to engage with stakeholders, although the identification and management of stakeholders remain problematic (Phillips, *et al.* 2003; Burchell & Cook, 2006; Perrini, 2006; Nijhof & Jeurissen, 2010). Researchers have examined many of the outcomes of CSR in various stakeholder realms and argue that there is a dearth of research on the psychological mechanisms through which stakeholders interpret CSR activities (Bhattacharya, *et al.* 2009:257). As argued in this section, the increasing influence of stakeholder theory on the implementation of CSR has resulted in the development of a more proactive CSR. Maon, *et al.* (2009) and Spitzeck and Hansen (2010:385) suggest that business firms that regard stakeholders as partners are able to reap the positive benefits of strategic collaboration. These authors argue that corporations require a broad range of stakeholders in order to make a CSR impact. Pedersen (2006:150) notes that the CSR literature tends to view all stakeholders as equally important. In practice, however, there is always a trade-off between the desirability of integrating the interests of all stakeholders and the need to make effective decisions.

Pirsch, Gupta and Grau (2007:127) state that a compelling argument for why firms are motivated to invest in CSR programmes comes from the domain of stakeholder theory (Freeman, 1984; Argandoña, 1998). According to Pirsch, *et al.* (2007:127), stakeholder theory suggests that for the organisation to survive and be successful, it has to satisfy both its economic and non-economic objectives by meeting the needs of the company's various stakeholders. CSR literature and stakeholder theory have highlighted the importance of seeing the company as an integrated whole rather than as a set of separate interests or activities, and despite its shortcomings, stakeholder dialogue cannot be discarded as just another management fad (Pederson, 2006). For development to be effective, partnerships among different stakeholders must be forged.

Steurer, Langer, Konrad, & Martinuzzi (2005:265) and Jamali (2008:217) note that stakeholder theory offers a new way of arranging organisational responsibilities, one that involves integrating their responsibilities to their various stakeholders. Wang and Juslin (2013:129) note

that CSR is driven by society's expectations and the stakeholder concept has itself become an important driver of corporate involvement in CSR. Furthermore, Wang and Juslin (2013) argue that stakeholder theory "asserts that business can be understood as a set of relationships among groups which have a stake in the activities of that business". O'Riordan and Fairbrass (2014:121) explain that as concepts of CSR continue to evolve, the predicament facing CSR managers will be the challenge of balancing the differing interests of various stakeholders.

As to whether there are lessons to be learned from stakeholder theory in the implementation of CSR, Clement (2005:256) identifies five important lessons which current business leaders can learn:

- Corporations are facing increasing pressures to respond to their stakeholders.
- Corporations have a legal basis for responding to a wide range of stakeholders.
- Corporations are being led by executives no longer guided by the principles of their professions.
- Corporations respond to powerful stakeholders with legitimate, urgent claims.
- Corporations can improve the bottom line by responding to stakeholder concerns.

Stakeholder theory provides thus opportunities for both government and the private sector to enter into dialogue with local communities. The literature reviewed up to this juncture regarding CSR has indicated that the design and implementation of CSR can operate effectively under a prevailing stakeholder paradigm based upon partnerships between different stakeholders, with a view to good business. The next section gives an overview of theorisations of public-private partnership.

3.4 Theoretical perspective on PPPs

The intention of this section is to review theoretical perspectives on PPPs. The aim is to investigate if the PPP approach will enhance service delivery and achieve greater value for money than a public-sector silo approach. Specifically, the review explores how PPPs impact on the management of businesses. Partnership as a concept has been viewed as a particularly important solution to the many developmental challenges the world faces today (Deva, 2006; Seitanidi & Crane, 2009; McQuaid, 2010; Christiansen, 2013). Romero, *et al.* (2015:14) argue that PPPs are currently high on the agenda of many governments, development institutions and the private sector, although their popularity varies across sector and location. According to Romero, *et al.* (2015:14), understanding the reasoning behind PPPs and the kinds of incentive

for stakeholders is important for substantive engagement, since PPPs may help overcome some of the key challenges of infrastructure delivery.

Ho (2006:678) notes that government is no longer considered the sole provider of public works or services, and PPPs have been recognised as important in helping governments to solve problems attaching to the provision of infrastructure. Partnerships among stakeholders play a crucial role in addressing developmental initiatives during the implementation of CSR. Various authors, including Kennedy (2013:6), observe that PPPs have become a popular way for governments to tackle public infrastructure projects.

There has been extensive research on the role of PPPs in the implementation of CSR. Fox, *et al.* (2002), the European Commission (2007), Steurer (2010), and Russo and Perrini (2010) have all explored the role played by the public sector in CSR and have suggested how public policy could be enhanced. According to McQuaid (2010:127), across and beyond the European Union policy makers are turning to new forms of partnership, such as transnational public–private partnerships, by including a wider range of stakeholders in the design, planning and delivery of policies. The literature provides compelling evidence that public–private partnership has been used successfully in various countries to implement a range of different projects.

According to Collin and Hansson (2000:201), for example, PPP has been used in the redevelopment of downtown areas in the USA, while in the United Kingdom and Germany it has been used to support local economic development projects. It is argued that for PPP to be better understood, several points of view should be considered. The following theories are thus briefly discussed below: game theory, new public management (NPM) theory, governance theory and urban regime theory. These theories are presented to suggest a framework for cooperation and partnership between the public and private sectors.

3.4.1 Game Theory

This section investigates game theory in relation to public–private partnership. The general discussion in previous research regarding the application of Game Theory to PPP refers mainly to notions that public and private sectors assume the roles of actors, in terms of which their attitudes and behaviours can be analysed (Myerson, 1999; Turocy & Von Stengel, 2002; Scharle, 2002; Zou & Kumaraswamy, 2009; Ho, 2013). Game theory was developed to explain the interaction between different parties and how decisions are made despite conflicting objectives.

Scharle (2002:228) asserts that in order to understand PPP, the meaning of game theory in economics and political science must be determined. Game theory entails the rules, roles, outcomes, strategies and pay-offs which offer participants a framework describing how the

game will proceed. While various authors have discussed the evolution of game theory, Turocy and Von Stengel (2002:406) argue that the earliest instance of the theory was the study of a duopoly by Antoine Cournot in 1838. In 1921, Émile Borel, the mathematician, suggested a formal theory of games, furthered by John von Neumann in 1928. Turocy and Von Stengel (2002:406) contend that game theory was established as a field in its own right in 1944 by Von Neumann and Morgenstern with the publication of their book, *Theory of games and economic behavior*.

The core of game theory is that it addresses conflict and cooperation between different actors. Thus Lamprecht (2007:30) claims that game theory is an area of economic theory that aims at structuring issues pertaining to interrelationships and interaction. The public and private sectors are often viewed as in direct conflict and competition with each other. It is hoped that the application of game theory in this will promote the concept of dynamic partnership within PPPs.

According to Scharle (2002:227), during the previous two decades the number of PPP implementations had grown, demonstrating that the technique works almost everywhere. The actual goals and rules of the game vary considerably, but according to Scharle (2002:231), there are three basic scenarios of public–private cooperation:

- BOO—build, own, operate: this means that at the end of the project the facility remains the property of the private consortium for a limited period of time.
- BOT—build, operate, transfer: at the end of the project the private sector transfers ownership of the facility to the public sector free of charge after a limited time period.
- BTO—build, transfer, operate: here the implementers in the form of a consortium lease the facility from the public sector and operate it with full financial responsibility.

The above categorisation reveals the strength of the partnership between the public and private sectors. According to Scharle (2002:232), PPP can bring the discipline of the market into public administration. For Kargol and Sokół (2007:93), game theory contributes to a better understanding of PPP as an instrument for the provision of public goods. PPP as a game is played in the environment with imperfect and incomplete information, where players must take steps to maximise their bargaining power by enlarging their access to information. Kennedy (2013:1) claims that the idea of applying game theory to PPP (re)negotiation was born in response to the frequency of PPP renegotiations and the lack of tools to aid decision-making processes. Ho (2006:679) notes that game theory has been successfully applied to many important issues, such as negotiations, finance, and imperfect markets. He argues that game theory is a natural tool for dealing with the conflict that arises within PPP projects between developers and government.

Ho (2006:679) suggests that there are two types of games: static games and dynamic games. Within the static game, the players act simultaneously in that each player decides without knowing about the decisions made by others. In a dynamic game, the players move sequentially with the assumption of maximising their payoffs. Kargol and Sokół (2007:99) assert that it is thus very important that all potential risks and benefits (pay-offs) associated with PPPs and their distribution between parties are analysed. The application of social game theory to PPP encompasses a wide range of perspectives and makes it possible to clarify some cloudy, uncertain or misinterpreted situations, positions or actions experienced in PPP games.

3.4.2 New public management theory (NPM)

This theory has to do with the way in which public service is managed. While there has clearly been a shift from public administration to public management, the new public management theory (often referred to as NPM) has assumed considerable prominence in recent years. According to Dunleavy, Margetts, Bastow and Tinkler (2006:467), the NPM wave in public sector organisational change was founded on themes of disaggregation, competition and incentivisation. The authors argue that the various versions of NPM are all primarily concerned with the systematic analysis and management of public administration policy. O'Flynn (2007:353) states that public sector reform has been widespread across the world, despite its different forms and foci, and represents a paradigmatic break from the traditional model of public administration.

According to O'Flynn (2007:353), several countries have become exemplars of NPM, in particular New Zealand and Australia, which underwent substantial changes to break from the bureaucratic paradigm of public administration. Proponents of NPM argue that the origin of NPM can be traced to the United States, with the work of Christopher Hood on the concept (Maesschalck, 2004:466). Osborne (2006:377) notes that the publication of Christopher Hood's influential piece on the new public management (NPM) ushered in a new paradigm of Public Administration and Management (PAM).

Hood and Peters (2004:267) claim that NPM's evolution can be classified into three main phases or "ages of NPM":

- The first phase, referred to as "early", developed during the late 1980s.
- The second phase, referred to as the "New Right Agenda", was promoted by the Organisation for Economic Cooperation and Development (OECD) and World Bank during the late 1980s and early 1990.
- The third phase dates from the late 1990s.

Denhardt and Denhardt (2000:550) claim that over the past decades NPM has swept the world. NPM's demands for change in public administration has resulted in a global revolution favouring post-bureaucratic forms of government (Page, 2005:713). For Frederickson et al. (2012:128), NPM is a contemporary form of management partly imported from business management that has developed through the work of consultants, journalists and politicians, rather than scholars. The public administration reforms from the late 1970s have led to changes not only in the manner of delivery of social services and accounting for government expenditure, but also in the structures of governance (Tolofari, 2005:75). That is why Osborne (2006:377) asserts that the period of NPM has been a relatively brief and transitory one between Public Administration and the New Public Governance.

Page (2005:713) claims that since the 1980s, administrative reforms have emerged under the banner of "new public management" in New Zealand, the United Kingdom, and elsewhere, even appearing as "reinventing government" in the United States. Hood (1991) sees NPM as a marriage of two streams, the first being the new institutional economics built on the post-World War II development of public choice, and the second, a body of private sector theory derived from the disciplines of manufacturing and industry (Osborne, Radnor & Nasi, 2012:138). For Hood (1991:3), the rise of NPM is linked with four administrative megatrends:

- First, the administrative trend, which was aimed at slowing down government growth in terms of spending and staffing.
- Second, the renewed emphasis of government on service delivery shifted from core government institutions toward privatisation and quasi-privatisation.
- Third, the provision of information in the interests of improved service delivery was based on the development of automation.
- Lastly, the focus shifted to the development of an international agenda to address issues of public management and intergovernmental cooperation.

It is against this background that Dunleavy, *et al.* (2006:467) can maintain that NPM was founded on themes of disaggregation, competition and incentivisation, and reflects the increase in adverse indirect consequences of citizens' capacities for solving social problems. Thus, by the end of the twentieth century, a new paradigm of public management was firmly embedded in many countries (O'Flynn, 2007:354), underpinned by much earlier work, such as Weber's (1946) bureaucracy, Wilson's (1887) policy-administration divide, and Taylor's (1911) scientific management model of work organisation.

Hood (1991:4-5) has identified seven key elements of the NPM aimed at a typical public-sector policy geared towards better service delivery. These are:

- Hands-on professional management.
- Explicit standards and measures of performance.
- Greater emphasis on output controls.
- Disaggregation of units in the public sector.
- Greater competition in the public sector.
- Private sector styles of management practice.
- Greater discipline and parsimony in resource use.

The rise of the NPM on a global scale has modelled the public sector as effective, efficient and economical. Service standards have become the order of the day in addressing problems in the public sector. Yet NPM did not come about without resistance: it has been subject to ongoing debate in academic literature because it challenged conventional thinking and brought together a range of practices, policies and theories rather than proposing some coherent theory (O'Flynn, 2007:355).

For Tolofari (2005:76), the origins of NPM must be understood in the light of the reforms it introduced, which were economic, political, social, intellectual and technological. Cabrero (2005:78) argues that these reforms became in effect functions of a managerialism incorporated into the public sphere: goal-oriented administration, strategic planning, management control, base zero budget, re-engineering methods, and the total quality approach. Cabrero (2005) claims that NPM offers useful tools for government reform processes in local districts by encouraging local governments to implement administrative reform as the most effective reform strategy.

The bottom line is that NPM refers to a cluster of ideas and practices that seek, at their core, to use private sector and business approaches in the public sector (Denhardt & Denhardt, 2000:550). A key concept in NPM is 'steering', and as Denhardt and Denhardt (2000:549) put it, "those who steer the boat have far more power over its destination than those who row it". NPM essentially fails to take into account the interaction of citizen engagement and user involvement. As Osborne et al. (2012:142) argue, a stakeholder approach to public service delivery is the solution. NPM, it is argued is an approach towards addressing the implementation of different

programmes by the public sector, while what is needed is partnership between the public and private sectors.

Green-Pedersen (2002:272) suggests that NPM principles have been widely accepted in the modern practice of public administration for better government, but better government for whom, is a question for debate. Hood & Peters (2004:278) point out that the reformers of NPM have increasingly argued for a “one-size-fits-all” type of bureaucracy and have emphasised the need to adopt evidence-based learning as a means of improving the public management system. According to Denhardt and Denhardt (2000:551), NPM has been linked to the public choice perspective which views the government from the standpoint of markets and customers. This suggests the need for government to be run like a business, by adopting business strategies and values. From this perspective, government is otherwise seen as unresponsive, inefficient and unable to reach goals (O’Flynn, 2007:355).

The obvious issue which emerges from the literature is that while political scientists and sociologists in the 1990s identified several explanations for low levels of public trust, the continued negative performance of the public sector became a central problem (Van de Walle, 2011:4.) Through NPM, it may be argued that the public sector is able to be accountable and guarantee transparency in its dealings with the private sector. In PPP, the element of mistrust is critical. Also critical to this discussion, is how CSR can be implemented through PPP and whether NPM is relevant to assist in such implementation. Denhardt and Denhardt (2000:553-556) conclude that there are several useful, corrective lessons that can be learned from NPM, with a view to addressing PPP. These are the following:

- First, these lessons emphasise the need to serve, rather than steer, where public servants help citizens to meet their shared interests, rather than trying to control society in new directions.
- The second lesson is aimed at shared public interest and shared responsibility.
- The third lesson notes that public managers need to think strategically and act democratically to meet the public needs of society effectively and responsibly.
- The fourth lesson urges public servants to serve citizens, not customers, by building relationships of trust and collaboration with and among citizens.
- The fifth lesson claims that accountability isn’t simple and that public servants should be attentive to more than the market and citizen interests.

- The sixth lesson places more value on people and not just productivity and should operate through processes of collaboration and shared leadership based on respect for all people.
- The last lesson claims that public servants should place more value on, and public service above entrepreneurship.

These lessons point to the need to re-engineer the focus of public service to be more people-oriented and responsive. This choice of public re-engineering implies that public servants in all spheres of government have to change their mode of service to citizens. The trouble is that NPM has been presented as a public management framework for all seasons, and formulated in two main ways (Hood, 1991:6): First, portability and diffusion: this means that public management doctrine was advanced as means to solve management ills at all spheres of government. And second, political neutrality: this refers to an apolitical framework that has the ability to accommodate different political priorities in the setting of the management system.

Osborne (2006:379) argues that NPM has been questioned on various grounds, with critics advancing the following arguments:

- First, that the NPM is not one phenomenon or paradigm, but a cluster of several.
- Second, that the NPM has a number of distinct personae.
- Third, the geographic extent of the NPM is limited to the Anglo-American, Australasian and (some) Scandinavian arenas.
- Fourth, that the nature of the NPM is geographically dependent, with British and American variants actually being quite distinct from each other.
- Fifth, that the NPM is simply a sub-school of PA that has been limited in its impact on both its theoretical base and conceptual rigour.
- Seventh, that the benefits of the NPM are at best partial and contested.
- Last, that as a consequence of the above, NPM is a failed paradigm.

3.4.3 Governance theory

Critical to the development of partnerships between stakeholders is an understanding of how processes within PPP can be governed. Increasing attention has been given by governments to issues of 'governance' to promote better-integrated performance systems. The literature studied views 'government' as associated with an institution or state that has some form of authority,

while 'governance' is much broader and refers to how various issues and actions are coordinated (Börzel & Risse, 2005; Duit & Galaz, 2008).

Börzel and Risse (2005:195) argue that PPPs as tools of governance have been prevalent in the domestic affairs of highly industrialised states for some time. According to Duit and Galaz (2008:316), governance scholars have recently sought to theorise issues of complexity in governance and the ability of governance systems to cope with change and uncertainty. This section discusses how the concept of governance is defined, how governance theory has evolved as a theory, and what its contribution to public-private partnership might be.

3.4.3.1 Definition of the concept of governance

According to Hufty (2011), there is a notorious absence of conceptual consistency in the use of the term 'governance', both in academic spheres and by decision makers. Hufty (2011) suggests that governance is often used as a synonym for government, owing to its Greek origin, *kubernân*, which refers to the control of a ship or cart. Hufty (2011:405) defines governance as follows:

“Governance refers to a category of social facts, namely the processes of interaction and decision-making among the actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions”.

There are many other definitions of governance and related concepts (Stoker, 1998; Weiss, 2000; Bevir & Rhodes, 2001, 2003; Enders, 2004; Mason et al., 2007; Rhodes, 2007; Andrews, 2008; Ansell & Gash, 2008; Peters, 2011; Constantinos, 2011). The term 'governance', according to Bevir and Rhodes (2001:2), means different things to different people: it has one meaning for the economists of the World Bank and another for political scientists engaged in local government and Whitehall programmes. Rhodes (2007:1246) views governance in the context of public administration and public policy, characterising it as follows:

- Interdependence between organisations. Governance is broader than government, covering non-state actors with shifting and opaque boundaries between public, private and voluntary sectors.
- Continuing interactions between network members. According to Rhodes, this entails shared purpose and exchange of resources.
- Games-like interactions. Trust among participants is regulated by negotiated and agreed rules of the game.

- A significant degree of autonomy from the state. Here networks are not accountable to the state although the state can indirectly and imperfectly steer networks.

Rhodes (2007) encapsulates governance as governing with and through networks. For the World Bank (1991), on the other hand, the concept of governance refers to the “the manner in which power is exercised in the management of a country’s economic and social resources” (Weiss, 2000:797). Clearly a process of conceptual change has occurred, which is why governance theory is seen as a “new process of governing, or a changed condition of ordered rule; or the new method by which society is governed” (Stoker, 1998:17). According to Enders (2004:372), the term ‘governance’ has thus been extended in two ways, both distinct from political guidance; first, ‘governance’ has been used to denote a new mode of governing that is more cooperative, where state and non-state actors participate in mixed networks. Second, governance denotes the various modes of coordinating individual actions, or basic forms of social order.

Pellicano, Ciasullo, Monetta and Galvin (2011:906) define governance similarly, as follows:

“Governance has a broader meaning than government involving the steering of complex networks in societal policy sectors. In public governance, interaction with the socio-political environment plays an important part and affects the dynamics of stakeholder participation. In other words, governance can be defined as the structure and the processes that ensure democratic decision making and reliable public administration”.

The focus here is on the role that government can play in addressing issues affecting the interests of different stakeholders. The term ‘governance’ thus highlights decision-making processes and cooperation between different stakeholders in the implementation of policies (Pellicano, *et al.*, 2011:909). Frederickson *et al.* (2012:242) nevertheless identify three distinct, coeval conceptions of governance:

- That governance is simply a surrogate word for public administration and policy implementation and that governance theory is a project attempting to unify the various intellectual threads from a multidisciplinary literature into a framework that covers this broad area of government activity.
- That governance equates to the managerialist, or NPM, where NPM attempts to reform the public sector by defining and justifying what government should and should not do in the provision of service.
- That governance is a body of theory that comprehends lateral relations, inter-institutional relations, and a general institutional fragmentation.

In one perspective, then, governance constitutes a combination of intensive efforts to effect change in how the public and private sectors are run. It is therefore of the utmost importance to understand how governance and its related concepts are interrelated with PPP. Clearly, government and governance remain interrelated (Rhodes, 2007; Bevir & Rhodes, 2001, 2003; Cepiku, 2008, Pellicano, *et al.*, 2011). Cepiku (2008) distinguishes between government and governance in the ways displayed in Table 3.1, below.

Table 3.1: Government versus Governance

	Government	Governance
Definition	Decision-making authority is legitimised by formal institutional rules	Authority both formal and informal is exercised with the aim of building consensus on specific decisions
Actors	The public constitute a small number of participants	Various actors participate, such as public, private and civil society
Focus	The focus is on organisational structures and institutions	The focus is on processes, policies and outcomes
Structures	The structure of government is hierarchical closed systems, its authority has territorial limits, and compulsory participation is enforced	The structure is an open system, with functional division of authority, and entails networks and partnerships and there is voluntary participation on the part of the actors
Decision-making process	There is little consultation, no cooperation and little involvement of the public in the decision-making process, policy making and implementation	There is greater consultation and cooperation between actors in decision-making processes and implementation of sectoral policies
Implementation tools	The government utilises formal top-down tools	Governance utilises informal tools to create conducive conditions and incentives for the acceptance of formal decisions
Interaction modalities	The interaction models or systems are based on hierarchical authority, with conflictual relations and secrecy in delivering direct service	There is transparent and open public administration which entails consultation and collaborative relations
Decisions	The decisions are rigid and specific	The decisions are based on autonomous criteria and principles
External implications of decisions	The implication decisions externally are compulsory with prohibitions and obligations	There is no compulsory requirement with regard to the implications of decisions externally and incentives and conditions determine the behaviour of the different actors

Source: Adapted from Cepiku (2008:97-113)

The assumption underlying and informing this comparison is that even though governance is sometimes used synonymously with government, the two concepts differ considerably. The question of whether governance is a standalone concept separate from government remains debatable (see Costatinos, 2011; Peters, 2011).

A second, related concept that has also become a buzzword within both the public and private sectors is 'good governance'. Andrews (2008:379) argues that good governance indicators reflect what many would consider the sensible and attractive characteristics of effective governments. According to Andrews (2008:381), governments should be fiscally disciplined and decentralised to respond to citizens' needs and make and manage business-friendly policies.

The third concept that this study addresses is corporate governance. According to Mason, Kirkbride, and Bryde (2007:287), corporate governance is defined as:

“(A) set of relationships between a company’s management, its board, its shareholders and other stakeholders (. . .) also (providing) the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. (Organisation for Economic Co-operation and Development, 2004:11, cited in Mason et al., 2007:287)”.

The general discourse of the literature regarding corporate governance indicates that the private sector can no longer go on with business as usual; it needs to adapt and adopt new ways of operating. The last concept on which this section focuses is collaborative governance, an extrapolation of the new notion of governance outlined above. According to Ansell and Gash (2008:544-454), collaborative governance emphasises six important criteria to be followed:

- that public agencies or institutions initiate the forum;
- that the participants in the forum include non-state actors;
- that participants actively engage in decision making;
- that the forum is formally organised and meets collectively;
- that the forum aims at making consensual decisions; and
- that collaboration is based on public policy or public management.

According to Ansell and Gash (2008:547), collaborative governance often implies the inclusion of a broader range of stakeholders that sometimes lack a representational monopoly over their sector. Ansell and Gash (2008:548) further contend that the terms collaborative governance and public-private partnership are sometimes used interchangeably to denote the same phenomenon.

In closing, it perhaps needs to be said that the new concept of governance as collaborative or participatory has emerged in response to growing problems of maladministration and lack of accountability in government.

3.4.3.2 Evolution of governance theory

The discussion that follows examines how governance theory has evolved from a mere concept to become a global buzzword in public and private sector alike. Stoker (1998) identifies a range of disciplines from which the theoretical roots of governance originate, such as institutional economics, international relations, organisational studies, development studies, political science, public administration, and Foucauldian-inspired theorists. Bevir and Rhodes (2001:3) observe that the current interest in governance derives in large part from the reforms of the public sector promoted by neoliberal governments in Britain and the USA during the 1980s.

The concept of governance subsequently gained ground during the two decades of public administration reform, both in academic debate and in political and managerial rhetoric, at the expense of the traditional notion of 'government' term and the new public management (NPM) paradigm (Cepiku, 2008). Cepiku (2008:98) claims that the governance concept has been extensively deployed in the last ten years, and suggests that the key reason for its popularity is its capacity to cover the whole range of institutions and relationships involved in the process of governing.

Much of the history of political theory vacillates between the stewardship/ guardianship and guiding/steering responsibilities of the state. The emergence of 'governance' favours the latter, reflecting changes in society over the last few decades, such as globalisation and democratisation (Chhotray & Stoker, 2009:1). Frederickson, *et al.* (2012:219), for example, observe that during the last quarter century, industrialised democracies witnessed a fundamental shift in the purposes and methods of government. In the 1970s, 1980s and 1990s government became less hierarchical, more decentralised, and increasingly willing to cede its role as dominant policy actor to the private sector. The years from the 1980s have seen the emergence of the "hollow state," that is, government that contracts public service provision out to non-profit organisations and reduces its role as a direct supplier of public goods (Frederickson *et al.*, 2012:220).

Ansell and Gash (2008:543) claim that over the last two decades, a new strategy of governing called "collaborative governance" has been developed. It aims at bringing multiple stakeholders together in common forums to engage in consensus-oriented decision making. Collaborative governance is a response to the failures of downstream implementation as well as the politicisation of regulation. It should be seen as an alternative to the adversarialism of interest group pluralism and to the accountability failures of managerialism (Ansell & Gash, 2008:544).

Osborne (2006:381) claims that a range of approaches to governance can be found within the existing public administration and management literature:

- The work of Kooiman illustrates this by indicating that “social-political governance” is a theory of institutional relationships within society.
- Osborne claims that Kickert’s (1993) and Rhodes’s (1997) definitions of governance as the machinery of “self-organising inter-organisational networks” that function both with and without government to provide public services.
- The work of Frederickson (1999): governance, taken together with the theory of administrative conjunction, has repositioned public administration as the continuing leading discipline for the realities of the modern world.
- The works of Marsh and Rhodes (1992), Kickert et al. (1997), and Hanf and Scharpf (1978) have used governance as a way to explore the workings of policy communities and networks.
- The works of Lynn et al. (2001), Salamon (2002), and Milward and Provan (2003) have used governance as a proxy and catch-all term created as a holistic theory of PAM.
- In the work of Kettl (2000), governance is used to explore the internal processes and workings of the NPM.

3.4.3.3 The purpose of governance theory

The rise of the fragmented state and the growing obsolescence of existing public administration frameworks have intensified the search for new intellectual foundations (Frederickson, *et al.*, 2012:234). Frederickson, *et al.* (2012:242) conclude that governance is centred on the need to account for the changing relationship between government and society, which has brought about a fundamental shift in the process and nature of public administration. Governance theory responds to this, at the same time delivering a more effective and efficient public administration.

Toikka (2011:13) concurs, noting that governance has been used to refer to the changing role of the state, for example, during the neo-liberal and new public management reforms of the 1980s. For Bevir and Rhodes (2003:3), the concept of governance signals how the informal authority of networks supplements and supplants the formal authority of government, exploring its limits and seeking to develop a more diverse view of state authority and its exercise.

Bevir and Rhodes (2003:30) conducted a study on the changing patterns of governance in Britain which confirms that in Britain, governance has provided a valuable corrective to both the traditional Westminster model of British government and more positivist accounts of governance, offering the hope of finding new and better ways of organising the country. Governance theory has provided a language for re-describing the world and opened the door to

an understanding of how several actors can together construct the meaning that insists on the necessity for change. The theory rests on the premise that the state cannot do what is required to meet the most pressing societal challenges by itself, and that it needs to engage other actors to leverage its capacities (Ruggie, 2014:8-9).

The purpose of engaging with governance theory is to determine ways in which attention to the issues and interests of communities can be improved by both the public and private sectors. The next section therefore examines the contribution of governance to public–private partnership.

3.4.3.4 Contribution of governance theory

This section will focus on what governance theory can contribute to the implementation of CSR through PPP. Among the potential contributions of governance theory to PPP, perhaps the most important is the theory's insistence on transparency and consultation when addressing issues affecting society (Ewalt, 2001; Carver, 2007; Mason, *et al.* 2007, Duit & Galaz, 2008; Peters, 2011; Frederickson *et al.*, 2012).

Governance theory's prioritising of people over systems is reflected in Carver's (2007:1034) argument that any theory of governance must begin with those who own the organisation and not with its operations: by way of example, directors should relate more with shareholders than with managers. Conflict within the PPP scenario may occur when elected officials or politicians set goals and priorities without consultation with the private sector, and then expect the private sector to take all the risks associated with those decisions (Mason *et al.*, 2007:287).

Mason *et al.* (2007:287) further note that shareholders are providers of capital and bearers of residual risk, and managers, as "agents", must act in their interests. Managers, as part of the community, need to align and prioritise managerial decisions with those of the community (Mason *et al.*, 2007:290). According to Peters (2011:66), an attempt has to be made to define the role of social actors as opposed to the role of the state in governing.

Warner and Sullivan (2004:29) argue that partnerships among social actors can impact on public sector governance in ways that will improve the responsiveness of government to community needs and increase the perceived legitimacy of public municipal government. Warner and Sullivan (2004:303) have identified indicators for measuring the outcomes of partnerships from the perspective of governance theory:

- Effectiveness of social programmes.
- Transparency and accountability.

- Effectiveness of resource management.
- Effectiveness of regulations.
- Rule of law.
- Assurance of political stability.
- Levels of corruption.

There are several instances in the literature of how governance can contribute effectively to PPP (Rhodes, 2007; Ewalt, 2001; Richey, Roath, Whipple & Fawcett 2010; Frederickson *et al.*, 2012). Van der Waldt (2014:69) argues that a governance theory approach can prove successful in a wide variety of contexts, such as:

- corporate governance, which entails management practices within private sector enterprises;
- global governance that includes a particular geopolitical perspective;
- environmental governance; and
- governance issues at different levels of government.

Other issues identified in the literature regarding the contribution of governance theory are its usefulness in sorting out problems of maladministration and ensuring that clear lines of communication between the different actors are maintained. According to Ewalt (2001:9), governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues and highlights the achievement of collective action. Governance recognises the capacity of people to get things done without the power of government to command or use its authority (Ewalt, 2001:11).

According to Rhodes (2007), the growth of governance has reduced the ability of the core executive to act effectively, making it less self-reliant and more reliant on diplomacy. The state has been hollowed out by international interdependence, marketisation and networks, and by agencies and the several species of parastatal bodies (Rhodes, 2007:1248). In this context, PPP would seem to be the logical route for the state to go in order to achieve necessary but complex and expensive societal goals.

3.4.4 Urban regime theory

This section examines how partnerships between different sectors can be better understood within the urban regime theory perspective. For the purposes of this study, the terms regime theory and urban regime theory are used interchangeably. Urban Regime Theory, as suggested by Mossberger and Stoker (2001), has been used to examine how various interests have been incorporated into governing coalitions. Urban regime theory can be regarded as a theorisation of PPP to the extent that it frames an examination of the relationship between the public and private sector and has been a dominant paradigm and tool to explain how the partnership operates. This is of importance to CSR as the processes associated with public–private partnership are value laden and often highly politicised.

Frederickson, *et al.* (2012:238) suggest that Regime Theory is the study of how entities adapt to changes in the environment and relate to other entities. They argue that adapting regime theory from the discipline of international relations can develop into a three-part theory of governance:

- “Inter-jurisdictional governance” refers to both vertical and horizontal inter-jurisdictional and inter-organisational cooperation.
- “Third-party governance” refers to the extension of contracts and grants offered by the state, including sub governments.
- “Public nongovernmental governance” refers to the different forms of nongovernmental policy making and implementation.

In short, the proponents of urban regime theory contend that PPPs can benefit from applying theoretical constructs from international regime research, complemented by adjacent literature from management and organisational studies (Homkes, 2011:3).

3.4.4.1 Evolution of Urban Regime Theory

The purpose of this section is to trace the evolution of urban regime theory. Scholarly research claims that this theory can be traced to Clarence Stone’s study of Atlanta in 1989 (Imbroscio 1998, 2003; Mossberger & Stoker, 2001; Pierre, 2014). Regime analysis has subsequently been extensively used to examine urban politics.

Urban regime theory is a dominant paradigm for studying urban politics in liberal democracies (Davies, 2002:1). The basic point of departure in Clarence Stone’s urban regime theory is the observation that the task of governing a city is too overwhelming for the local authority to handle alone (Pierre (2014:865). And any attempt rigidly to define the roles of the public and private sectors does not always provide practical and realistic outcomes.

Imbroscio (1998:234) argues that regime theory adopted the central principle of political economy, that is, that economic forces play a strong role in shaping urban outcomes. The private sector, because of the resources it possesses, must be involved, but needs to behave in a manner that respects the values and culture of local communities. The obvious solution is partnership, which remains an important social institution that assists in the compilation of rights, rules, decision-making procedures, and programmatic activities to guide human actions in a given area (Homkes, 2011:25).

In an attempt to summarise the conceptual legacy of urban regime theory in general, Homkes (2011:26) proposes that partnerships stand to benefit from a multidisciplinary approach including regime theory and other micro-level theories on management and organisation. According to Davies (2002:3), regime theory provides guidance on the division of labour between state and market, as well as the interface between the public and private sectors. Davies (2002:3) argues that urban regime theory has its roots in the structuralist school of Marxism, but rejects structuralism and focuses more on the importance of agency in politics.

Imbroscio (1998) also claims that the ascendancy of the regime paradigm to its position as the dominant empirical theory of urban politics has made it the subject of intense critical scrutiny. The critics of this theory, according to Imbroscio (1998), have uncovered conceptual limitations and weaknesses inherent in the approach and have suggested that the original formulation of regime theory requires modification.

3.4.4.2 Purpose and contribution of urban regime theory

This section focuses on the purpose and contribution of urban regime theory in its targeting of the partnership between the public and private sectors.

Stone (1993) sharpened and extended his typology to include four regime types: maintenance, developmental, middle-class progressive, and lower-class opportunity expansion (Imbroscio, 1998:241-243). On the basis of these, Imbroscio (1998) has identified three potential reconstructions of the division of labour, which he labels community-based, petty bourgeois, and local-statist.

- Community-based regime – refers to a governing coalition dominated by community leaders and their allies who have captured the public power of city government via the electoral process.
- Petty bourgeois regime – the building blocks of the regime are small, private businesses with connections to public officials. They share power in the city's governing coalition with a collection of independent producers.

- Local-statist regime – refers to the role of the state in the city’s public property ownership and public profit-making activities.

These distinctions notwithstanding, Davies (2002) asserts that regime theory as a theory of structuring reveals serious theoretical and empirical difficulties for its advocates. Theory aside, both Mossberger and Stoker (2001:812) and Austin and McCaffrey (2002:35) have sought to demonstrate the relevance of urban regimes in bringing together resources where government action alone is insufficient (by definition they include non-governmental actors). According to Mossberger and Stoker (2001:812) and Austin and McCaffrey (2002:35), PPPs and cross-sector collaborations provide important structural vehicles on which urban governance and regime dynamics ride. Imbroscio (2003) notes that urban regime theory offers a powerful framework for the analysis of urban politics typical to industrial society, but is probably less likely to offer an equally encompassing theory for urban politics in a post-industrial economy.

Urban regime theory is important for this study because of its relevance to partnerships. The central theoretical thread of this study is the question of how partnerships between different stakeholders can contribute towards a better-coordinated CSR programme. Regime analysis is strong on issues of power relations and distribution, but has been found wanting in economic terms. Imbroscio (2003:275) has argued that regime theory must first demonstrate empirically that employed development policies largely fail to meet standards of economic rationality. Imbroscio (2003) has developed an alternative economics for regime theory comprising six elements upon which economic policy and analysis can be built: these are human capital, community stability, public balance sheets, asset specificities, economic localism, and alternative institutions. According to Imbroscio, the significance of these elements to both the public and private sectors is that they will greatly augment resources, creating a “strong state” at local level. Mossberger and Stoker (2001:810-829) have suggested a framework through which such a local state can be realised. The framework consists of a network of actors embracing the following core principles:

- that partners drawn from government and non-governmental sources require participation within the business sector;
- that collaboration between actors is based on social production by bringing together fragmented resources for the power to accomplish tasks;
- that for coalition to materialise, identifiable policy agendas need to be developed; and
- that a longstanding pattern of cooperation rather than a temporary coalition should be developed.

Pierre (2014:865) argues that urban regime theory has shaped the urban politics research agenda in the United States for the past two decades and that the theory is empirically based on patterns of public and corporate behaviour. Pierre (2014:871) suggests that urban regimes evolve because of the interest of both corporate and political leadership in forging a “governing coalition” in order to get important and necessary work done.

3.5 Chapter summary

Corporations throughout the world have been engaged in partnerships with the public sector to address challenges faced by communities and other stakeholders. This chapter has provided a review of the various theoretical perspectives relating to CSR and PPP which are necessary to respond to the study’s research question (see Chapter 1), namely, how a public and private sector partnership in the design and implementation of CSR can help to develop effective CSR practices in the Lejweleputswa District in the Free State province. The first part of the chapter discussed theories deemed appropriate for the implementation of CSR through PPP. It discussed, *inter alia*, agency theory, Frederick’s theories of CSR, Garriga and Melé’s theories of CSR, as well as stakeholder theory, which can be used to describe how public and private sectors can implement CSR through partnerships.

What emerged from the literature was that companies have obligations to consider the needs and interests of communities and should take into account the impact their operations have on society at large. Not all theories reviewed in this section of the chapter are equally applicable to the study. An increasing number of companies implementing CSR may be interested in adopting the stakeholder theory, which advocates the involvement of all stakeholders. The second part of the chapter dealt with theoretical perspectives on public–private partnership. The following theories were discussed: game theory, new public management (NPM) theory, governance theory, and urban regime theory. The discussion sought to contribute to a better understanding of what is at stake in the successful design and implementation of CSR.

Of all the theories of PPP canvassed, governance theory seemed the most appropriate, since it seeks to address issues pertaining to public, private and civil society alike. Furthermore, the ability of governance theory to look beyond one sector provides a perspective supporting the need for both sectors to consider involving all stakeholders in designing and implementing programmes aimed at addressing societal needs. As mentioned in the preceding sections, stakeholder theory and governance theory are the two approaches able to focus on and interpret the actions of both the public and private sectors. The study will apply both theories to examine their applicability and relevance in the context of the implementation of CSR through PPP. The next chapter examines the current policies and legislative framework governing the promotion of CSR through PPP.

CHAPTER 4: CURRENT POLICIES AND LEGISLATIVE FRAMEWORK GOVERNING THE PROMOTION OF CSR

4.1 Introduction

Chapters 2 and 3 provided, respectively, a review of the relevant literature and a discussion of theoretical perspectives on CSR and public-private partnership (PPP). This chapter sheds light on the current policies and legislative framework surrounding the implementation of CSR and PPP, both in South Africa and around the world.

The implementation of CSR in South Africa has been influenced by legislation and policy frameworks relating to responsible organisational behaviour, while changes with regard to how companies engage in CSR practices have been influenced by the country's transition from the apartheid system to a new democratic government.

In the face of the social, economic and material needs of communities, the South African government is faced with the challenge of finding sustainable ways to address these needs. Because it cannot do so unaided, it has developed policies and frameworks to create a favourable environment for the private sector to assist. Like other countries, South Africa has been directed by guidelines for transparent and accountable CSR practices developed by international organisations such as the International Labour Organisation (ILO), the Organisation for Economic Co-Operation and Development (OECD), the World Business Council for Sustainable Development (WBCSD); the United Nations Global Compact, and the European Union (EU).

This chapter investigates compliance with policies from an international perspective, focusing on how various European countries have dealt with issues pertaining to CSR (the Netherlands, Denmark, Germany, Italy and Russia). The chapter then discusses how CSR has been implemented in developing countries, with special attention to the African continent, eventually focusing on South Africa. The discussion assesses current government guidelines, legislation and policies in South Africa and abroad in terms of CSR and PPP. The chapter also provides an overview of the legislative framework governing operations within the mining sector. The next section explores the concept of CSR by providing an international perspective on its implementation.

4.2 Corporate social responsibility

4.2.1 CSR: International perspective

The literature indicates that, all too often, in various countries across the world multinational companies (MNCs) have embarked on programmes and projects aimed at improving the livelihood of different communities without properly investigating the needs of these communities (Aaronson & Reeves, 2002; Cramer, 2005; Jenkins, 2005; Barkemeyer, 2009; Lange & Kolstad, 2012). In countries across Europe and BRICS, there has been some pressure to promote CSR from both government and MNCs. The aims and levels of consultation associated with these initiatives vary considerably.

Aaronson and Reeves (2002:6) observe that the various codes of conduct established to guide MNCs do not exist solely at company or industry level, but are rather intended to be universal and apply to all firms across sectors and countries. Examples include the Caux Round Table Principles, the Global Sullivan Principles, and the Keidanren Charter for Good Corporate Behavior. The Sullivan Principles corporate code of conduct was developed in 1977 by the African-American preacher, the Revd Leon Sullivan, to apply economic pressure on South Africa in protest against its system of apartheid, and to promote CSR among companies that were doing business in South Africa (Lashgai & Gant, 1989; Bemasek & Porter, 1997; Steward, 2011). Two decades later, in 1999, Revd Sullivan, together with United Nations Secretary-General, Kofi Annan, announced the Global Sullivan Principles (GSP), to expand the corporate code of conduct to advance human rights and social justice internationally (Cavanagh, 2004:633). Cramer (2008:396) claims that the issue of complying with the code of practice within the international context has not only affected larger companies but has had an impact on small and medium-sized businesses as well. Non-compliance with the codes of best practice by MNCs has led to revolts and labour crises, and in turn forced governments to enact legislation to change how these companies operate.

Taking the historical development and implementation of CSR into account, Jenkins (2005:529), observes that in the late 1990s, CSR began to be implemented by international organisations such as the World Bank and the United Nations, and national development cooperation agencies such as the Department for International Development (DFID) in the UK and the Canadian International Development Agency (CIDA). According to Jenkins (2005), these MNCs and international development agencies embraced the CSR concept to address societal ills within their areas of operation. Cramer (2005:71) contends that for companies doing business globally, CSR does not stop at a nation's border, especially for larger companies that have become involved in a chain of networks through the globalisation of the economy. For Lange and Kolstad (2012:135) and Jenkins (2005:525), CSR has become a major focus for corporate

community involvement in activities can that be viewed as addressing the interests and concerns of the members of the local community in which a corporation operates.

Barkemeyer (2009:279) argues that other organisations such as the International Labour Organisation (ILO), the Rio Declaration on Environment and Development, and the UN Convention against Corruption (UNCAC) have played a crucial role in addressing issues pertaining to human rights, labour rights and corruption, as well as environmental issues. The participation of companies in the United Nations Global Compact has added a strong international dimension to CSR in that a range of stakeholders has been encouraged to address the challenges of the 21st century (Bitanga & Bridwell, 2010:268). Castka, Bamber and Sharp (2004:1) note that sweeping changes to society and the business environment at the beginning of the 21st century have put CSR and corporate governance under the spotlight of shareholder, public and governmental scrutiny. Thus many companies have adopted various forms of reporting on CSR, such as 'triple bottom line', Global Reporting Initiative, or Social Accountability International Non-Governmental Organisations (NGOs) (Dawkins & Ngunjiri, 2008:287).

CSR has been promoted and popularised through branding and labels. According to Franc, Nezhyba and Heydenreich (2006:36), a growing number of labels and brands have been used to inform consumers about the impact of products or practices on social and environmental issues. Franc et al. (2006:37) note that consumers can be informed about the additional qualities of a product through labels which comply with some kind of code of conduct. The discussion that follows examines various organisations that have established codes of conduct – global policies and guidelines – for multinational companies in their application of CSR. The organisations concerned are as follows: International Labour Organisation (ILO); Organisation for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises; World Business Council for Sustainable Development (WBCSD); United Nations Global Compact; and European Union (EU). The second part of the chapter will go on to focus on how different countries within Europe have implemented CSR.

4.2.1.1 International Labour Organisation (ILO)

A crucial role is played in the promotion of CSR by the International Labour Organisation (ILO) as one of the agencies within the United Nations. The ILO is the oldest agency of the United Nations, founded in 1919 (Franc et al., 2006:33). It comprises eight fundamental ILO Conventions, for submission by member states to their governing authorities, and the ILO Tripartite Declaration of Principles, mainly concerned with multinational enterprises and social policy affecting companies. Franc, *et al.* (2006:34) describe the ILO Tripartite Declaration of Principles is a non-binding instrument containing some implementation procedures. According

to Aaronson and Reeves (2002:9), the ILO covers social justice and human and labour rights, but does not discuss matters concerning environmental, corporate governance, or ethical issues.

The ILO (2006) defines CSR as:

“a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law”.

The above definition regards CSR activities as voluntary, in excess of compliance with the law. Companies are encouraged to implement CSR as a tool through which they can express their “principles and values” and make a lasting impact on society.

The importance of clarity with regard to ILO operations has been emphasised by Bichta (2003:1), who asserts that the ILO Declaration on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development are examples of how issues that promote best practice can be addressed on an international platform. On the other hand, the Commission of the European Communities (2001) claims that compliance with the most meaningful and relevant of the ILO labour standards, on issues such as freedom of association, abolition of forced labour, non-discrimination, and elimination of child labour, is central to CSR.

The Commission further argues that compliance in respect of these issues should be monitored. It claims that CSR has been recognised in international instruments such as the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy because of its strong human rights dimension, particularly in relation to international operations and global supply chains. The relevance of ILO to CSR is a function of the premise that companies need to establish humane labour conditions to have an impact on society. That is to say, instead of trying to become less responsive to societal problems, companies need to recognise the positive contribution of CSR to development and collaborate with other stakeholders to comply with labour standards. The next section discusses CSR as implemented by the Organisation for Economic Co-Operation and Development (OECD).

4.2.1.2 Organisation for Economic Co-Operation and Development (OECD)

The second organisation that has played a crucial role in CSR and corporate governance is the Organisation for Economic Co-Operation and Development (OECD). According to the US mission to the OECD, the governments of 34 democracies with market economies work with one another, focusing also on 70 non-member economies, to promote economic growth, prosperity and sustainable development. The OECD's main purpose is to promote policies that improve the economic and social wellbeing of people around the world. It provides a forum through which governments can work together to share experiences and seek solutions to common problems (OECD, 2017). Franc, *et al.* (2006:31) state that the OECD Guidelines for Multinational Enterprises were established in 1976 as an international code of conduct for governments to recommend to companies. Michael (2003:124) cites these Guidelines as an important international initiative impacting both governments and corporations in respect of CSR practice.

Aaronson and Reeves (2002:12) claim that the OECD embraced a new strategy for the development of international public policy, creating a national and multinational government process to monitor and encourage business to "do the right thing". All 33 nations that agreed to the Guidelines committed to the development of a national contact point, which could be a staff unit or a committee. According to the OECD, corporate responsibility involves the search for an effective 'fit' between businesses and the societies in which they operate; the OECD describes CSR as refereeing the actions taken by businesses to nurture and enhance this symbiotic relationship. The hoped-for result is an environment of mutual trust in which issues pertaining to economic, social and environmental welfare can effectively be addressed.

The Annual Report on the OECD Guidelines for Multinational Enterprises, Employment and Industrial Relations (OECD, 2009:237), claims that many companies in both developed and developing countries have long engaged in CSR activities motivated by external expectations, and that private initiatives for CSR have provided an international channel through which various actors can debate standards of business conduct and management practice. Bichta (2003:24) notes that in 1998, the OECD developed a set of corporate governance standards and guidelines addressing five key areas of corporate governance, namely, protecting the rights of shareholders, the equitable treatment of all shareholders, the role of stakeholders in corporate governance, the need for timely and accurate disclosure and transparency, and strategic guidance on the responsibilities of the board.

The OECD guidelines are able to provide guidance on the development of good corporate governance for companies and assist national governments to evaluate and improve corporate governance (Bichta, 2003:24). Adeyeye (2011:115-116) points out that the guidelines address a

range of issues and their enforcement is for the time being mostly carried out through soft law initiatives. Another perspective on the situation is that these guidelines have made governments more responsible and the role of the business sector has become more important in promoting sustainable development. The next section explores how CSR has been adopted by the World Business Council for Sustainable Development (WBCSD).

4.2.1.3 World Business Council for Sustainable Development (WBCSD)

The role of the WBCSD in promoting CSR is of particular importance. According to Adeyeye (2011:109), since 1989 the WBCSD has been actively involved in CSR through dialogues with diverse stakeholders throughout the world. The WBCSD believes that a coherent CSR strategy, based on sound ethics and core values, offers clear business benefits. As an engine for social progress, CSR helps companies live up to their responsibilities as global citizens and local neighbours in a fast-changing world. Moreover, acting in a socially responsible manner is more than just an ethical duty for a company but something that actually has a bottom line pay-off. In order to address the concept of CSR, the WBCSD (2000) started by defining the concept of CSR as follows: “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 the local community and society at large.” Buhăniță (2015:64) notes that the WBCSD differentiates between “corporate social responsibility” and “corporate responsibility towards the environment” by offering two definitions of CSR that emphasise the social and the ecological dimensions equally, illustrating the interaction between business and various stakeholders to address socio-economic and environmental issues affecting communities. What is crucial in this definition is that it stresses the importance of stakeholders in the implementation of CSR programmes. According to Ahmad, Taiba, Kazmi and Ali (2015:926), the WBCSD’s definition of CSR illustrates the commitment of business to improving society and the quality of life in ways that are both good for business and good for development.

Michael (2003:115) argues that CSR discourse is predicated on collaboration between government, business and civil society: thus for CSR to succeed, collaboration and partnership with other organisations are crucial. In their report for the WBCSD, “Meeting Changing Expectations: Corporate Social Responsibility,” Watts and Holme (1999:19) argue that the lack of an all-embracing definition should not deter business from grappling with the issue of CSR. They point out that the WBCSD advocates the full participation of business in the CSR debate as an integral aspect of sustainable development.

According to the WBCSD (2000), CSR is firmly on the global policy agenda. While responsible behaviour is not something new in business, there are no easy answers to the increasing calls

for business to assume wider responsibility in the social arena. In order to oblige business to discharge CSR functions, government needs to implement the necessary legislation. The failure of most governments to implement legislative frameworks requiring businesses to make meaningful contributions to CSR programmes is evident.

4.2.1.4 United Nations Global Compact

Since its establishment, the United Nations has heeded the call to ensure that all nations globally respect the rights of human beings and ensure that business and society interact for the advancement of local communities. The UN agenda thus includes CSR and sustainable development. According to Cetindamar and Husoy (2007:164), claims have been made that CSR helps companies to meet objectives that produce long-term profits; other authors merely argue that CSR is a step towards achieving a decent society. The UN Global Compact was initiated by its former Secretary-General, Kofi Annan, and launched in July 2000 (Barkemeyer, 2009; Bitanga & Bridwell, 2010). According to Williams (2007:287), Kofi Annan challenged business leaders to join a “global compact of shared values and principles” to provide a stable environment for the world market and guard against the effects of protectionism, populism, fanaticism and terrorism.

From a different perspective, Bitanga and Bridwell (2010:268) argue that the United Nations Global Compact can be viewed as the initial steps in international agencies' efforts to develop an international forum to monitor and manage global CSR. Cetindamar and Husoy (2007) regard the United Nations Global as a CSR mechanism that will enable both government and business to resolve environmental issues.

According to Bitanga and Bridwell (2010:265-266), the UN Global Compact initiative was designed to encourage companies to act as socially responsible members and commit to the following ten principles:

4.2.1.5 Human Rights

Businesses should:

- (1) support and respect the protection of internationally proclaimed human rights;
- (2) ensure that they are not complicit in human rights abuses;

4.2.1.6 Labour Standards

Businesses should uphold:

- (1) the freedom of association and effective recognition of the right to collective bargaining;

- (2) the elimination of all forms of forced and compulsory labour;
- (3) the effective abolition of child labour;
- (4) the elimination of discrimination in respect of employment and occupation;

4.2.1.7 Environment

Businesses should:

- (1) support a precautionary approach to environmental challenges;
- (2) undertake initiatives to promote greater environmental responsibility;
- (3) encourage the development and diffusion of environmentally friendly technologies;

4.2.1.8 Anti-Corruption

- (1) Businesses should work against corruption in all its forms, including extortion and bribery.

According to the principles of the UN Global Compact, what is important is that businesses need to balance profit and their responsibility towards people and the planet for their long-term success. The UN Global Compact has been outspoken about global corporate citizenship initiatives and has linked these to the achievement of the UN Millennium Development Goals (MDGs) (Barkemeyer, 2009:278). (The MDGs were replaced by the Sustainable Development Goals (SDGs) in 2015.) Franc, *et al.* (2006:35) point out that this initiative encouraged businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. Barkemeyer (2009) suggests that the majority of these best practices focusing on CSR activities were carried out in the member companies' home markets, with the aim of addressing societal challenges.

Scherer and Palazzo (2011) claim that prior to the establishment of the UN Global Compact there was no strong and influential body to promote CSR. Since globalisation has weakened the ability of national governments to regulate corporations, Scherer and Palazzo (2011) point out that the Compact, with more resources, could help companies improve CSR in developing countries. The findings from the literature on the role of the UN Global Compact in promoting CSR indicate that the overall implementation of CSR has changed the notion of business's purpose as purely one of profit making to one that includes addressing societal problems.

On the other hand, Aaronson and Reeves (2002:9) indicate that the UN Global Compact did not spell out the role of national governments in promoting adherence among firms. They argue that the UN is struggling to reassure and convince some of its developing country members that the

Global Compact will help them attract investment, and that it should not be viewed as meddling or paternalistic. Thus the involvement of developing countries in the UN Global Compact needs to be carefully investigated.

4.2.1.9 European Union (EU)

Several authors have investigated the EU's promotion of the concept of CSR within its member states (Bichta, 2003; MacLeod, 2005; Eberhard-Harribey, 2006; Barkemeyer, 2009; Mullerat, 2013). Bichta (2003:46) notes that the EU stood publicly in favour of CSR in 1993 when President Delors appealed to European business to participate in the Union's fight against social exclusion. After the European Council Summit held in Lisbon in March 2002, the EU set itself new strategic goals to become the most competitive and knowledge-driven economy in the world and encouraged CSR behaviour through the development of a supportive legal framework.

The Commission of the European Communities (2001) described CSR as a concept in terms of which companies decide voluntarily to contribute to a better society and a cleaner environment. The Commission adopted a Charter of Fundamental Rights that led to more and more companies recognising their social responsibility as part of their identity. Barkemeyer (2009:273) observes that, according to EU policy, the state has a role to play in the CSR agendas and meeting actual developmental needs in the South.

Since the publication of the Green Paper titled "Promoting a European Framework for Corporate Social Responsibility'," there has been a proliferation of communications about and actions around CSR by the European Commission (Eberhard-Harribey, 2006:358). The Green Paper (DOC/01/9, Brussels, 18 July 2001), as presented by the Commission of the European Communities, shows that at the European level the question is how CSR can make a meaningful contribution to the Lisbon goal of building a dynamic, competitive and cohesive knowledge-based economy. MacLeod (2005:544) argues that the Green Paper draws on the concept of the 'triple bottom line' and also asks the following key questions:

- What is the role of the EU in the development of CSR?
- What is the role of CSR in corporate business strategies?
- What is the role of other stakeholders?
- How should CSR strategies be monitored and evaluated?
- What mechanisms are most appropriate for developing CSR, and at what level?

According to Franc, *et al.* (2006:10), the EU started dealing with CSR only in the second half of the 90s and at the turn of the millennium, and its objective was “to help corporations achieve profitability, long-term sustainable growth and the development of human capital by integrating CSR into their business habits.” The EU policy perspective indicates that the role of the state within CSR is explicitly spelled out in terms of development goals and providing guidance on how to attain these goals (Barkemeyer, 2009:286).

Mullerat (2013:14) points out that the EC published a renewed EU strategy 2011–14 for CSR to support entrepreneurship and responsible business. The action plan included supporting best practice and encouraging dialogue and the dissemination of responsible business conduct, to contribute to the success of Europe’s 2020 Growth Strategy. MacLeod (2005:547) concludes that utilising both the OECD Guidelines and ILO Conventions encourages convergence between codes of conduct that MNCs should follow by providing “a common minimum standard of reference.” The next section discusses how the concept of CSR has been promoted in developing countries by European countries.

4.2.2 Promotion of CSR by European countries

4.2.2.1 Background

There are several discussions in the literature of indicate how CSR has been implemented in European countries (Aaronson & Reeves, 2002; Maignan & Ralston, 2002; Matten & Moon, 2004, 2008; MacLeod, 2005; Tschopp, 2005; Preus *et al.*, 2006; Albareda, Lozano & Ysa 2007; Albareda, *et al.*, 2008; Mullerat, 2013). Mullerat (2013:4) maintains that the promotion and implementation of CSR varies from continent to continent, country to country, sector to sector and corporation to corporation. Nevertheless, there is increasing evidence that CSR has been embraced by industry in Europe (Preuss, Haunschild, & Matten, 2006:256). This marks a departure, since Matten and Moon (2004:325) argue that business social responsibility has traditionally been regarded as a peculiarly American phenomenon, reflecting American traditions of participation, self-help and small or at least indirect government. MacLeod (2005) points out that the European Union has been relatively slow to embrace the concept of CSR, despite the long European tradition of socially responsible initiatives by entrepreneurs.

But the tide has turned, and today European business practices are challenging American multinationals by embracing CSR as a rationale to guide their business practices (Aaronson & Reeves, 2002:2). Aaronson and Reeves (2002:3) even claim that the willingness of European firms to adopt CSR has helped to differentiate European from American and Japanese competitors. Preus, *et al.* (2006:256) note that at the beginning of this century, CSR Europe was established, with a membership of 65 companies. Preus, *et al.* (2006:256) argue that the spread

of CSR in Europe can be seen as a political activity in terms of which businesses are redefining their role in society.

While the conditions in different countries cannot be addressed using the same global standard (Argandoña and Von Weltzien Hoivik (2009:221), Albareda, *et al.* (2008:347) provide a compelling argument that governments in three European countries – Italy, Norway and the United Kingdom – have incorporated a common statement and discourse on CSR to manage a complex set of relationships between private sector and society to develop a win-win situation between business and social organisations.

Mullerat (2013:6-7) identifies some major events testifying to the importance that European countries have placed on the promotion of CSR. These are:

- The Lisbon European Summit, 2006.
- The EC Green Paper, “Promoting a European Framework for CSR”, of July 2001.
- The EC Communication of 2 July 2002 concerning CSR – “A business contribution to sustainable development”.
- The EC Communication, “Implementing the partnership for growth and jobs: Making Europe a pole of excellence on CSR,” 2006.
- The EC policy, October 2011, for enterprises to fully meet their social responsibility and integrate social, environmental, ethical and human rights concerns into their business.

One significant element in the rise of CSR in Europe is that governments have taken the lead in developing relevant policies to underpin its implementation. The following sections explore this implementation in five countries across Europe that have shown interest in CSR initiatives and promotion: the Netherlands (Western Europe), Denmark (Northern Europe), Germany (Central Europe), Italy (Southern Europe) and Russia (Eastern Europe/Asia).

4.2.2.2 The Netherlands

CSR in the Netherlands is not as old as it is in other European countries (Graafland, Van de Ven & Stoffele, 2003; Moratis, Hoff & Reul., 2006; Wolniak & Habek, 2013). Cramer (2005) contends that the history of CSR in the Netherlands nevertheless dates back to the end of the 19th century, when socially responsible entrepreneurship became an issue among trade unions and influenced their ideas on social issues. Cramer (2005) argues that CSR in the Netherlands has gained increased importance since the mid-1990s, with the main driver being changing relations among enterprises, government and citizens.

According to Wolniak and Hąbek (2013:94), research conducted in the Netherlands suggests that approximately 30% of consumers identify with social responsibility by selecting only products manufactured in accordance with the principles of sustainable development. What has emerged from a review of the literature is that the Dutch government has played a crucial role in ensuring a conducive environment in which CSR can be implemented. It has established an advisory body, the Dutch Social and Economic Council/Sociaal-Economische Raad (SER), which encourages various stakeholders such as employers' organisations, trade unions and independent members to participate (Cramer, 2005). Graafland, *et al.* (2003:45) conducted an analysis of the strategies used in implementing ethics by small as well as large businesses in the Netherlands and observed that large firms mostly prefer an integrity strategy, whereas small enterprises prefer a dialogue strategy to foster ethical behaviour in the organisation. According to Mathis (2004:24), because of public pressure, legal requirements and media coverage, Dutch companies were more likely than German companies to implement CSR.

Dubbink and Van der Putten (2008:381) conducted a study of the relationship between CSR and the new competition regulation in the Netherlands. Their research reveals that since the inception of CSR, the concern of business has been whether CSR is compatible with competition in a so-called perfect market.

4.2.2.3 Denmark

Northern Europe has long been regarded as an area that has made huge efforts to promote CSR, while leading in good governance. According to Morsing, *et al.* (2008:98), Denmark represents a "unique case" compared with other countries. Morsing (2005:23) argues that since the first comprehensive Danish social legislation in 1933, the Danish government has been the main provider of social services. Issues of ethics and social responsibility have been on the agenda among Danish managers in both the public and private sectors for a number of years (Morsing, 2005:24). According to the report by the UN Global Compact and Bertelsmann Stiftung (2010:33), Denmark became one of the earliest countries to successfully implement a comprehensive national CSR strategy with the launch of its Action Plan on CSR.

According to the Center for Economic and Social Development (CESD) and the Konrad Adenauer Stiftung's report titled "Achieving sustainable development through corporate social responsibility" (2013:14), Denmark adopted a law requiring the largest companies to report on social responsibility as well as systems and procedures implemented. The Danish government established the Copenhagen Centre in 1998 as an autonomous institution to encourage partnerships between government and business (Mullerat, 2013:12). Mullerat notes that the Danish government supports the development and promotion of CSR policies by establishing regional centres to support local businesses. CSR is approached using the framework provided

by the UN Global Compact, that is, a “principle-based approach.” Brown and Knudsen (2012:31) conducted a study on the British and Danish approaches to CSR legislation and established that CSR in Great Britain and Denmark cannot be explained in terms of a zero-sum game in which the private sector fills in where the public-sector retreats; instead CSR focuses on non-financial reporting to enhance international competitiveness.

According to Gjørlberg (2009), it is not the political-economic institutional context alone that shapes CSR practices but also the country’s globally-oriented companies. Gjørlberg (2009) notes that Denmark has a high CSR score owing to its highly developed domestic welfare policies. According to Bredgaard (2004), the Danish government has adopted standards that revolve around employers’ responsibilities towards their employees, which means that CSR can be roughly classified as follows (see Table 4.1):

Table 4.1: The standard interpretation of CSR in Denmark

	Purpose	Examples of instruments
Internal social responsibility	Prevent workplace exclusion	Health and Safety methods to reduce sick leave and create family-friendly workplaces
	Retain employees at risk of exclusion	Active help for persons with high ratio of sickness,
External social responsibility	Integrate unemployed persons or persons outside the labour force	Job creation and jobs based on special conditions such as provision of job training, education and training, job rotation or rehabilitation scheme

Source: Bredgaard (2004).

These standards provide a compelling weight of argument that CSR plays a significant role in addressing issues pertaining to employees, both internally and externally. What is also clear from Table 4.1 is that the Danish government has taken the lead among European countries to support the development and implementation of CSR initiatives.

4.2.2.4 Germany

Like other European countries Germany was impelled by the growing salience of the concept of CSR to attempt thereby to create social value and meet societal needs and expectations. According to Habisch and Wegner (2005:112), many European countries perceive Germany as a “white spot” in the European CSR landscape, based on the fact that trade unions, business associations, religion-based institutions, professional associations and chambers of commerce adhere to their traditional roles by joining forces with a strong state to solve the structural problems of the country. Habisch and Wegner (2005:112) claim that Germany has been reluctant to embrace CSR because of an aging population, social security reforms and family policy.

In respect of CSR in Germany, legal responsibilities are given the highest priority, followed by economic, ethic, and philanthropic issues, respectively (Pinkston & Carroll, 1996:201). The corporate social environment in Germany has changed significantly from the economic orientation of the fifties and sixties. Pinkston and Carroll (1996:202) note that since 1971, the German government has passed regulations which have resulted in the business community's taking a more proactive stance that mutually benefits both the public and private sectors. Mögele and Tropp (2010:164) claim that CSR in Germany is based on the three pillars of business, social issues, and environment, which are of equal value and constitute the sustainability triangle, the triple-bottom-line. CSR in Germany manifests a commitment to businesses' corporate values and is characterised by the search for opportunities to connect ethics and business (Mögele & Tropp, 2010:166).

In their study of the top turnover corporations based in Canada, the United Kingdom, and Germany, Bondy, Matten and Moon. (2004:458) established that the German Corporate Governance Code, implemented as a third-party punitive code targeting senior executives, dealt effectively with corporate governance issues. What is important in Germany, according to Bondy, *et al.* (2004:459), is that German corporations focus on both internal and external stakeholder communication. The example of Germany shows that the role of government in promoting CSR has to be clearly identified and supported.

4.2.2.5 Italy

Canarutto and Nidasio (2005:275) assert that social responsibility among firms in Italy has roots dating prior to the emergence of the CSR movement during the 1990s. According to Canarutto and Nidasio (2005), industrial districts and small firms have often engaged in sustainable forms of conducting business through the convergence of employees, management and local community interests.

The Italian government has introduced a CSR policy framework for companies to integrate social and environmental concerns in their business operations and with their stakeholders on a voluntary basis (Albareda et al., 2008:355). Mullerat (2008:10) notes that the Italian government established the Italian Centre for Social Responsibility as an independent think-tank in 2008 to promote a socially responsible approach. Despite the fact that all firms were urged to consider implementing CSR strategies not only to improve productivity, but also create value. (Russo & Tencati, 2009), the general tenor of commentary on the implementation of CSR in Italy is that no attention has been paid to issues relating to the evaluation and reporting of social, environmental, and sustainability performance (Russo & Tencati, 2009:349-350).

4.2.2.6 Russia

This section analyses how the concept of CSR has been dealt with in Russia. Several researchers have claimed that there is a paucity of research on the practice of CSR in Russia (Mizobata, 2005, 2011; Kuznetsov, Kuznetsova & Warren, 2009; Preuss & Barkemeyer, 2011; Zhao, 2012; Fifka & Pobizhan, 2014). According to Fifka and Pobizhan (2014), CSR in Russia is shaped by the country's institutions. The national, political and socio-economic environment strongly determines how companies practise CSR. Mizobata (2011:10-11) notes that the evolution of CSR in Russia can be detailed through the chronicle presented in Table 4.2, below:

Table 4.2: Historical Chronicle of CSR in Russia

Period	Description of the evolution of CSR in Russia
1995	CSR was established in Europe
1996	ISO introduced its ISO 14000 environmental management standards in the area of CSR
2000	Global Compact launched as corporate citizenship with 120 countries
2002	Lukoil announced the implementation of CSR for the first time in Russia Corporate conduct code, Corporate Business Charter by the Russian Union of Industrialists and Entrepreneurs (RSPP)
2003	During February, Managers' forum on social investment, where business and state interacted, was established During March, social strategy of Russian business was established by Academy of Sciences No fewer than six major international conferences on CSR took place in Moscow, focusing on providing advice to tm managers and government officials President Putin called on corporations to increase their effort in the field of CSR at the annual meeting of the RSPP.
2004	Russian Union of Industrialists and Entrepreneurs (RSPP) adopted Social Charter of Russian Business Prime Minister M. Fradkov supported RSPP International Project Bureau adopted business culture for CSR rating
2006	United Nations Principles for Responsible Investment (UN PRI), RSPP Non-Financial Report
2007	State Federal House of Society established National Forum of CSR
2009	Meeting of Business society held with the support of the government during December
2010	RSPP Human resources established as a modernisation method

Source: Mizobata, 2011:10-11.

With respect to the reason for Russia's implementation of CSR, Preuss and Barkemeyer (2011:374) claim that the business case has become the dominant motive for CSR in Russian firms; that is, that Russian businesses aspire to align their practices with global trends. Mizobata

(2011:14) and Belyaeva (2011:22) note that, within the context of social responsibility, the central player is the Russian manager who has control of the business systems.

It is evident that CSR in Russia, according to Belyaeva (2011:23), is an ongoing process with a difficult but balanced system of regulation of mutual relations between business and society. Russia's CSR may be considered hyper because of the formalisation of CSR in regions, as well as the public-private partnership among NGOs, business and government included in CSR. Kuznetsov *et al.* (2009:42-43) claim that the Russian government has over a period of time taken positive steps to encourage business to participate in CSR initiatives. They contend that the Putin government sought to re-build its authority by taking the initiative of promoting CSR, emphasising the responsibility of firms in respect of social issues, and declaring that companies should be accountable to the public and to international investors. Mizobata (2005, 2011) suggests that CSR in Russia became an agreement between companies and central and local governments.

According to Belyaeva (2011:22), the social and economic programmes implemented by both the government and corporate sectors in Russia are widely seen as impacting positively on citizens. The level of social and economic transformation in Russia in 2000 and 2001 was based on the institutionalisation of corporate development and social responsibility (Belyaeva, 2011:24). The findings from the above discussion on the evolution and implementation of CSR in Russia suggest that government plays a crucial role in implementing institutional structures to enforce CSR.

Appendix 3, summarises institutionalised initiatives in various European countries.

A comparative study of European countries' promotion of CSR can provide a basis for learning how best CSR can be adopted in South Africa. These countries are open and explicit about what they have to deal with in their endeavours to promote CSR; consequently, their governments have a higher likelihood of prevailing upon MNCs operating both in their countries and abroad and are likely to be sensitive towards social issues affecting their respective communities. A question to be addressed is whether the promotion of CSR initiatives by such countries happens just on paper, offering mere lip service. The lessons learnt should assist in the design and implementation of CSR by the public and private sectors through partnerships between them.

What emerged strongly from the countries discussed above is that the South African government should identify how legislation and policies should function. Since the aim of this study is to investigate how CSR can best be implemented through PPP within the mining sector,

the South African legislative framework will likely continue to be the most visible agency in the promotion of CSR.

4.2.3 Promotion of CSR on the African continent

This subsection focuses on the promotion of CSR in developing countries, with specific reference to the African continent. Previous studies conducted in African countries relating to the implementation of CSR show that as more and more of the large multinational companies expand their business in Africa, the concept has gained momentum (Blowfield & Frynas, 2005; Visser, 2005, 2006, 2008; Dobers & Halme, 2009; Tuodolo, 2009; Muthuri, *et al.* 2012; Kühn *et al.* 2018). According to Hinson and Ndhlovu (2011:333), the development of CSR on the African continent owes much to development in South Africa. They claim that literature on CSR in Africa is dominated by South Africa, while other pockets of research exist for Côte d'Ivoire, Kenya, Nigeria, Tanzania, Mali, and Zambia.

Jamali (2007:2) suggests that the various CSR initiatives that have materialised in Western countries have not been paralleled by similar intense activity in developing countries. Jamali (2007) further claims that the limited evidence from the developing world seems to suggest that the CSR motivation is attenuated by weak drivers, coupled with traditional macroeconomic constraints that serve to divert company attention to issues of basic economic viability. Raynard and Forstater (2002:49) acknowledge that the key concern voiced by both developing country governments and industrialists is that CSR standards are used as tools for retaining jobs, trade and investment in developed countries at the expense of developing economies. These standards are based on internationally agreed norms that put developing country industries at a disadvantage because of their lack of technological expertise (Raynard & Forstater, 2002).

Visser (2008) observes that the literature often frames the debate about CSR in a global context, although there is very little empirical research on the nature and extent of CSR in developing countries. A similar conclusion is reached by Kühn, *et al.* (2018:439), that the poor socio-economic and political conditions in Africa do not only make research on CSR difficult, but offers fewer “points of contact” for investigating how CSR is practised by companies in Africa. Muthuri, *et al.* (2012:356) argue that the gradual shift in the reconceptualisation of the business–society relationship from business and society to business in society has offered new spaces for the thinking about the roles of MNCs in fostering or undermining development within poor countries. They further suggest that various companies, driven by the need to enhance their reputation and goodwill in local communities, have provided a range of social initiatives such as healthcare, education, economic welfare, infrastructure development, communication, and environmental protection.

Muthuri, *et al.* (2012:358) claim that provision of the above services has gone beyond traditional philanthropy to incorporate more engaged activities in the political, social, and economic spheres of the community. As Visser (2005) notes, the debate in the African context should focus on addressing the following issues: improved governance and capacity building, the pursuit of peace and security, investment in people, etc. Visser (2008) points out that the practice of CSR in Africa and other developing nations is less formalised than that in developed countries, since CSR is linked to traditional communitarian values and religious concepts, for example, African humanism (*ubuntu*) in South Africa, co-existence (*kyosei*) in Japan and a harmonious society (*xiaokang*) in China. According to Visser (2005), the challenge for CSR in Africa becomes clearer because of the sheer scale of social needs that still exists, despite decades of aid and development efforts.

Van Egdorn (2013:7-8) reports that little research conducted on CSR within Africa has been on southern and East Africa, while limited research has been conducted in West Africa, even though it has potential growth. Blowfield and Frynas (2005) suggest that not much is known about the effects that CSR initiatives have on developing countries. For instance, their efficacy in poverty alleviation in developing countries is questionable. With numbers of best practice examples of CSR in developing country contexts evolving, the central theme is that current practice is outpacing research on the broader implications of this increased reliance on business self-regulation (Barkemeyer, 2007:5).

While there are considerable differences in how CSR is implemented between developed and developing countries, what stands out is that developing countries have become increasingly aware of the responsibilities of multinational corporations towards their communities. The obvious central problem that emerges from the literature is that the failure of CSR in developing countries is based on the lack of decision making and policies from government to monitor the operations of companies. Barkemeyer (2007:15) argues that CSR in a developing country is also influenced by cultural factors which have not been addressed adequately to date, and go beyond business case considerations. Moreover, Blowfield and Frynas (2005:499) argue that government, civil society and business see CSR as a bridge connecting the arenas of business and development, and increasingly discuss CSR programmes in terms of their contribution to development.

Jamali and Neville (2011:601) claim that CSR in developing countries is increasingly recognised as having some distinctive features and has been characterised as more extensive than commonly believed, less embedded in corporate strategies, and less politically rooted than in most high-income countries. Jamali and Neville (2011:607) note that in trying to obtain clarity on the collective understanding evolving in the CSR field in a developing country context, there seem to be salient institutional pressures at play that force the CSR behaviours of firms to

change. A similar conclusion is reached by Visser (2010), who observes that CSR has undoubtedly had many positive impacts on communities and on the environment. Visser (2006:37) uses Carroll's corporate social responsibility (CSR) pyramid to illustrate the nature of CSR in Africa.

According to Visser (2005), several empirical studies suggest that in developing countries, culture plays an important role in CSR priorities. Figure 4.1, below, therefore indicates the difference between the two pyramids.

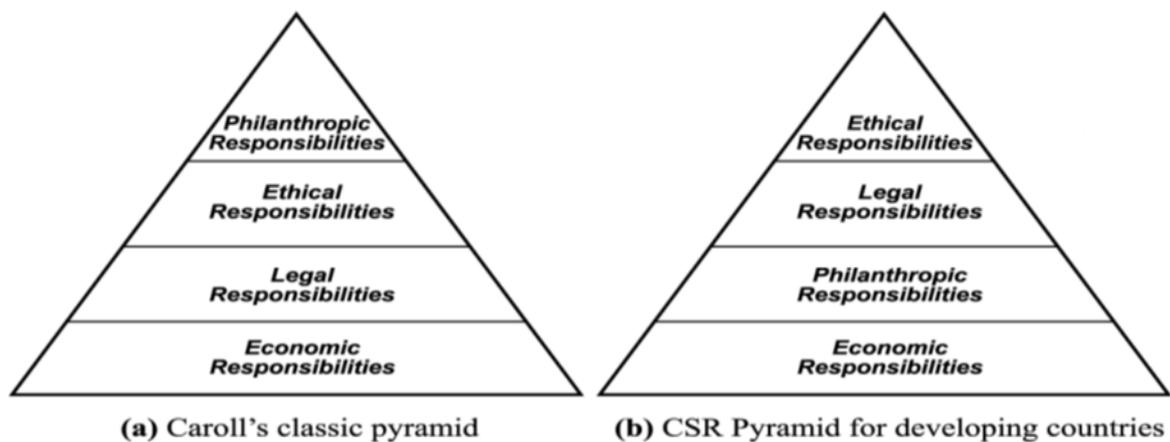


Figure 4-1: (a) Carroll's CSR pyramid (Carroll, 1991); (b) Visser's Africa's Corporate Social Responsibility Pyramid (Visser, 2006:37)

As Arya and Zhang (2009:1092) point out, CSR in Africa has attracted increasing interest, debate, and investment over the past decade, and has been referred to as a "transplant from the developed world". But Arya and Zhang (2009) maintain that CSR activities should not be judged in terms of what is acceptable in developed economies, as this is dramatically different from conditions in Africa. What is also clear, according to Okoye (2012:374), is that the greatest challenge for African states remains achieving human development. The next section takes a closer look at how CSR initiatives have been promoted in South Africa.

4.2.4 CSR in the South African Context

4.2.4.1 Background

The previous section examined how CSR has been implemented around the world by various international organisations, in certain European countries as well as on the African continent. This section begins with a discussion of how CSR has evolved in South Africa, and how it has been received as a means of addressing societal problems. The section describes key developmental challenges facing South Africa that might have an impact on the implementation of CSR. The evolution of CSR in South Africa during and after the apartheid era are dealt with.

During these periods, legislation and policies were developed that impacted on the implementation of CSR. The section also discusses key legislation and other mandates such as the King Reports.

The modern history of South Africa, according to Magubane (1990:7), is dominated by the settlements of the Dutch in the 17th century and the English in the 19th century – the colonial era. Seidman (1985:13) claims that decades of colonisation erected institutional structures that impoverished the people and created independent states such as Botswana, Namibia, Lesotho, Swaziland, Zambia, Zimbabwe, Malawi, and Mozambique, critically dependent on South Africa for economic reasons, especially for its labour market.

According to the Pocket Guide to South Africa 2015/2016 the discovery of diamonds and gold in the 19th century had a profound effect on the fortunes of the region, propelling it onto the world stage and introducing a shift away from an exclusively agrarian-based economy towards industrialisation and the development of urban infrastructures. Magubane (1990:9) argues that the South African economy during the last quarter of the 19th century was controlled by British imperialists and made to conform to their interests. The author further suggests that the colonial period led to the British giving white settlers more land, while Africans were exploited and forced into unfair labour conditions both on farms and in mines. Mining led to increased migration by African men in the form of cheap labour, while their families were kept in homelands.

According to Levy (1961:33), the racial laws in South Africa led to the 1922 revolt, when white workers fought their employers and the State itself in order to maintain the supremacy of white workers on the gold mines. Levy argues that the government of that time under the Prime Minister, General Smuts, realised that a 'labour aristocracy', composed mainly of white workers, could always be relied upon to support a government based on white supremacy. Moreover, the Twenty-Year Review (South Africa. The Presidency, 2014:5) notes that the apartheid state adopted a hostile foreign policy stance towards African countries that were in the frontline of resistance against the oppressive apartheid system, and carried out frequent military attacks, including bombing raids and land-based incursions against neighbouring countries.

According to Kloppers (2012:1), post-apartheid South Africa faced a variety of challenges that emanated from the injustices caused by apartheid, such as how to address the unequal distribution of land in the country as well as eradicate the inequalities and injustices of the past. According to the Twenty-Year Review (South Africa. The Presidency, 2014:10), the advent of democracy in 1994 ushered in a new social order with a new constitutional, policy and legislative framework. Christopher (2001:449) notes that South Africa underwent highly significant political changes in the 1990s that affected all aspects of national life, as a consequence of the change of government in 1994 and the demise of legalised racial

discrimination. The next section discusses key developmental challenges facing South Africa, which stand to have an enormous impact on the adoption of CSR initiatives within the country.

4.2.4.2 Key developmental challenges facing South Africa

Poverty, unemployment and inequality, better known as the South African ‘triple constraints’ or challenges (Diedericks & Van Eeden, 2016), continue to have a disastrous impact on the social and economic development of South Africa and have proved to be among the biggest obstacles to the government’s achieving its goals of economic development. The literature provides a compelling weight of argument about the challenges facing South Africa that have a negative impact on the growth of the economy (Lewis, 2001; Landsberg, 2005; Awasthi, 2011; Farah, Kiamba, and Mazongo, 2011). Farah et al. (2011:4) claim that the social effects of colonialism led to many problematic changes, including the fragmentation of family relations and rapid urbanisation. The result was a rural exodus and the displacement of large segments of the population. Many challenges remain, especially in essential areas such as health. As Awasthi (2011:56) notes, poverty has been identified as one of the most significant factors hindering the sustainable development of people, particularly those residing in the rural areas of developing countries.

The key development challenges affect the most productive segment of the labour force that could contribute actively to the growth of the economy. For Lewis (2001:1), the most pressing problem facing South Africa is the absence of sustained economic growth and job creation, and little improvement in living conditions. Lewis (2001) notes that the transition from the apartheid era to a multi-racial democracy in 1994 posed difficult political, social, and economic challenges and that what lies ahead is the daunting task of ensuring the country’s rich natural and human resources benefit all its citizens by promoting sustainable livelihoods, improving social conditions, and alleviating poverty. According to Landsberg (2005:723), although South Africa is a middle-ranked power in Africa, imbued with a vibrant political democracy, it is nevertheless a democracy under severe socioeconomic stress. Landsberg (2005) claims that the Republic faces significant development challenges – poverty, inequality, joblessness, and unemployment – which continue to run along race lines.

“Towards a ten-year review” (South Africa. The Presidency, 2003:2) asserts that the attainment of democracy in 1994 presented government with twin challenges: significant institutional transformation and the introduction of new policies in line with the democratic Constitution. Thus, in its efforts to address the challenges, the South African government devised several laws and policies to drive the economy, such as the National Spatial Development Perspective (NSDP, 2006:11), the National Framework for Sustainable Development in South Africa (South Africa. Department of Environmental Affairs and Tourism, 2008:12), and more recently, the

National Development Plan (NDP) 2030 in 2011 (South Africa. National Planning Commission, 2011). These measures were all aimed at addressing poverty and reducing inequality. Lewis (2001:39) argues that the other challenge facing South Africa is the development of rural areas where poverty remains severe, with about 70% of South Africa's poor living in rural areas. According to Lewis, since 1994, progress in addressing rural needs has been limited, as investment in rural infrastructure and service delivery has been slow and the pace of the land reform programme disappointing.

This description of the developmental challenges faced by South Africa provides the background to the problem of how to address issues of good governance and CSR. What is clear is that the government cannot handle the key developmental challenges facing South Africa alone, but needs the assistance of other key stakeholders like the private sector. The challenges listed above form the basis for the creation of a favourable environment for the adoption and implementation of CSR initiatives. The next section explores CSR in South Africa during the apartheid era and after 1994.

4.2.4.3 Evolution of CSR in South Africa

This section seeks to analyse how CSR has evolved and been implemented in South Africa. The history of CSR in South Africa has been influenced by the various factors, legislation and policies described in the previous section. The concept of CSR has been linked with corporate governance, corporate investment and corporate citizenship in South Africa (Hamann, 2003a, 2004; Hamann & Kapelus, 2004; Fig, 2005; Visser, 2005). The question of corporate governance in South Africa arose during the apartheid era. The political situation in South Africa resulted in the country's isolation by international institutions, which of course had a negative impact on its economic development. Visser (2005) argues that the emergence of corporate citizenship (CC) in South Africa forms part of a wider global trend that has shaped the way in which the phenomenon has manifested and evolved. For Visser (2005), the socially responsible investment (SRI) trend in South Africa featured prominently in the 1980s through the anti-apartheid disinvestment phenomenon by tracking companies' social, ethical and environmental performance.

The evolution of CSR during this period was driven by the aim of trying to improve the livelihood of the majority of black people. But intensive pressure on most companies to disinvest from South Africa was unavoidable and led to these companies closing down. But it is necessary to delve further back in history to get to the roots of CSR. Arya and Bassi (2011:676) argue that a variety of social, economic, and legal factors originating during the apartheid era influenced the way in which CSR laws have developed in South Africa. According to Arya and Bassi (2011), South African government policies restricted and suppressed wealth and skill endowments in

black communities, thereby barring their participation in the economy. For instance, in the case of the mining sector, apartheid practices resulted in the introduction of the migrant labour system, single-sex hostels, workplace segregation, and the racial division of labour, as well as racially discriminatory salaries (Fig, 2005:599-600). Fig (2005) maintains that the mining sector, by receiving subsidies and paying taxes to the state at that time, helped in sanctions-busting operations that were apparently directly used for oppression. Fig (2005:601) further claims that apartheid gave licence to companies to commit vast environmental damage, which included compromising the ecology and the health of workers, as well as that of black people who lived near industrial plants. Thus, while the mining sector has been a crucial force in the country's industrialisation and modernisation process, including State development, the activities of the mining houses were inextricably linked to colonial and subsequently apartheid policies in that mining company practices adhered to segregation and apartheid policies (Hamann, 2004:279).

The consistent application of apartheid policies to the workplace led to unrest that got out of hand. Therefore, the start of CSR and philanthropic activities initiatives in South Africa, according to Hamann (2004:279), can be attributed to two events: first, after the Soweto uprising in 1976, when mining companies approached the Urban Foundation to play an important role in upgrading infrastructure and education facilities in townships like Soweto. The second event was the Sullivan Principles, launched in 1977 to improve human rights practices, especially those of US companies operating in South Africa. Several authors have commented on how the Sullivan Principles emerged as an alternative notion of forcing companies to abide by codes of good practice (Mangaliso, 1997; Steward, 2011).

Mangaliso (1997:229) argues that although the Sullivan Principles focused essentially on black employees of US corporations and had an impact on employment practices under apartheid, they fell short politically, in that they did not offer solutions to problems at the heart of the SA situation: the fact that blacks could not vote or own land in their own country. A general picture of how these principles played out in the realisation of corporate governance and CSR in particular is provided by several authors (Mangaliso, 1997; Hamann, 2003a, 2004; Steward, 2011). For instance, Hamann, Agbazue, Kapelus and Hein (2005:4) claim that ongoing concerns regarding the role of corporations during apartheid, the abuse of workers and human rights, and environmental damage, led to increasing calls for sanctions against South Africa and also prompted foreign companies to endorse the Sullivan Principles.

According to Hilson (2012:131), a wave of multinational corporations began to champion the importance of CSR in the early 1980s. Skinner and Mersham (2008:240) suggest that the ongoing development of CSR on the African continent owes much to developments in South Africa., which continues to host the most extensive practice of public relations on the continent. Prior to democratic change in the early nineties, big business argued that CSR was not to be

construed as an admission of guilt for their share in apartheid activities and that they favoured corporate social investment (CSI) over CSR (Skinner & Mersham, 2008:240). According to Babarinde (2009:359), it is thus not surprising that in South Africa, CSR conventionally means corporate social investment or involvement (CSI), and the phrases have been employed interchangeably.

Babarinde (2009:360) observes that the 1990s could be described as the “take-off” decade, because a variety of CSI initiatives emerged when it became apparent that apartheid would be discontinued. The Joint Education Trust (JET) CSI initiative was formed by 15 of South Africa’s largest companies, including Anglo American and Standard Bank, which sought to enhance the quality of teaching in the school sector, augment adult literacy and numeracy rates, and improve the job prospects of unemployed youths. Other issues in the development of CSR include the creation of better working conditions and protection of the environment. The development of new policies geared towards improvement of socio-economic conditions has been a novel way to further address CSR in the new democratic country.

South Africa, like other developing countries, has faced increasing pressure from civil society for MNCs as well as local companies to adopt CSR initiatives (Bichta; 2003; Hamann, 2003a, 2004; Hamman & Acutt, 2003; Hamann, Acutt & Kapelus, 2003; Fig, 2005; Visser, 2005; Hamann, Khagram & Rohan 2008; Babarinde, 2009; Adeyeye, 2011). The pressure on various companies in South Africa has changed over the years, starting during the apartheid era, when MNCs were pressured to disinvest so as to force the government to abandon the apartheid system. The key focus after the democratic election has been on these same companies, to get them to help address the socioeconomic legacy of the apartheid system. In view of the absence of legislation pertaining to CSR, government, together with the private sector, has been obliged to come up with policies aimed at protecting both citizens and the environment.

Following the democratic election, South Africa became integrated into the global political, economic and social system and the priority of the government was to build political and economic links with the countries and regions of the world. The government promulgated legislation and devised policies to address key developmental challenges. Hamann (2004:280) suggests that South Africa’s new mining dispensation, and the process leading up to it, have important lessons to teach regarding CSR and governance. Hamman (2004) points out that historically, companies’ social responsibility was commonly understood in terms of ad hoc donations or corporate social investment (CSI) around the mines, motivated by a sense that it was the right thing to do. The literature offers numerous accounts of how CSR has been implemented, especially within the mining sector (Hamann, 2003a, 2004; Hamman & Acutt, 2003; Hamman, *et al.* 2003; Hamman, *et al.* 2008; Bench Marks Foundation, 2012; Leon, 2012).

The next section explores the legislative framework on corporate governance and CSR in South Africa, and how the legislation has served to address the country's overall economic and social goals.

4.2.4.4 Legislative and other mandates governing CSR in South Africa

According to Bichta (2003:9), the government uses policy and legislation to promote and protect social objectives. Bichta (2003:10) observes that the government has taken steps to reinforce the responsibility of the private sector with regard to its social and environmental impact by passing a number of legislative measures to support sustainable development. That is to say, instead of allowing the private sector to continue operating and damaging the environment, government has enacted laws to regulate such operations. As Arya and Zhang (2009:1094) assert, the vast body of CSR literature reveals that corporations adopt socially responsible policies in order to secure legitimacy or competitive differentiation.

According to Visser (2005:31), many of the original policy aspirations became encoded in the Bill of Rights of the new 1996 Constitution. There is a variety of legislation in the literature which has been widely discussed by different authors as listed in Table 4.3 below (Visser, 2005; Hamann, *et al.* 2005; Kloppers, 2013).

Table 4.3: Selected legislation relevant to CSR in South Africa

Category	Legislation
Socio-economic development	Reconstruction and Development Fund (RDP) Act, No. 7 of 1994 Development Facilitation Act (DFA), No. 67 of 1995 Mineral and Petroleum Resources Development Act (MPRD), No. 28 of 2002 National Black Economic Empowerment Act, No. 53 of 2003 Broad-Based Black Economic Empowerment Act, (B-BBEE) No. 53 of 2003
Environment, Health & Safety	Occupational Health and Safety Act (OHS), No. 85 of 1993 Mine Health and Safety (MHS) Act, No. 29 of 1996 National Environmental Management Act (NEMA), No. 107 of 1998 National Water Act (NWA), No. 36 of 1998 Air Quality Management Act, No. 39 of 2004
Labour, governance and ethics	Companies Act, No. 61 of 1973 Labour Relations Act (LRA), No. 66 of 1995 Constitution of the Republic of South Africa, Act No. 108 of 1996 Conditions of Employment Act, No. 75 of 1997 Employment Equity Act, No. 55 of 1998 Skills Development Act, No. 97 of 1998 Promotion of Access to Information Act (PAIA), No. 2 of 2000 Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000

Category	Legislation
	Prevention and Combating of Corrupt Activities Act, No. 12 of 2004 Companies Act, No. 71 of 2008 Companies Regulations, 2011

Source: Visser (2005:31); Hamann et al. (2005:12); Kloppers (2013:197)

The table above lists legislation in South Africa relevant to CSR and corporate governance. According to Arya and Bassi (2011:677), after 1994, the government committed to social development by enacting a number of CSR laws (South Africa. Employment Equity Act, No. 55 of 1998; South Africa. Skills Development Act, No. 97 of 1998; South Africa. Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000) to redress historic imbalances by providing opportunities for the black population to participate equally within the broader economy. These laws, according to Arya and Bassi (2011), were informed by notable voluntary initiatives such as the Global Reporting Initiative (GRI) issued by the United Nations. For the purposes of this study, the focus will be limited to the following: the Reconstruction and Development Programme, 1994; the Constitution, 1996; the Companies Act, 2008; Companies Regulations, 2011; the Broad-Based Black Economic Empowerment Act, 2003; the Mineral and Petroleum Resource Development Act; and the Employment Equity Act. The sections to follow will provide a brief discussion of these pieces of legislation.

4.2.4.5 Reconstruction and Development Programme (RDP)

Since the democratic elections of 1994, the South African government has developed legislation and policies to redress the ills of the apartheid era. The new government has placed emphasis on meeting basic needs such as the provision of housing, piped water, electricity, education, and healthcare, as well as social grants for those in need by introducing the Reconstruction and Development Programme (RDP) in 1994. The RDP was designed to provide a framework within which choices could be made (ANC, 1994:4). Visser (2005) argues that the policy framework for corporate citizenship in South Africa started with the launching of the Reconstruction and Development Programme (RDP). The RDP, according to the National Development Plan 2030 (South Africa. National Planning Commission, 2011:1), was meant to act as the base from which government could attack poverty and deprivation and build a united, non-racial and non-sexist country informed by the principles of inclusivity.

Visser (2005) claims that the RDP set the broad tone for corporate citizenship by addressing specific issues in more detail, such as poverty alleviation, environment, health, safety, workplace empowerment, affirmative action, and human rights. Babarinde (2009) notes the RDP was developed to steer private capital toward vital social issues, such as health and education, and to correct the inherited structural inequity of the apartheid era. For Barchiesi (2005:97), the RDP document placed a specific emphasis on “meeting basic needs” and

“attacking poverty and deprivation” within the constraints of “affordability,” and made social insertion primarily the responsibility of individual self-activation and initiative. Babarinde (2009) notes that the government abandoned the RDP after it came under attack from the business community and was rejected for being grossly inadequate in ensuring the country’s business environment remained internationally competitive.

Tangible policy developments as well as the conservative re-signification of the RDP discourse led to the decision by government during March 1996 to close the RDP Office in the Presidency, which had been inaugurated in May 1994 to co-ordinate the funding of a series of “presidential lead projects” (Barchiesi, 2005:100). What is clear from the above discussion is that the RDP could have assisted in the implementation of CSR through active partnership between different stakeholders by improving the quality of life of all the people and effecting change in the country’s economy.

4.2.4.6 Constitution of the Republic of South Africa, 1996

Barchiesi (2005:93) argues that the democratic Constitution adopted in 1996 defined socio-economic rights in a way that balanced popular expectations and demands for the redress of inherited inequalities. Ramlall (2012:270) claims that within the Preamble of the Constitution, one of the goals emphasises the responsibility of the government to “improve the quality of life of all citizens.” Vaughn and Ryan (2006:504) note that in South Africa, businesses have been challenged by both constitutional and labour legislation, with a common underlying theme of corporate governance reform. The implementation of CSR by the mining sector was to a large extent neglected and only received attention after the promulgation of the Constitution of the Republic of South Africa Act in 1996, although the South African legislation does not actually require companies to fulfil their CSR obligations (Kloppers & Du Plessis, 2008:91). Kloppers and Du Plessis (2008) note that the Constitution regards the realisation of socio-economic rights as the obligation of government, and claim that this brought about the realisation that public–private partnerships had to be forged to instantiate these rights by mobilising the fight against poverty.

Mabuza, Msezane, and Kwata (2010:2) nevertheless claim that the South African Constitution emphasises socioeconomic rights and bestows a multifaceted responsibility on government, business and other stakeholders to uphold such rights. According to the Twenty-Year Review (South Africa. The Presidency, 2014:11) the Constitution of the Republic of South Africa, of 1996, was hailed as one of the most progressive in the world in that it highlighted the importance of a universal adult franchise for the implementation of a democratic government. Barchiesi (2005:93) asserts that rights pertaining to the sphere of social citizenship were included in Chapter 2 (the “Bill of Rights”) of the Constitution and that the implementation of

social rights was necessarily qualified by a principle of “progressive realisation” (Sect. 26(2) and 27[2]). Chapter 2 of the Constitution comprises the Bill of Rights that guarantees all South African citizens certain fundamental rights, including socio-economic rights such as the rights to housing, food, water, healthcare services, and social security (Ramlall, 2012:271). According to the Bill of Rights, the government is obliged to render such services, while for the private sector this is voluntary.

Section 24 of the Constitution emphasised the way in which the corporate sector had to be transformed and guaranteed the right to an environment not harmful to human wellbeing, as well as providing for the protection of the environment (Acutt, Medina-Ross & O’Riordan, 2004:304). Acutt, *et al.* (2004) indicate that the Constitution brought with it a shift in the legal framework for public participation, social responsibility and environmental management. As such, it is clear that the Constitution, as the supreme law of the country, plays a crucial role in securing the socio-economic rights of all citizens. It is necessary for both the public and private sectors to take into consideration the importance of such rights for CSR initiatives to succeed.

4.2.4.7 Companies Act, No. 71 of 2008 and Companies Regulations, 2011

This section focusses on the Companies Act, No. 71 of 2008 and Companies Regulations, 2011. The Companies Act ends the 38-year reign of the previous Companies Act, No. 61 of 1973 (Ramlall, 2012; Rossouw, 2012; Kloppers, 2013). Although this latter Act was effectively repealed, it is still applicable in certain instances, such as in the winding-up of companies. The purpose of the new Act is as follows (Companies Act, No. 71 of 2008):

- Promote compliance with the Bill of Rights as provided in the Constitution in the application of company law.
- Promote the development of South African economy.
- Encouraging entrepreneurship and enterprise efficiency.
- Creating flexibility and simplicity in the formation and maintenance of companies.
- Encouraging transparency and high standards of corporate governance as appropriate, given the significant role of enterprises within the social and economic life of the nation.
- Balancing the rights and obligations of shareholders and directors within companies.

According to Kloppers (2013), despite the points enumerated above, no reference is made to companies’ social responsibility, and as long as there is no legal requirement to integrate CSR issues into decision making and governance structures, businesses will not be legally obliged to

act responsibly. However, other sections of this Act inextricably linked to governance concern the promotion of the development of the South African economy by encouraging transparency and high standards of corporate governance, given the significance role of enterprises within the social and economic life of the nation (South Africa. Companies Act, No. 71 of 2008, Section 7[b] [iii]).

Rossouw (2012:5) claims that Section 7 of the Companies Act reaffirms the concept of the company as a means of achieving economic and social benefits, and that companies in South Africa are not regarded merely as vehicles for producing benefits for their shareholders, but also as vehicles for producing wider economic and social benefits for society. Kloppers (2013) observes that while the contribution of the Act in the CSR context is not immediately evident, there have nevertheless been attempts to ensure that CSR becomes infused and embedded in a company's governance structures (Kloppers, 2013:167).

In addition to the Companies Act, the government published the Companies Regulations, 2011, to introduce the new requirement that companies must establish a social and ethics committee. According to Kloppers (2013:167-168), this was an attempt by government to put pressure on the private sector to operate in a socially responsible fashion, thus enhancing its social legitimacy. Ramlall (2012) claims that the Companies Regulations (2011) emphasise compliance with external standards. This has created confusion about the ultimate accountability, responsibility and liability of the social and ethics committee in relation to the board of directors.

Ramlall (2012:280) argues that both the Act and the Regulations were intended to increase stakeholder engagement and provide for better regulation of corporate activities. Thus although the Regulations provide no definition of social and economic development, they do provide guidance on what the committee should take into consideration when reporting on social and economic development (Kloppers, 2013:172). The question of whether the Companies Act or Companies Regulations are able to link with CSR should be investigated further to ensure that companies are prohibited from exploiting both civil society and the environment.

4.2.4.8 Broad-Based Black Economic Empowerment Act, No. 53 of 2003

The Broad-Based Black Economic Empowerment Act was enacted to address the inequality created by the apartheid system which denied the majority of black people free access to economic opportunities and the labour market. Arya and Bassi (2011:677) regard this act as one of the major milestones in the economic history of South Africa.

BBBEE, according to Arya and Bassi (2011), is an integrated and coherent socioeconomic process that directly contributes to the economic transformation of South Africa. One of the

requirements of this Act was the development of the Code of Good Practice, which takes a broad approach to CSR (Arya & Bassi, 2011:677-678). The Code of Good Practice focuses on increasing the incidence of principled behaviour within South African organisations by altering organisational practices in favour of employees, and by increasing and encouraging corporations' socially responsible behaviour, not only towards employees, but also towards society as a whole (Arya & Bassi, 2011).

Kloppers (2013) argues that the BBBEE Act empowers black citizens with opportunities to enter into the mainstream economy, and therefore serves as a good example of how CSR elements can be embedded into the legislative framework as part of a body of CSR-related laws and regulations. Kloppers (2013:173-174) notes that the BBBEE Act does not legally bind companies to comply, because companies can elect (in the absence of legally binding consequences) not to follow any requirements of Black Economic Empowerment (BEE). Secondly, according to Kloppers (2013), the BBBEE Act does not require companies to draft BEE plans; as a result, the social and ethics committee is unable to determine or monitor what the management approach to BEE should be. However, the Institute of Directors in Southern Africa has released a Practice Note on BBBEE to provide guidance on how BEE and social transformation can be integrated.

According to Kloppers (2014), the BBBEE Act has continued to forge relations with CSR. The BEE framework has raised awareness of corporate social obligations and established a platform through which business can launch CSR initiatives. The post-apartheid era has witnessed a significant demand for change, so that the majority of black people can be integrated into the mainstream economy. Characterising how BBBEE complements the concept of CSR, Ndhlovu (2011:73) maintains that CSR in South Africa, unlike in many other African countries, involves corporate citizenship and affirmative action, as well as skills development, to redress the ills of apartheid.

However, Ndhlovu (2011:81) complains that BBBEE has over the past five to ten years descended into cronyism, benefiting only a small number of black 'elites'. Ramlall (2012:284) similarly maintains that government's contribution within BBBEE has not been successful and that BEE continues to be inundated by unproductive controversy. Nevertheless, there has been growing pressure on companies to play a more active role in fostering development goals such as the alleviation of poverty and the reduction of inequality, and that these developments have arguably had an impact in terms of social and financial standing (Ndhlovu, 2011:81). Hinson and Ndhlovu (2011:341) claim that companies have in general responded to legislative requirements in respect of CSR, although their activities have not always reached the wider public. In fact, companies' involvement in CSR has largely been influenced and determined by government regulations (Hinson & Ndhlovu, 2011).

According to Hamann, *et al.* (2005:9), the most prominent CSR concept in South Africa is that of BEE, which is aimed at redressing the racial imbalances resulting from apartheid as well as the need for social and economic transformation in the wake of its demise. Hamann, *et al.* (2005) note that the state has also facilitated a range of sector-specific scorecards to assess companies' BEE performance. There is in fact little difference between total compliance with the Act and the adoption of CSR as a practice.

4.2.4.9 Employment Equity Act, No. 55 of 1998

Many researchers observe that during both the colonial and apartheid eras, South African employment was grossly unfair and inequality existed that needed to be addressed by the new democratic government (compare Hamann, 2003; Hamann & Kapelus, 2004; Barchiesi, 2005; Fig, 2005; Hamann, *et al.* 2005; Kloppers & Du Plessis, 2008; Arya & Bassi, 2011; Ramlall, 2012; Kloppers, 2013). Hamann, *et al.* (2005:4) claim that South Africa is the country with the most inequitable distribution of wealth in the world, since 5% of the population—mostly whites—own 88% of the nation's wealth. Racial inequality is moreover compounded by significant gender figures, with rural women being consistently the worst off according to a range of indicators.

To address these imbalances, according to Hamann, *et al.* (2005:9-12), and in addition to the BBBEE Act, the state has promulgated numerous pieces of legislation including the Employment Equity Act, No. 55 of 1998. This Act sought to eliminate unfair discrimination in the workplace and implement affirmative action for designated groups. The purpose of the Act was twofold:

- To promote equal opportunities and fair treatment in employment by eliminating unfair discrimination.
- To redress disadvantages in employment through affirmative action for designated groups such as black people, women and people with disabilities.

According to Kloppers (2013:173), the Employment Equity Act was aimed at improving the social and economic standing of black South Africans by addressing inequalities occasioned by past racially discriminatory laws and practices. Kloppers (2013:175) further notes that compliance with this Act is compulsory for employers, who are required to meet certain equity target requirements.

Barchiesi (2005:54) claims that unfair labour practices led to the struggles of the South African black working class for full citizenship, inclusion, and equality in respect of wages. The

Employment Equity Act recognised that disparities existed in employment practices and that this had affected the majority of the disadvantaged members of society.

Although some companies tried to comply with the legislation on a voluntary basis, some had to be coerced into implementing employment equity in areas of operations. Fig (2005:616), for example, observes that most of the evidence available shows that few firms implemented post-apartheid transformation voluntarily by applying employment equity, affirmative procurement, and improved black shareholding. In most cases, the state had to intervene, through legislation, to coerce businesses to transform. Hamann (2004:281) claims that in terms of the scorecard developed by the former Department of Minerals and Energy (DME), businesses in the mining sector had to ensure that the following requirements were met:

- Whether the company had published its employment equity plan and reported on its annual progress in meeting that plan?
- Whether the company had established a plan to achieve a target for participation of historically disadvantaged persons in management of 40% within five years?
- Whether the company had identified a talent from within the historically disadvantaged persons and how fast it was tracking that talent?
- Whether the company had established a plan for mining staff to include 10% women within five years?

As a result of this legislation, Ramlall (2012) argues that the South Africa government took the initiative to make companies socially responsible by compelling them to engage with CSR to ensure that development was promoted rather than inhibited. Kloppers and Du Plessis (2008:93) claim that even though South African legislation does not place an obligation on companies to fulfil CSR requirements, several pieces of legislation promulgated have ensured that everyone in South Africa has an opportunity to share in the country's wealth. With regard to legislation per se, none of the enacted legislation specifically compels companies to engage in CSR, although their provisions necessitate what amounts to a virtual engagement.

4.2.4.10 Mineral and Petroleum Resources Development Act (MPRDA) No. 28 of 2002

Mining in South Africa during the colonial and apartheid eras, as well as post-1994, has been influenced by legislation and regulatory frameworks that has impacted on the operations of the sector (Hamann & Acutt, 2003; Hamann, 2004; Hamann & Kapelus, 2004; Cronje & Chenga, 2007; Cronje, 2014). This legislation was aimed largely at controlling labour within the mining sector and restricting the permanent residence of the majority of black persons in urban areas.

Hamann et al. (2005:6) report that mining companies played a role in initiating and perpetuating important aspects of the colonial and subsequent apartheid system, including rural land taxes and the migrant labour system. Hamann, *et al.* (2005) cite examples of the role of corporations during apartheid: how corporations abused workers and flouted human rights, as well as their blatant disregard of their operations' impact on the environment.

The Mineral and Petroleum Resources Development Act (MPRDA), No. 28 of 2002, was enacted as a legislative commitment to achieving equitable access to, and the sustainable development of, South Africa's mineral and petroleum resources (Siyobi, 2015:3). The MPRDA, according to Leon (2012:5), replaced private ownership of mineral rights, giving the state sole ownership and custody of all minerals. Leon (2012:9) describes the overall purpose of this Act as the repeal of the Minerals Act of 1991.

According to Hamann, *et al.* (2005:12), the MPRDA vested all mining rights in the state and required mining companies to reapply for mining permits, giving preference to black economic empowerment companies. Leon (2012:9) notes that the main objectives of the MPRDA include the following:

- Recognition of the international right of the state to exercise sovereignty over all mineral and petroleum resources within the country.
- The need to effect the state as the custodian of all mineral rights.

Authors such as Lamola (2017) and Leon (2012) have criticised the legality of the MPRDA with regard to the ownership of mineral rights obtained during previous years. But Kloppers and Du Plessis (2008:100) claim that this Act underlines the government's commitment to addressing the injustices caused by previous legislation in the distribution of natural resources. Swart (2003:492) maintains that the MPRDA provides for the implementation of a social and labour plan. The extent to which the MPRDA and other legislation play a crucial role in the operations of the mining sector depends on how this industry has dealt with issues pertaining to the communities affected by mining operations. Unfortunately, the practice of both government and the private sector has been to provide programmes and projects without consulting communities. The participation of citizens is crucial in realising social and labour plans, as well as the Mining Charter. In adopting CSR initiatives, the mining sector needs to face up to the real problems facing society. The implementation of the MPRDA requires initiatives from all stakeholders to address issues emanating from the social and labour plans and, indeed, planning at all levels of government.

This section has endeavoured to provide an overview of how mining-related legislation has determined the level of partnership between the public and private sectors. The legislation listed

above has over a period of time laid the foundation for the implementation of CSR initiatives. The next section explores the King Reports and how these reports have been adopted in efforts to address good corporate governance.

4.2.4.11 King Codes of Corporate Governance (King I, II, III, & IV)

The notion of good governance has become a central theme in corporate discourse in recent years. There appears to be widespread consensus regarding the obligation of businesses to conform to specified standards of good governance (Kakabadse & Korac-Kakabadse, 2001, Carciumaru, 2009; Grindle, 2010; Taylor, 2011; Ramlall, 2012; Jansen van Vuuren & Schulschenk, 2013). For Diedericks (2013:59), governance has been influenced by paradigm shifts in public administration, such as the New Public Management. The good governance approach of the late 1990s became the mantra for development in the global south. Grindle (2010) maintains that good governance has rapidly become a major factor in analysing the deficiencies in countries struggling for economic and political development. If all institutions, be they government or private sector, were fair, judicious, transparent, accountable, participatory, responsive, well-managed, and efficient, all the citizens of the world, including those in developing countries, would be better off.

Grindle (2010) notes that good governance has been adopted by many as a way of exploring institutional failure and constraints on growth. The report by the African Corporate Governance Network (ACGN)- State of Corporate Governance in Africa, an overview of 13 countries (2016), similarly describes the promotion of good governance in South Africa as crucial to the transformation and management of both public and private firms. While various strategies with regard to adopting good governance in South Africa have been implemented, one such policy framework is constituted by the King Reports. The King Committee on Corporate Governance was established in 1992 under the chairmanship of Judge Mervyn E. King. The principal objective of this section is to examine how the various codes produced by the King Committee have contributed to the question of how CSR ought to be implemented through PPP. Carciumaru (2009:115) notes that this committee, in collaboration with Institute of Directors (IoDs), undertook the task of deliberating on issues of corporate governance in line with the rest of the global community.

The challenge arising from the King Codes was the absence of legislation from the government to legalise or give effect to their implementation. The discussion that follows provides an overview of the different King Reports: King I, King II, and King III, as well as the newly developed King IV Reports. According to the report of the report by the African Corporate Governance Network (ACGN)- State of Corporate Governance in Africa, an overview of 13 countries (2016), King I advocated an approach that promotes good governance in the interests

of a wide range of stakeholders. Carciumaru (2009) indicates that the main purpose of King I was to promote the highest standards of corporate governance in South Africa. This involved integrating CSR ideas into corporate governance through the involvement of stakeholders, as well as including the concept of business ethics and integrated sustainability reporting (Ramlall, 2012:281).

According to Carciumaru (2009:116), King I looked at the triple bottom line, acknowledging that corporations do not operate outside of the societies and environments in which they do business. Kakabadse and Korac-Kakabadse (2001:307) argue that the issues that required particular attention were transparency and segmental disclosure, which appeared to be absent in most corporations. Kakabadse and Korac-Kakabadse (2001) underscore that a lack of transparency leads to investors being given inadequate information to assess the performance of individual business units.

According to the report by the African Corporate Governance Network (ACGN)- State of Corporate Governance in Africa, an overview of 13 countries (2016:71), King II outlined specific governance standards from the board to the auditing function, such as integrated sustainability reporting which emphasises the importance of integrating economic, social and environmental performance, that is, the triple bottom line. According to the King II report (IoDSA, 2002:92), integrated sustainability reporting focuses on the purpose of the company as well as its interaction with various stakeholders: shareholders, customers, employees, business partners, governments, local communities and the public. (IoDSA, 2002:94) noted that the notion of sustainability and the characteristics of good corporate citizenship in South Africa can be found within the concept of Ubuntu or African humanism, which is generally regarded as the foundation of sound human relations in African societies.

According to Kakabadse and Korac-Kakabadse (2001), one of the key improvements on the 1994 King Report was a greater focus on the non-financial aspects of corporate governance, in particular:

- safety and health of the workforce;
- ethical issues;
- fair treatment of workers.

The report by the African Corporate Governance Network (ACGN)- State of Corporate Governance in Africa, an overview of 13 countries (2016) claims that although little progress has been made at the legislative level in addressing the shortcomings identified by the report, the King Report remains nonetheless a pioneering work in corporate governance literature. Van

Wyk (2014:24) contends King II's importance consists of more than its raising the profile of CSR; rather it is one of the first attempts by an African nation to define responsibility for itself.

According to the report by the African Corporate Governance Network (ACGN)- State of Corporate Governance in Africa, an overview of 13 countries (2016:71), King III, the third report on corporate governance in southern Africa was released by the IoDSA in September 2009. It consists of two documents: a code of governance (the Code), comprising a set of principles, and the Report itself, which contains recommendations of best practice for each principle.

Ramlall (2012:282) suggests that King III broadened the scope of corporate governance in South Africa in that it introduced the need for an annual integrated report focusing on the impact of the organisation in the economic, environmental and social spheres. Ramlall (2012) notes that the concepts of 'leadership', 'sustainability' and 'corporate citizenship' form the core of King III. Similarly, Taylor (2011:1) maintains that the philosophy of the report revolves around leadership, sustainability and corporate citizenship. According to Taylor (2011), the intention of King III is no less than to provide an analysis and exposition of what constitutes good corporate governance. The King III Report (IoDSA, 2009:52) indicates that although a company is an economic institution, it remains a corporate citizen and has to balance economic, social and environmental values: again, the triple-bottom-line approach. The report insists that business needs to ensure that its impact on society and the natural environment is socially and environmentally sustainable. Thanks in part to the King III report (IoDSA, 2009), the notion that business has an important role to play in responding to social and environmental challenges has become widely accepted. Government has to put in place appropriate regulations, since an appropriate mix of initiatives is important.

As reported by the report by the African Corporate Governance Network (ACGN)- State of Corporate Governance in Africa, an overview of 13 countries (2016:75), King III recommends the "apply or explain" approach, in that companies should give an explanation to the stakeholders as to why the principle or recommendation has not been applied. According to Van Wyk (2014), King III emphasises the importance of core ethical principles, namely transparency, fairness, accountability and responsibility. Jansen van Vuuren and Schulschenk (2013) argue that the main reason for applying King III is to demonstrate to stakeholders a commitment to corporate governance that is to the benefit of the organisation.

The last part of this section focuses on the latest, King IV report released in November 2016, with its effective date being 1 April 2017. Not much has been written about the report and the ensuing discussion focuses solely on aspects that may have an impact on this study. The King IV report (IoDSA, 2016:7) indicates that the report has moved on from "apply or explain" to "apply and explain", which amounts to a more exacting explanation and substantiation of

whether good governance is being practised. This King Report has reduced the principles from 75 to 17, and an additional sector now included is the local sphere of government, that is, municipalities. The inclusion of municipalities is crucial to this study as CSR is applied at municipal level.

The starting point regarding responsible corporate citizenship is that governing bodies within companies need to ensure that directions are given in respect of how corporate citizenship is to be approached and addressed. Secondly, King IV states that for governing bodies to determine whether corporate citizenship has been attained, they need to oversee and monitor companies in terms of the following measures:

- **Workplace:** Check if the workplace is complying with and applying the legislative frameworks as pertaining to employment equity, fair remuneration, and health and safety, and respecting the dignity of employees.
- **Economy:** Deals with economic transformation with specific reference to prevention, detection and response to fraud and corruption and responsible and transparent tax policy.
- **Society:** The focus here is on issues such as public health and safety, consumer protection, community development, and protection of human rights.
- **Environment:** To ensure that companies are operating responsibly in respect of pollution and waste disposal, and the protection of biodiversity.

The preceding summary of the King Reports indicates that good governance plays a crucial role in the operations of both government and the private sector. It is worth mentioning that all the codes address how the private sector, in the interests of economic growth, needs to reduce poverty and unemployment by providing initiatives aimed at improving social conditions. The discussion above lays the foundation for the implementation of CSR through PPP. The next section focuses on mining in South Africa, with specific reference to mining houses in the Lejweleputswa District Municipality, Free State province.

4.2.5 Mining in South Africa with specific reference to mining houses in the Lejweleputswa District Municipality, Free State province

This section provides information about how the mining industry in South Africa, especially in the Free State, has operated and continues to operate. The section also attempts to address how the mining industry can improve the implementation of CSR through PPP, thus addressing RO4.

The mining sector has played an active role in the economy of South Africa and elsewhere in Africa for approximately 140 years. Wentzel (2003) notes that during the latter half of the nineteenth century, the discovery of diamonds and gold, coupled with accompanying industrialisation, lured thousands of migrant labourers from the southern African region to the mining and industrial centres of South Africa.

Most commentators agree that the activities of the mining houses in South Africa were inextricably linked with colonial and subsequently apartheid policies and were fuelled in particular by the migrant labour system (Hamann, 2004:279). Marais (2010:2) maintains that by impacting negatively on the environment and on communities, the mining industry took a “devil may care” attitude towards the consequences of its operations, inter alia by operating in areas without social legitimacy, thereby causing local devastation, and leaving when an area had been exhausted of its economically valuable resources. Marais (2010:16) claims that the mining sector in South Africa enjoyed decades of profiteering and neglected the developmental needs of surrounding communities.

Swart (2003:489) reminds us that South Africa always has relied, and is still relying heavily on mining activities to generate wealth that can be translated into economic development, infrastructure and employment. Siyobi (2015:2) agrees that prior to 1994, mining in South Africa embodied the socially destructive practices of the colonial and apartheid eras, and were a kind of necessary evil. But he claims that the industry has since become a pioneer in the post-1994 democratic dispensation in implementing CSR initiatives as vehicles of restorative justice, redressing the legacy of apartheid. This is in part a result of mining companies’ having to comply with South African constitutional and common law by conducting their operational and closure activities with due diligence and care for the rights of others (Swart, 2003:490).

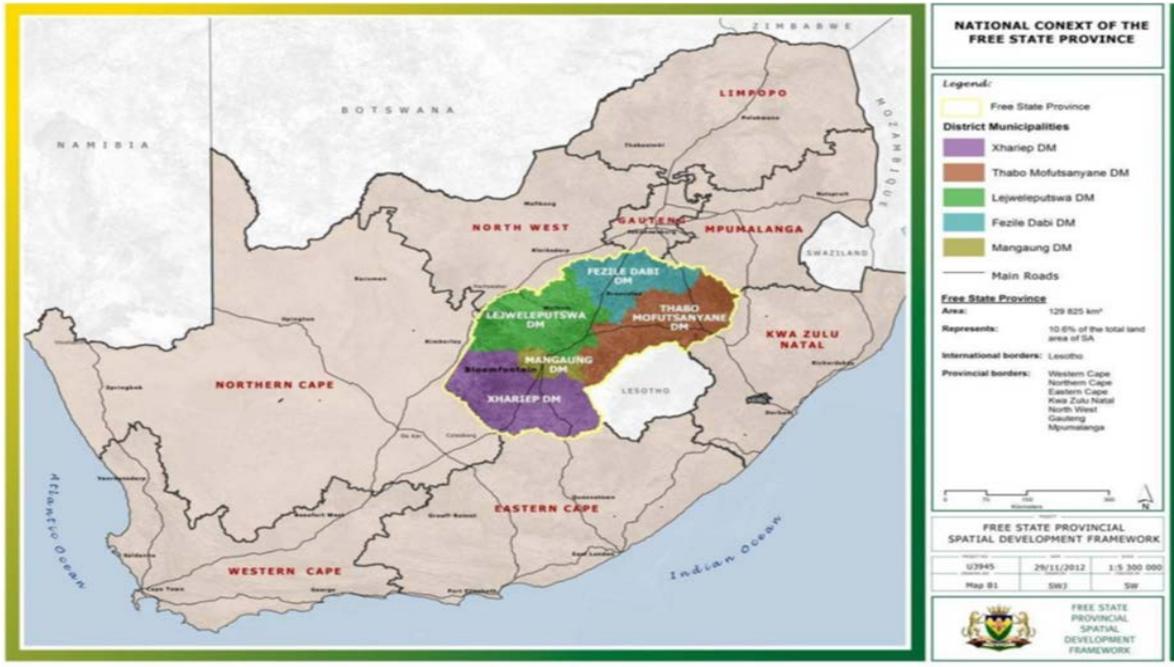
Against this background, the next section provides an overview of mining in the Free State, by first discussing the history of the Free State province and the contribution of mines to the province.

4.2.5.1 Overview of the Free State province

The Free State province is centrally located and bordered internationally on the south-east by the Kingdom of Lesotho. The Free State province, according to the Free State Province Provincial Spatial Development Framework (PSDF) (Free State Province, 2013:3) is the third largest province, covering 129825km² and bordered by six other provinces, as illustrated in the map of South Africa, below.

- North-West, Gauteng, and Mpumalanga – North.

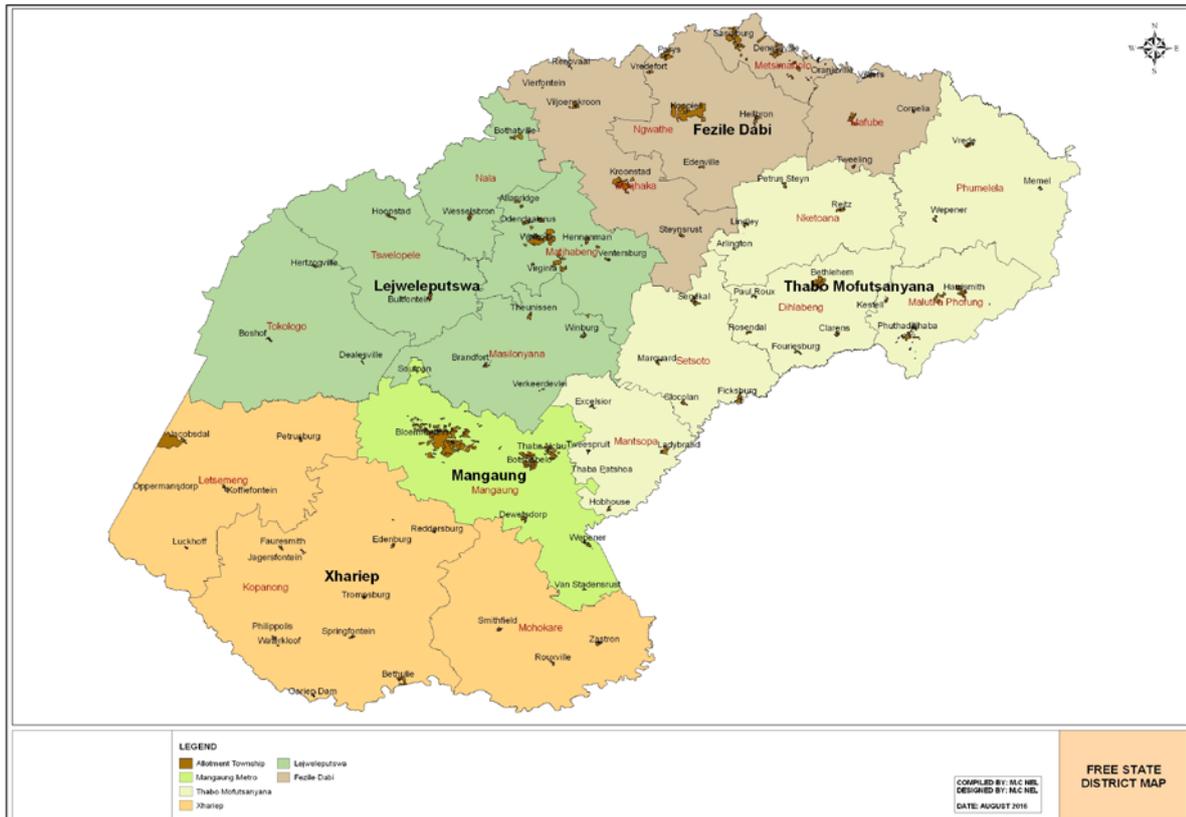
- KwaZulu-Natal – East.
- Eastern Cape – South.
- Northern Cape – West.



Map 4-1: The South African map depicting the Free State province

Source: Free State Province (2013:2)

Policy documents have been developed by the provincial government to suggest how socio-economic as well as political challenges are to be addressed. One such policy document is the Free State Provincial Growth and Development Plan 2013: Vision 2030 (2012), which aims to create an environment, institutions, processes and mechanisms crucial to inclusive growth. The second policy document worth mentioning is the Free State Province, Provincial Spatial Development Framework (PSDF), 2013. This document spells out a spatial and strategic planning policy that summarises the inherent characteristics that are unique to the province, such as the natural, cultural, economic, and human capital, that all require management in an integrated manner to be able to achieve sustainability. Planning in both provincial and local spheres of government became a priority that resulted in the development of Integrated Development Plans (IDPs) by municipalities. The Free State province consists of five districts and 20 local municipalities. A locality map of the Free State is included below.



Map 4-2: Locality map of the Free State province

Source: Department of Cooperative Governance & Traditional Affairs, website Free State Map 2016

Following the first democratic election in 1994, the country was divided into 253 municipalities, which function as one of the levels of government. According to the IDP of Lejweleputswa District Municipality (2016/2017), the Lejweleputswa District Municipality (DC18) was established in terms of the Municipal Structures Act (No. 117 of 1998) and proclaimed in the Provincial Gazette, Notice No. 184, on 28 September 2000. The Free State was divided into five districts whose borders have since been changed following the redetermination of municipal borders by the Demarcation Board. One district municipality was incorporated into a local municipality, while other areas were incorporated into other municipalities. Municipal government in the Free State faces a daunting task in terms of service delivery and other social, political and economic challenges.

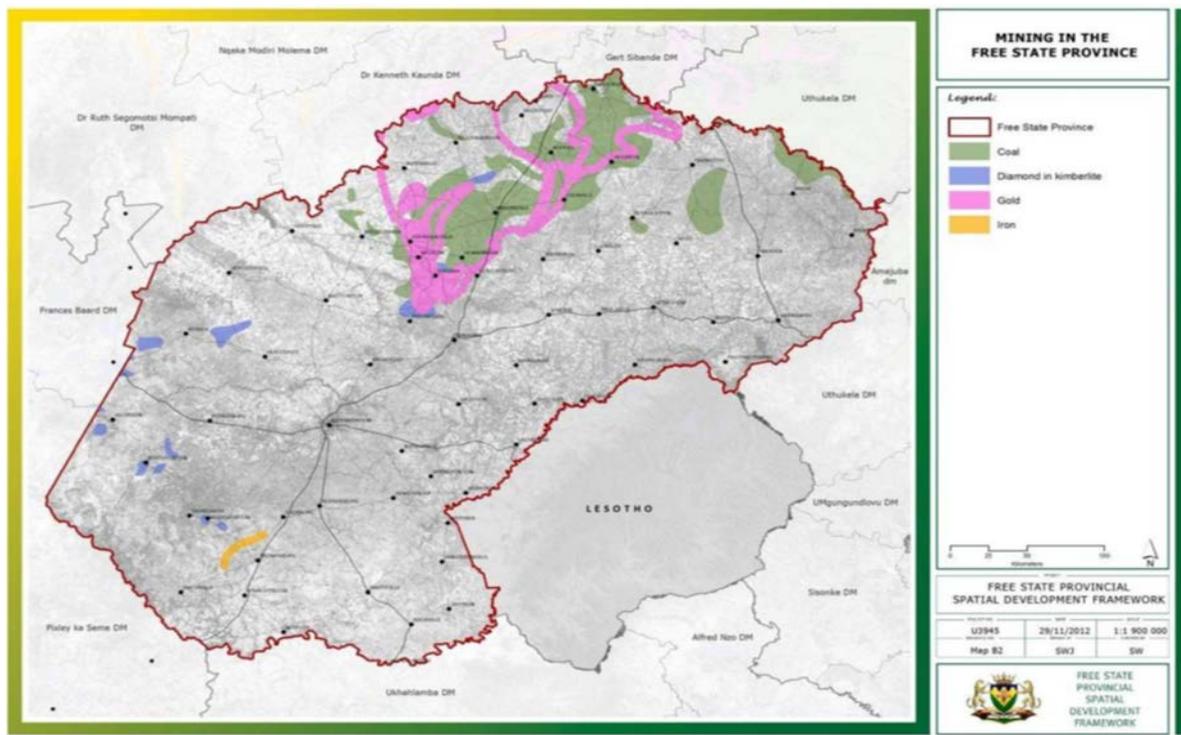
The Lejweleputswa area was once called the Goldfields, as most of the gold mines in the province are located there. A map of the Lejweleputswa District appears below.



Map 4-3: Locality map of Lejweleputswa District

Source: www.municipalities.co.za

Even though this province is among the largest in the country, it faces a number of challenges that call for partnerships between the public and private sector. According to the PSDF (Free State Province, 2013:34), poverty is a major problem in the Free State, with a large number of households living below the poverty line. At the same time, the province is rich in mineral resources, with a gold reef known as Lejweleputswa that stretches across Gauteng and the Free State and covers a mining area of 32 918ha (PSDF, Free State Province, 2013:49). Mining in the Free State occurs not only in Lejweleputswa, but also in other districts. Table 4.4 shows the minerals and gemstones mined in the Free State province. A map that illustrating mining activities in the Free State is shown below.



Map 4-4: Distribution of mineral resources and mining operations in the Free State

Source: Free State Province, 2013:49

Table 4.4: Mining in the Free State (Free State Business Annual Report, 2012)

REGIONS	MAIN TOWNS	PRODUCTS
Lejweleputswa District Municipality	Welkom Virginia Odendaalsrus	Primarily Gold Mining Also supplying considerable concentrations of silver and uranium.
Fezile Dabi District Municipality	Sasolburg Kroonstad Koppies	Primarily Coal Mining Supplying the country's largest deposits of bentonite. The bituminous coal is further converted into petrochemicals at Sasolburg. Diamond Mining Fezile Dabi is the leading diamond mining region in the province, operated by large companies such as Petra Diamonds, Lace Diamonds and De Beers.
Xhariep District Municipality	Jagersfontein Koffiefontein	Diamond Mining Jagersfontein is a world-renowned site for producing some of the world's largest diamonds.

Source: Free State Province, 2013:50

Mining has been in progress for many years in the Free State province (Marais, 2006; Marais, 2013a; Marais, 2013b; Marais et al., 2015). As is well known, gold mining has played an important role in the development of South Africa. Marais et al. (2015) note that gold was

discovered in the Free State during the Second World War, in the town of Odendaalsrus. New towns were developed after 1945 to accommodate the mining population, for example, Welkom, Virginia and Allanridge. But according to Marais et al. (2015), of the 44 shafts in the Free State Goldfields, 22 were sunk before 1972 and the remaining 22 between 1972 and 1993. Thus, no new shafts have been sunk since the new government came to power in 1994. The fact of mine downscaling and its impact on local and regional economies must therefore be faced (Ntema, Marais, Cloete & Lenka, 2017:30).

Marais, Van Rooyen, Nel and Lenka (2015) conducted a study aimed at dealing with mine closures and new government strategies on revitalising the industry. They conclude that the reason why some initiatives are not realised is due to poor IDPs, as municipal IDPs fail to make mention of the terms 'mine closure' or 'mine decline'. They further argue that the poor quality of IDPs hampers the process of corporate social investment, including collaborative planning. In order to show the importance of implementing CSR, it is necessary first to understand why planning and development are such important elements in managing any type of process. It is vital that any programme planned by mining houses involving CSR be linked with IDPs as well as with provincial plans. Currently the district, according to the Lejweleputswa Development Agency (2015), has two mining houses: Harmony and Sibanye Gold Limited (in 2012 the unbundling of Sibanye from Gold Fields Limited was completed). Both mining houses are involved in some form of CSR that is not well coordinated by the public sector, and in particular, by local municipalities (mining operations within the Lejweleputswa District largely occur in the Matjhabeng and Masilonyana local municipalities).

The lesson to be learned regarding the implementation of CSR through PPP is that all levels of government need to come together and work with the private sector to integrate plans to achieve better coordinated services for the community. The next section explores the concept of PPP and how it has been adopted in attempts to promote CSR initiatives.

4.3 Public-private partnership (PPP)

4.3.1 Overview

This section assesses policies and legislation affecting the implementation of PPP both abroad and in South Africa, in accordance with RQ3 and RQ4. Heldeweg and Sanders (2013:175) note that the interaction between public and private sectors is widely believed to enhance the effectiveness and legitimacy of socio-economic endeavours and may offer a significant contribution to the execution of complex projects. Lowndes and Skelcher (1998:313) claim that multi-organisational partnerships are now governing and managing public programmes and the

key challenge for partnerships lies in managing the interaction of different modes of governance, which can generate both competition and collaboration.

According to Lowndes and Skelcher (1998:314), partnership passes through a life cycle in which power relations between the various parties shift from a point of cooperation to a point of competition. The partnership life cycle comprises the following four stages, consisting of key features of governance and relationship between stakeholders:

- The first stage is referred as the pre-partnership collaboration. It is a governance network based upon informality, trust and a sense of common purpose.
- The second stage is the creation and consolidation of partnership which is based upon an assertion of status and authority and the formalisation of procedures.
- The third stage is partnership programme delivery by market mechanisms of tendering and contract, with low levels of cooperation between providers.
- The last stage is the termination or succession stage of the partnership, which is characterised by a re-assertion of network governance to maintain agency commitment and community involvement, as well as staff employment.

Lowndes and Skelcher (1998) assert that the different stages mentioned above overlap and coexist throughout a partnership's life cycle, and tensions between different modes shift as the agenda for action and relationship between partners change. Jacobson and Choi (2008:638) point out that partnerships among different sectors have often not delivered in practice and warn that caution should be taken in creating partnerships. In order to be effective, partnerships need political support (Jacobson & Choi, 2008).

Studies of PPP indicate that its implementation in many countries across the globe has addressed various services and aspects of infrastructure development by providing needed capital and resources (McQuaid, 2000; Pongsiri, 2002; Teisman & Klijn, 2002; Klijn & Teisman, 2003; Lamprecht, 2007; Brinkerhoff & Brinkerhoff, 2011; Homkes, 2011; Minnie, 2011; Irfan, 2015; Romero, *et al.* 2015). According to Lamprecht (2007:1), PPP constitutes an increasing element in the delivery of public policies and services across the world by bringing significant benefits in terms of developing socially inclusive communities. Romero, *et al.* (2015) argue that PPP is increasingly promoted as a way to finance development projects and features prominently in contemporary discussion on the financing of development agendas. They claim that for the past two decades, a large number of countries have been investigating and promoting PPP as a means of addressing various social needs.

PPPs inevitably include actors from different networks influenced by their own history and practices (Klijn & Teisman, 2003:137). Schäferhoff, *et al.* (2009:455) argue that the assertion that responsibilities and contributions should be shared among the partners is a normative presumption, and should be avoided. Pongsiri (2002:488), on the other hand, points out that the experience of various countries that have implemented PPP shows that before a PPP is formed, regulations must be in place to protect the interests of the two parties. A successful PPP requires effective government regulation that will cover issues such as property rights, contracts, and disputes, as well as liabilities. In brief, all issues that may create conflict in future must be addressed (Pongsiri, 2002). The next section of this chapter discusses how the concept of PPP has been applied in the international context.

4.3.2 PPP – International context

The concept of PPP has been promoted throughout the world as a means of combining the public and private sectors' efforts towards service delivery. Lamprecht (2007:4) regards two international studies as worthy of mention: the study by Walzer and Jacobs (1998) that compared the implementation of PPP as applied in different countries as well as the challenges encountered, and the study by Osborne (2000) that offered clarity on how PPP has been applied internationally in terms of both outcomes and processes.

In the current study, the concept of PPP is investigated in addressing its application with regard to CSR, and this orientation directs the discussion here. For Nijhof, *et al.* (2008:153), CSR can only be fully developed in partnerships in which the exploration of new roles is a central element and the expectations and demands of stakeholders are included within such partnerships. With the development of social partnerships, it is possible to address issues that extend beyond organisational boundaries (Seitanidi & Crane, 2009:413). The implication is therefore that as and when companies implement CSR, efforts should be made to ensure that all relevant stakeholders are consulted. It is important to note that the idea of involving stakeholders implies the use of partnerships towards the attainment of goals.

Various international organisations have tried to give meaning to the concept of PPP, but what is clear from the literature reviewed is that there is no universally agreed definition of the concept. The European Commission (2013:14), in its "Guidelines for Successful Public–Private Partnerships", claims that there has been a "marked increase in cooperation between the public and private sectors for the development and operation of infrastructure for a wide range of economic activities".

The European Commission (2013:14) maintains that such PPP arrangements are driven by limitations in public funds to cover investment needs and increase the quality and efficiency of

public services. Romero, *et al.* (2015:16) note that the European Commission and key donor governments have promoted and financed PPPs in developed and developing countries. The World Bank's PPP Reference Guide emphasises that PPPs may help overcome some of the key challenges of infrastructure delivery, including insufficient funds, poor planning and project selection (Romero, *et al.* 2015:14). Romero, *et al.* (2015) assert that those who support PPPs argue that PPP may focus on the capacity of the private sector to deliver high-quality investment in infrastructure, while reducing the need for the state to raise funds upfront to develop and manage these projects. Shaik and Narain (2011) claim that PPPs may be complex and time consuming, but if applied under the right conditions they can offer significant benefits to government, the private sector and consumers.

According to Kateja (2012:371), the World Bank as a leading data source for private participation in infrastructure development has captured the details of PPPs in the world. This source indicates that the PPP model has emerged within the BRICS countries and is likely to be encouraged as a preferred mode of funding infrastructure (Kateja, 2012:368).

4.3.3 PPP – African and South African context

According to Warner and Sullivan (2004:12), the World Summit on Sustainable Development (Rio+10) held in Johannesburg placed the corporate sector at the centre of international efforts to reduce poverty through partnerships. But as they point out, for development to be effective and relevant, partnerships among key stakeholder groups need to be forged.

According to the New Partnership for Africa's Development (NEPAD) framework document (undated), one of its aims is to seek to reflect on the lessons learned through painful experience, so as to establish partnerships that are both credible and capable of implementation. The objective of NEPAD, as indicated in its documents, is to give impetus to Africa's development by bridging existing gaps in priority sectors in order to enable the continent to catch up with developed parts of the world. Farlam (2005:2) suggests that PPPs have the potential to solve sub-Saharan Africa's profound infrastructure and service backlogs, and suggests that all governments must improve their systems for dealing with the private sector to realise the gains that these partnerships promise. Farlam (2005) argues that NEPAD has a crucial role to play in identifying blockages in the regulatory and legal environments in African countries.

With regard to the promotion of PPP in the South African context, several studies have looked at how the concept has emerged at different times (Farlam, 2005; Lamprecht, 2007; Minnie, 2011). According to Farlam (2005:1), South Africa has the greatest cumulative experience of public-private partnerships in Africa. Minnie (2011:3) and Lamprecht (2007:12) note that PPP

in South Africa was promoted through the establishment of the PPP Unit within the South African National Treasury. The National Treasury issued a PPP Manual and Standardised PPP Provisions as practice notes in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999; and at the local level of government, used the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, to promote and guide all projects of this nature (Minnie, 2011:53).

For Lamprecht (2007:12), PPP in South Africa has enjoyed sustained support for many years as a viable and desirable service delivery option in both the public and the private sectors. Shaik and Narain (2011:284) suggest that South Africa has had the greatest cumulative experience of public–private partnership in development for implementation at national and provincial levels, as well as at municipal level since 1994. According to Minnie (2011:3), PPP represents new ground in terms of complexity, and this has resulted in the production of mixed results. Partnership projects are after all not easy to realise owing to the different perspectives held by different stakeholders (Teisman & Klijn, 2002:198). Minnie (2011:86) in fact developed a table to compare how these different sectoral perspectives on partnership issues could be assessed.

Miraftab (2004:89) cautions that in South Africa, studies have revealed serious discrepancies between the theory propounding partnerships as a Third-World panacea and their consequences in actuality. According to Minnie (2011:101), the contribution of PPP is significant in creating a perception of equity and mutual accountability regarding transactions between public and private organisations through cooperative behaviour.

The promotion of PPP by different governments across both the African continent and South Africa has increased, mainly owing to a lack of resources and skills on the part of government. Lamprecht (2007:21) claims that the risks and potential rewards of PPPs are expected to increase, and this calls for the creation of a suitable enabling environment. The implementation of PPP therefore faces many challenges that need to be overcome for it to succeed. The challenges and disadvantages of implementing PPP are elaborated on in the next section.

4.3.4 Challenges and disadvantages of PPP

Opponents to public–private partnerships have often argued that this form of procurement increases the scope for capture of the decision maker by private interests (Martimort & Pouyet, 2006:20). McQuaid (2000:14) expands this to describe the main disadvantages of PPPs as including unclear goals, resource costs, unequal power, cliques usurping power, impacts upon other ‘mainstream’ services, differences in philosophy between partners, and organisational problems. Ridley (2001:694) argues that public and private sectors stand an improved chance of delivering on their objectives if they can find appropriate ways of collaborating to overcome

these problems. According to Ridley (2001), the difficulty these sectors face is in moving beyond lip service to actually defining the mechanisms needed to make such partnerships work.

Thus ongoing questions remain about how to design, manage, and assess PPPs, and the literature on PPPs suffers from conceptual imprecision and a lack of integration (Brinkerhoff & Brinkerhoff, 2011:2). According to the Presidency of South Africa and Business Trust's Support Programme for Accelerated Infrastructure Development (SPAID) (2007), the challenges to PPPs and the legal framework for PPPs are characterised by the following:

- A lack of policy direction from the highest levels of government.
- Inconsistent commitment to PPPs in different parts of government and at different levels of government.
- A general mistrust among the parties involved in the provision of infrastructure services.
- A lack of resources and knowledge among staff to originate and implement PPPs.
- A lack of resources within the PPP Unit to promote PPPs and help support implementing agencies.
- A policy bias against PPPs while promoting traditional public procurement.
- A lack of fiscal authority to use PPPs.
- Different market and legal environments for PPPs in the municipalities.

In order to counter such uncertainties, these authors propose a purpose-based framework to examine the question of partnership as it relates to achieving particular purposes and to map out the applications of PPPs in the real world. This purpose-based framework consists of the following aspects: policy, service delivery, infrastructure, capacity building, and economic development. Brinkerhoff and Brinkerhoff (2011) maintain that PPP has been devalued and overused, and argue that PPP should be applied predominantly to those societal problems that call for a partnership's particular advantages.

Van Ham and Koppenjan (2001:593) claim that in both public and private sector development partnerships, what is important is that cultural and institutional differences between the public and private domains and the difficulties of bringing the two together constitute a serious threat to successful PPP. Partnerships are further hindered by confusion over the concept of PPP that restricts rather than enhances public-private interaction (Van Ham & Koppenjan, 2001).

Partnerships can only be realised if the different stakeholders recognise the mutual risks and are prepared to explore them in consultation with other parties.

Despite all these challenges and disadvantages, PPP has achieved notable success in a number of projects. The Presidency of South Africa and Business Trust (2007) proposed solutions for improving PPP in South Africa applicable to various settings. These are presented in the table below.

Table 4.5: Proposed Solutions for Improving Public-Private Partnerships in South Africa

Agreed Problem	Proposed Solutions
Lack of high-level policy direction and political resolve	High-level political recognition and statement of the extent to which South Africa wants to do PPPs to meet its policy objectives (or more generally, an alignment of policy with practice). Sector-specific analysis of whether PPPs are appropriate and how they should be structured. Better communication between public and private sectors on future deals expected, and the capacity of each to implement them.
Mistrust of private sector involvement in infrastructure	Specialised ‘task teams’ of PPP experts dispatched to line agencies, and provincial and municipal governments to educate about PPPs and help with specific transactions. Some interviewees suggested these ‘hit squads’ would originate from the PPP Unit, others suggested they could be groups of individuals hired specifically for this task, and independent of the PPP Unit.
Lack of capacity in implementing agencies	A body separate from the PPP Unit to serve as promoter and capacity-building agency for PPPs.
Lack of resources dedicated to fostering PPPs	More expertise and political leadership from the PPP Unit itself.
Policy bias toward public procurement	Harmonisation of MSA and MFMA. ‘Mega projects’ approach currently being developed by the PPP Unit, which requires proof that traditional procurement is a better option than PPPs. Clarification of requirements of Section 78 in MSA. Streamlining treasury guidelines for smaller PPPs, such as the new ‘small cap’ toolkit for smaller value eco-tourism projects.
Fiscal imperative to use PPPs	For municipalities, use of conditional grants to finance PPPs. Regionalisation of service, and the possible creation of a joint municipal and provincial government unit to oversee infrastructure delivery through PPPs.

Source: The Presidency of South Africa & Business Trust: SPAID report (2007:16)

The above table indicates a number of remedies that could be applied to challenges arising during the implementation of PPP. What is important is that both the public and private sectors ensure that CSR implemented through PPP is sustainable, and that the needs of communities are identified by the communities themselves. In the cases of both CSR and PPP, what is noteworthy is that all stakeholders should recognise the importance of their role in addressing

developmental challenges facing the country by encouraging successful and sustainable partnerships.

4.4 Chapter summary

This chapter has discussed the current policies and legislative framework relevant to the implementation of CSR through PPP. It outlines the necessity for stakeholders to work in a more effective, efficient and economical way. It is interesting to note in the context of this discussion that the legislative framework as discussed here provides substantive guidance on how CSR can be better implemented. The chapter also highlighted how CSR has been promoted and implemented internationally by International organisations as well as within the identified European countries.

The implementation of CRS within other developing countries was addressed. General trends and the evolution and implementation of CSR in South Africa, with special emphasis on the mining industry, were also noted. Given that the purpose of this chapter was to examine current policies and the legislative framework, various pieces of legislation relevant to the study were explored. The second part of the chapter also provided context on how PPP has emerged as a way of implementing a variety of initiatives, both internationally and in the South African context.

The next chapter presents the research approach and methodology adopted by the study.

CHAPTER 5: RESEARCH METHODOLOGY

5.1 Introduction

This chapter describes the research methodology utilised in this study, providing a detailed discussion that includes the rationale for the approach selected. According to Mouton (2011:55-57), research methodology comprises the tools and procedures used in a study. Brynard and Hanekom (2006:35) characterise research methodology as a process that deals with the collection of data and the processing thereof within the timeframe of the research process. The concept also includes the general philosophies underlying the choice, collection and analysis of data (Haralambos & Holborn, 2000:965).

A basic methodological distinction is made between quantitative and qualitative research. Quantitative research typically involves large numbers and statistical analysis, while qualitative research is interpretive and tries to understand people's perceptions in some depth. The current study made use of a qualitative research paradigm because of the nature of the research problem. The aim was to ascertain the meaning ascribed to the social circumstances of the participants and focus groups. However, before the methodology is explained in more detail, a necessary background description of the research site is provided. This description includes coverage of CSR activities currently under way within the Masilonyana and Matjhabeng local municipalities in the Lejweleputswa District. The activities concerned are those sponsored by the two mining companies in the district, Harmony Gold Mine and Sibanye Gold Limited (SGL).

5.2 Research Setting

This section gives an account of the CSR programmes currently being implemented by mining companies within the Lejweleputswa district. Mining operations within the Lejweleputswa District largely occur in the Matjhabeng and Masilonyana local municipalities and have been in progress for several years. To prepare this report, the researcher consulted officials from the local municipality, officials from the mining companies, as well relevant documentation such as the Integrated Development Plans (IDPs) and Social Labour Plans of local municipalities.

5.2.1 Masilonyana Local Municipality

The Masilonyana area is located in the southern part of the Lejweleputswa District Municipality's area of jurisdiction and is surrounded by the local municipalities of Matjhabeng, Tokologo, Mangaung, Mantsopa, and Setsoto. The Masilonyana local municipality is a category B municipality, with a collective executive system combined with a ward participatory system, as contemplated in Section 3(b) of the Determination of Types of Municipality Act, 2000 (Act No 1

of 2000). Masilonyana Local Municipality covers an area of 679 725.2 ha, consists of ten wards, and includes four towns, Theunissen (the administrative head office), Brandfort, Winburg and Verkeerdevlei. According to STATS SA Community Survey 2016, the municipality has a population of 63 333, of whom 91.3% are black African and 6.7% are white, with the remaining 2% made up of other population groups. The majority of the population, that is 62%, is between 15 and 64 years of age.

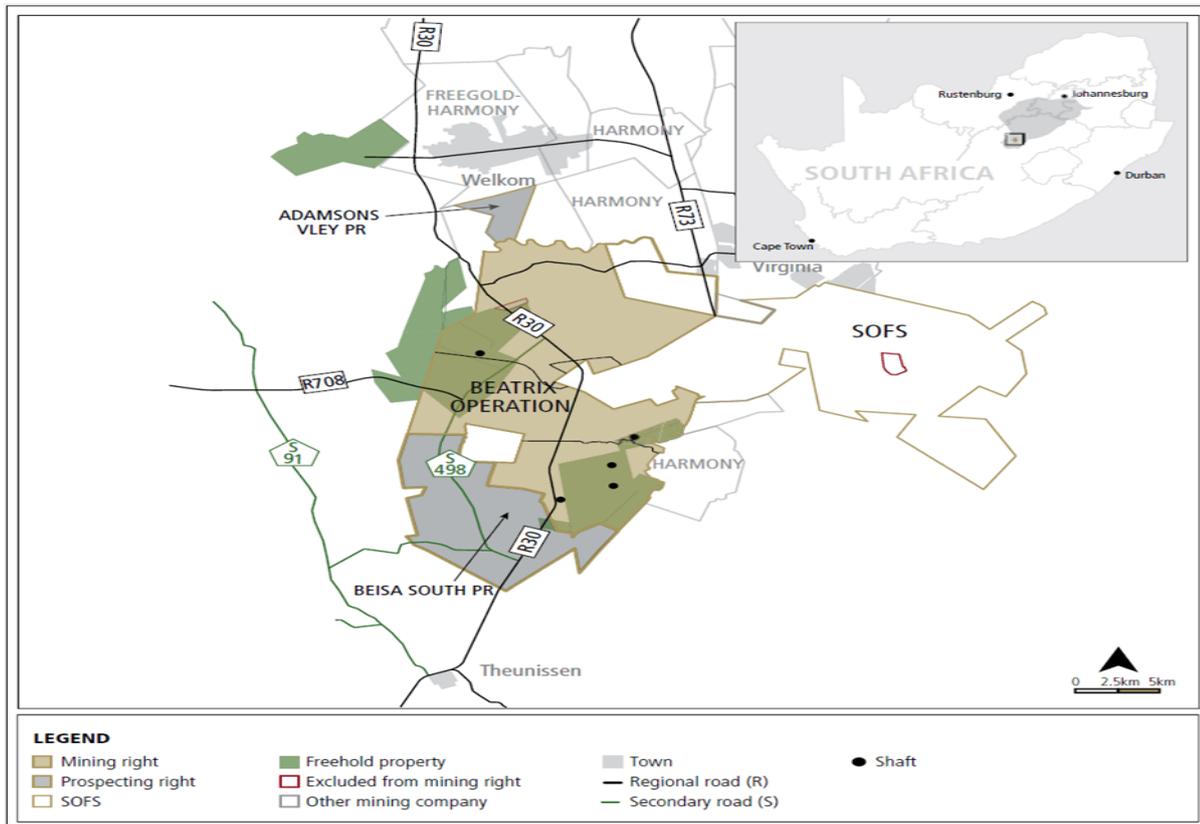
According to the recently approved IDP, the towns and villages within the municipality are characterised by development that is spatially fragmented and mostly associated with previous apartheid policies. Prior to the beginning of the latest financial year, the municipality engaged in a process of hosting intensive community and stakeholder workshops.

5.2.2 Sibanye Gold Limited (SGL) and the Current CSR / SLP Projects

Sibanye Gold Limited (Sibanye or SGL) came into being following the unbundling of Gold Fields Limited. Sibanye Gold comprises 5 principal gold-producing operations with long and illustrious operating histories, which include Beatrix Gold Mine (hereinafter referred to as Beatrix), Kloof, Driefontein, Cooke, and DRDGold Limited. The company currently owns and operates gold mining projects throughout the Witwatersrand Basin and in the Free State. Beatrix is situated in the magisterial districts of Virginia and Theunissen, near the towns of Welkom, Virginia, and Theunissen, and approximately 240 km southwest of Johannesburg. The Beatrix North and South sections fall within the Masilonyana local municipal area, while Beatrix West falls within the Matjhabeng local municipal area. SGL developed a Social and Labour Plan (SLP) that was aligned with the Mineral and Petroleum Resources Development Act (MPRDA) No. 28 of 2002, for the period January 2017 to December 2021. This was submitted to the Department of Mineral Resources (DMR) in compliance with the conditions of the Mining Right. The SLP was further aligned with the Matjhabeng and Masilonyana Local Municipalities' Integrated Development Plans (IDPs) and other development frameworks such as the National Development Plan 2030.

Beatrix Mine is well aware of the socio-economic conditions prevailing in the host community and has taken efforts to address the negative impact of mining operations on the area, by focusing on the recruitment and development of previously disadvantaged and unemployed members of the affected communities. The mine has started working on a revised community development strategy premised on maintaining its social license to operate, and has contributed to building Taiwe Secondary School Hall to the value of more than R7.5m. Over the next five years, i.e. 2017–2021, Sibanye has committed a sum of R27 million to local economic development, specifically, infrastructure development for the benefit of the community as a whole (Beatrix Mine Social and Labour Plan 2017-2021). The particular issue to be addressed

is that of roads within the municipality. The locality map below shows the operations of Sibanye Gold Mine in the Free State



Map 5.1: Sibanye Gold Mine Operations in the Free State

Source: Sibanye Gold Mine Social & Labour Plan (2017-2021)

5.2.3 Harmony mines: CSR / SLP Projects

Harmony is one of the world's 10 largest gold mining companies, operating in South Africa and in Papua New Guinea (PNG), where the Hidden Valley mine recently came into production. As at 30 June 2010, the company employed 42 597 people, mostly in South Africa, of whom 36 893 were full-time employees and 5 704 contractors (<https://www.harmony.co.za/>). Harmony's corporate headquarters are located in Randfontein, Gauteng. The company's South African operations are governed by approved mining rights, each of which is bound up with an agreed and approved social and labour plan, including local economic development initiatives executed in terms of the Mining Charter, the Mineral and Petroleum Resources Development Act and the codes of good practice for the minerals and mining industry. Figure 5.1, below, depicts the CSR project implemented by Harmony mine.

CSR spend by focus area (%)

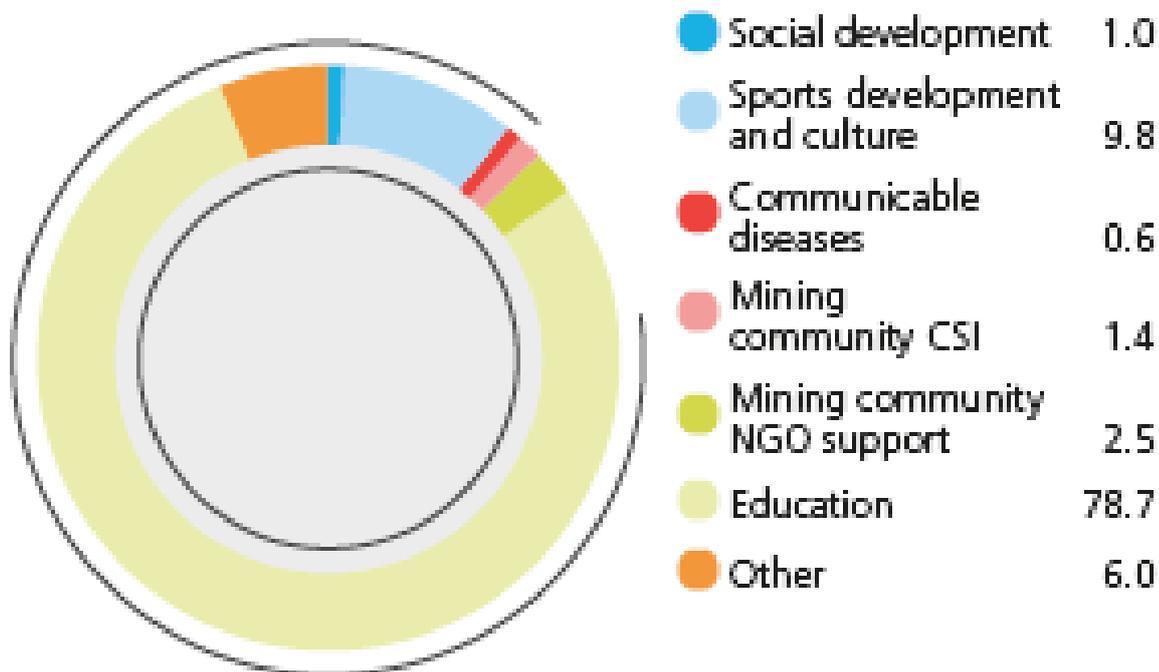


Figure 5.1: Summary of CSR projects

Source: Harmony Gold Mine (<https://www.harmony.co.za/>)

For the five-year social and labour plan cycle ending December 2017, the total planned expenditure on social and labour plan commitments was R844 million (US\$57.3 million) by government and Harmony, of which, as at 30 June 2017, R494 million (US\$38.0 million) had been spent (FY16: R430 million; US\$33.3 million, <https://www.harmony.co.za/>). Of this, R418 million was spent on mine community development projects, which included R303 million from the government for two legacy projects, the conversions of the Masimong and Merriespruit 3 hostels into residential units.

Table 5.1 shows all the projects implemented by Harmony Gold Mine in both Masilonyana and Matjhabeng local municipalities.

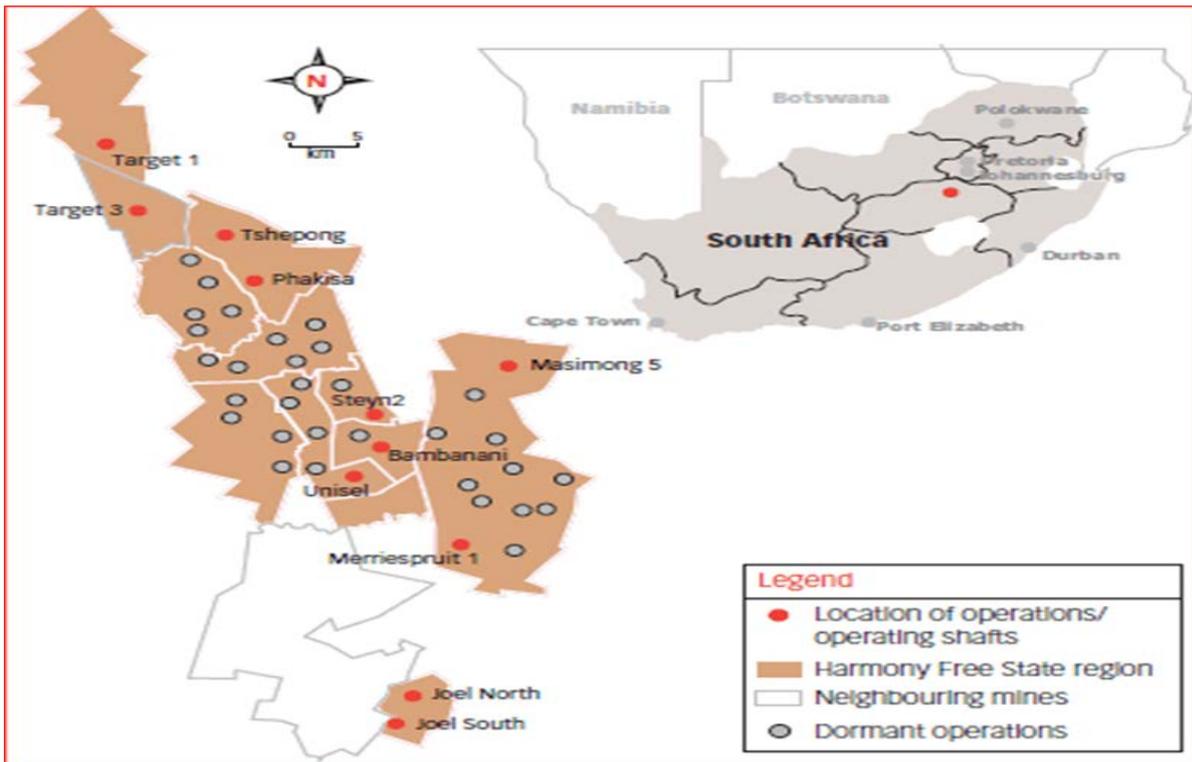
Table 5.1: CSR Projects by Harmony Gold Mine implemented in both municipality

Projects	Objectives	Beneficiaries and investment
Taxi rank in Kutloanong	Harmony in an equal joint venture with the Matjhabeng Local Municipality has constructed a taxi rank for the convenience of commuters and the Provincial Department of Cooperative Governance and Traditional Affairs provided	Making commuters' lives much easier by providing shelter and convenience shopping on site Investment: R3.5 million

	funding for water and electricity to the site.	
Harmony Jewellery School	Education and training in jewellery design and manufacturing was fully funded by the company. A number of jewellery students completed their training for other diploma courses offered by the Central University of Technology under a partnership with Harmony.	In FY12, 46 (FY11: 55) students were enrolled at the jewellery school, 10 with Harmony bursaries FY12 investment: R2.5 million
Brick-making project	In Masilonyana municipality, Harmony and two other mining companies in the area initiated a R3 million project, with Harmony contributing one third to date. The project produced its first batch of bricks late in the prior year which are being used to construct an administration office and ablution facilities on site. The rest were sold to the open market. The municipality is currently negotiating offtake agreements	Local residents Investment to date: R1 million
Welkom business centres	These centres are managed by Harmony to develop and enhance the business and management skills of owners of small, medium and micro enterprises (SMMEs).	SMME owners FY12: orders totalling R27.2 million

Source: Harmony Gold Mine <https://www.harmony.co.za/>

In the Free State, Harmony has also funded three spatial development frameworks in conjunction with the respective municipalities. These are the Masimong -Thabong, the Virginia Core Area, and the Merriespruit spatial development frameworks. These initiatives created home-ownership options for employees and job opportunities for the communities. Harmony Gold mine's corporate social responsibility policy recognises the need for socio-economic investment, starting with the broader communities in which it operates in terms of the Mining Charter and its social and labour plans (SLP). The map below depicts the Harmony Gold Mine Operations in the Free State province.



Map 5-2: Harmony Gold Mine operations in the Free State

Source: Harmony Gold Mine (<https://www.harmony.co.za/>)

5.2.4 Matjhabeng Local Municipality

Matjhabeng local municipality is situated in the Lejweleputswa District municipality in the Free State. It is bordered by the Nala local municipality to the north, Masilonyana local municipality to the south, Tswelopele local municipality to the east and Moqhaka local municipality to the west. Matjhabeng local municipality (MLM) is a category B Municipality established in terms of Section 12 of the Local Government: Municipal Structures Act 117 of 1998. The municipality covers an area of 514.4 km², consisting of Welkom, Odendaalsrus, Allanridge, Hennenman, Virginia, and Ventersburg. The Matjhabeng Local Municipality is made up of 36 wards, its council consisting of 36 directly elected ward councillors and 36 proportionally elected councillors. The primary sectors of economic activity in Lejweleputswa are agriculture and mining. Matjhabeng is the largest municipality in the District and contains most of the mining activities, especially gold mining.

According to the approved IDP (2018), the mining sector has in recent years been in decline as a result of the closure of many of the shafts – a consequence, among other factors, of the high costs of production and the need for deep mining. In 2018 the municipality's IDP failed to mention the mining sector, even though it has a chapter on the Social Labour Plan of mining companies operating within their own space. According to the 2018 approved IDP, the Harmony

Gold Mine SLP (2012-17) came to an end at the end of 2017 and new projects will be negotiated and integrated into the IDP during the review. According to the 2018 approved IDP, the following CSR / SLP projects are being implemented in the municipality (see Table 5.2, below):

Table 5.2: List of current CSR /SLP projects as depicted in the IDP

Company Name	Area of Operation	Name of Project	Type of Project	Budget
Sibanye Gold	All Matjhabeng areas	Road Maintenance	Infrastructure	R27 000 000
Harmony Gold Mine	Virginia	Sport Academy (School Subsidy)	Sports and Educational	R 8 000 000
	Virginia	Jewellery School (School Subsidy)	Educational	R 4 000 000
	Welkom	Live Stock Market and Impound Centre	LED	R 7 000 000
	Welkom	Business Industrial Hub	LED	R 1 000 000
	Matjhabeng	Poultry Cluster	LED	R 2 000 000
	Matjhabeng	Business Studies and Feasibility Plans (Mining Museum and Ternary and leather)	LED	R 1 300 000

Source: Matjhabeng Local Municipality, 2018 IDP

5.3 Research design

Cooper and Schindler (2003:81), describe a research design as the blueprint for meeting the research objectives and answering the research questions, selecting from a large range of methods, techniques, procedures, protocols and sampling plans. The research design provides answers to questions such as these: what techniques will be used to gather data? What kind of sampling will be used? How will time and cost constraints be dealt with?

Fouché, Delpont and De Vos (2011:142-143) suggest that “research design involves a set of decisions regarding what topic is to be studied among what population with what research methods. Research design is the process of focusing your perspective for the purpose of a particular study”. According to Webb and Auriacombe (2006: 589), research design comprises a clear statement of the research problem, as well as plans for collecting, processing, and providing answers to the research question(s). Babbie (2010:92-94) has outlined three essential aspects or phases of a qualitative research design as follows:

- First, the exploratory research which explores a topic that includes case studies, needs assessments and focus groups.

- Second, descriptive research that deals with the description of what is observed as it happens in situations and events.
- Finally, the explanatory research that examines why something is happening or why one variable predicts changes in the other.

As mentioned in Chapter One, the research design for this study includes exploratory research by employing a literature review, non-structured interviews, survey questionnaires and focus group discussions, using both the public sector and mining companies as sources of information about the unit of analysis.

The unit of analysis is “the what of the study,” which in this case is how PPP can result in more effective implementation of CSR as far as communities affected by mining operations are concerned. The purpose of the study was to investigate how the mining and the public sectors can integrate their plans to address community issues. It is for this reason that the unit of analysis for this study included municipalities, provincial and national government working directly with municipalities, mining companies operating in the Lejweleputswa district area, as well as the communities affected by the mines.

The research was carried out over a six-month period due to the non-availability of certain key respondents and it involved survey questionnaires and focus group discussions. According to Walliman (2011:99), survey questionnaires are relatively easy to organise even though they have certain limitations, particularly in the lack of flexibility of responses they allow, which means that they may need to be supplemented with probing or following-up in order to yield adequate information. Focus groups can be seen as a type of interview involving a group of people who have particular experience of or knowledge about the subject of the research (Walliman, 2011:100).

The data collection and fieldwork process unfolded with the researcher’s first sending a letter of intent to conduct the study and requesting permission from the different government departments, the two local municipalities and the two local mining houses located in the Lejweleputswa district, Free State. The researcher visited all the different stakeholders to determine their willingness to participate in the study. Focus group discussions were held with local municipality officials, community development workers who organised communities that were affected by the mining activities, as well as the provincial departments. Individual interviews were conducted with representatives of the mining houses, since most managers are based at the company’s head office. Interaction with Ward Councillors and ward committees took place. This approach seemed to work in that the researcher was able to make follow-ups on issues raised.

5.3.1 Justification for the selection of Qualitative Research Approach

The reason for selecting a qualitative methodology in this thesis was to enable the researcher to describe and interpret information collected directly from the study population. According to Burns and Grove (2003:19), the qualitative research approach provides an understanding of human experiences and situations to develop theories that account for these experiences. What is crucial is that the qualitative research paradigm is concerned with an insider's perspective on the social action being investigated (Babbie & Mouton, 2001:53). Put another way, this means that the qualitative research approach focuses more on human attitudes and experiences, and the meaning that social actors attach to those experiences.

One of the main strengths of qualitative research is the comprehensiveness of perspective it gives the researcher (Babbie & Mouton, 2001:309). Thus Patton (2002:59) suggests that this approach tends to be holistic in that it provides the foundation for data analysis. Schurink and Auriacombe (2010) caution against definitions of qualitative research that are too narrow in the following terms:

- First, qualitative research is not a new approach for social study in that it has encircled various traditions and practices with a number of exponents that use various approaches and methods of collecting, analysing and interpreting data, as well as writing qualitative reports.
- Secondly, qualitative research is constantly changing and is increasingly relying on humanities-based approaches and practices and there is no reason to suppose that it will not continue to grow and develop.
- Thirdly, what is also clear, however, is that qualitative research is an umbrella term for different approaches to this type of research with its own theoretical background, methodological principles and aims.
- Lastly, the term qualitative research is a useful descriptor despite the fact that there is no uniform definition for qualitative research.

5.3.2 Study population

The research population comprised the mining companies/houses, local municipalities, employees of provincial and national departments, as well as the local communities.

The sampling method in this study was purposive sampling, a form of non-probability sampling in which the researcher decides on individuals based on their knowledge and willingness to participate in the research. A total of 66 respondents were selected in this way. The researcher

created a list of potential key individuals or groups to be included for the interviews and focus-group discussions and narrowed it down by purposefully identifying persons from the different sectors who appeared able to provide the information sought. Focus group meetings were conducted with local municipalities as well as all relevant provincial and national departments that work directly with the municipalities. To gain further understanding of how the mining activities impacted the local communities, both employees and affected communities were included in the study. Semi-structured interviews were conducted with two mining middle managers (since most senior managers are based outside of the Free State).

Auriacombe and Mouton (2007:448) argue that sampling in qualitative field research is designed to enhance the informational value of observations by maximising variations, and not for statistical generalisation. In this study, the method was used to obtain as much data as possible from different stakeholders to compare their attitudes towards the implementation of CSR through PPP within the mining sector.

5.3.3 The literature review

The literature review is a vital component in any type of research (Marjom & Theron, 2006:603). According to Gay, Mills, and Airasian (2006:1), a review of relevant literature involves the systematic identification, location, and analysis of documents containing information relating to the research problem. Successful research in fact depends on a well-planned and thorough review of the available and relevant literature (Brynard & Hanekom, 2006:38). Bandara, Furtmueller, Gorbacheva, Miskon and Beekhuyzen (2015:155) similarly assert that the literature review is a crucial element in every academic field as it creates a firm foundation for advancing knowledge and developing theory.

Dunne (2011:116) observes that without prior knowledge of the field, it may be difficult to clearly identify substantive areas, and a researcher may not actually know what does or does not constitute a substantive area. There is broad consensus that a literature review provides the researcher with an opportunity to identify any gaps that exist in the body of literature, while furnishing a rationale for how the proposed study can contribute to that body of knowledge (Gay et al., 2006:3).

In this study, the aim of canvassing the relevant literature was to obtain information pertinent to the design and implementation of CSR through PPP within the Lejweleputswa district area.

5.3.4 Ethical considerations

As recommended by Thomas (2004:95), the researcher sought and obtained permission from those in authority in both the municipality and mining companies by sending them a letter outlining the intention of the research. According to Fouka and Mantzourou (2011:3), research ethics involve requirements for daily work, the protection of the dignity of the research subjects, as well as publication of the information gathered in the research. For Fouka and Mantzourou, the major ethical issues in conducting research are the following:

- **Informed consent** - Informed consent is one of the means by which a participant's right to autonomy is protected.
- **Be of benefit, do not harm** (references the Hippocratic Oath) – the researcher must consider all the possible consequences of the research and balance the risks against the proportionate benefit.
- **Respect for anonymity and confidentiality** – this means that the participants' dignity and integrity are respected, while at the same time the issue of confidentiality and anonymity is closely connected with the rights of beneficence.

The researcher informed participants of the purpose of the research, its nature, the timeline, and requirements. The researcher translated the details of the informed consent into South Sotho, the home language of most of the communities in the area. Permission was also sought from employees of the mines as well as representatives of the local communities, who were informed that no participant was under obligation to participate in the research and that their responses would be treated with utmost confidentiality. Lastly, the researcher explained to all participants that information gathered during the study would not be used to gain any undue/illegal advantage.

5.4 Methods of data collection

5.4.1 Semi-Structured Interviews

According to Pershing (2006:783), semi-structured interviews include questions that provide a fixed set of response choices, together with unrestricted response categories so that the respondents can answer using their own words. Gill et al. (2008:291) maintain that semi-structured interviews consist of several key questions that help to define the areas to be explored, but also allow the interviewer or interviewee to diverge to pursue an idea or response in more detail.

For the purposes of this research, semi-structured interviews were conducted with the identified respondents, who had been invited by the researcher to participate in the study. To gain the trust of the respondents, the researcher distributed consent forms that explained the purpose of the study. The interviews were conducted at a non-threatening venue so that respondents felt at ease to participate. The researcher also obtain permission from the respondents to make use of audio-recording devices as well as take notes during the interviews.

5.4.2 Focus Groups

The issue of the appropriateness of focus groups for researching sensitive issues has been receiving attention since the early 1990s (Jordan, Lynch, Moutray, O'Hagan, Orr, Peake & Power, 2007:1). According to Kitzinger (1995:299), a focus group is a form of group interview that capitalises on communication between research participants in order to generate data. Focus groups are useful for exploring people's knowledge and experiences, and can be used to examine not only what people think but how they think and why they think that way. Mansell, Bennett, Northway, Mead, and Moseley, (2004:85) claim that focus groups provide a valuable opportunity to explore the thoughts and feelings of respondents in more depth than would have been feasible either in a questionnaire survey or through personal interviews. Focus groups can generate information on collective views and the meanings behind those views, generating a rich understanding of participants' experiences and beliefs (Gill, *et al.* 2008:293). The focus groups for data collection in this study consisted of 4 to 8 people, and there were four of them. The researcher requested the assistance of an experienced moderator for the discussion, providing a clear explanation of the purpose of the study. The group meetings were audiotaped, which helped the researcher to gain insight into how members of the groups interacted with each other.

5.5 Instrumentation

5.5.1 Construction of the Questionnaire

Babbie (2001) and Lee (2006:760) note that questionnaires are instruments that present information to a respondent in writing and that require a written response. Data can be collected in this way by (1) asking people questions or (2) asking them to agree or disagree with statements. According to Lee (2006:776), construction of effective questionnaires involves concerted effort, time and careful attention. Jarbandgan and Schutte (2006:672) warn that a poorly constructed instrument could have a direct effect on the validity and reliability of the information that it yields.

In this study, the questionnaire was designed to be completely anonymous and was accompanied by a self-explanatory covering letter stating the purpose of the research. The questionnaire comprised three sections, as follows:

- The first section encompassed demographic data such as gender, age, level of education and level of experience in national, provincial, local government, mining, non-governmental organisation and community representation. The information in this section was necessary for statistical purposes and to correlate the opinions of different respondents with their respective situations.
- The second section encompassed non-biographical data pertaining to the respondents' level of knowledge and experience of CSR and PPP, as well as their involvement in any decision-making processes, and their participation in any processes addressing issues affecting their working environment and community.
- The third section contained open-ended questions formulated as a result of focus group meetings.

5.5.2 Survey Questionnaire: 5-point Likert Scale Questionnaire

A survey was conducted to obtain relevant data from the public and private sectors, as well as the local community. Data was also generated through semi-structured interviews, focus-group discussions, key informant discussions, and personal observations. Neuman (2006:276) characterises the survey procedure as follows: “It conceptualises and operationalises variables as questions and then organises data that is collected.” Jarbandhan and Schutte (2006:670) identify four broad functions fulfilled by survey procedures within the field of social science. Surveys are useful to:

- gain information on demographic characteristics of a particular group of people;
- focus on the social environment in which that particular group functions;
- look at the activities of that group; and
- investigate attitudes and opinions on specific matters.

As already indicated, semi-structured interviews and focus group discussions were the main means of collecting data. Jarbandhan and Schutte (2006:674) note that interviews as a data-collection technique are often used in conjunction with a survey. Fossey, *et al.* (2002:727) assert that qualitative research interviews aim to elicit participants' views of their lives and to gain access to their experiences, feelings and social world. Focus group discussions are a

special type of interview in which participants in the research project get together to converse under the guidance of a supervisor or researcher (Neuman, 2003:396). Focus group interviews create an opportunity for the participants to express their opinions and perceptions of the subject matter without restriction.

Questions were formulated according to a five-point Likert scale, and were compiled to test the following:

- The primary and secondary research questions.
- Compliance with applicable legislation.
- Whether current CSR practices by mining companies are addressing issues affecting the local communities.
- Whether a partnership between the public and private sectors would improve the design and implementation of CSR.
- The availability of a model within the Lejweleputswa district to implement CSR activities through PPP.

The respondents had to indicate their choice in the following manner:

1 = strongly disagree

2 = disagree

3 = neither disagree nor agree

4 = agree

5 = strongly agree.

The researcher avoided double-barrelled questions to ensure that respondents encountered no difficulty in completing the questionnaire. The questionnaire was pre-tested as a pilot study in one provincial department that works directly with local municipalities and mining companies through Local Economic Development projects. The respondents for the pre-test included five Department of Cooperative Governance and Traditional Affairs officials, three middle managers and three senior managers, to determine the level of partnership that would be most effective in the implementation of CSR. This process helped to ensure the reliability and validity of the questionnaire and clear up any misunderstandings caused by the questions. The final questionnaires were administered to a total of 66 respondents as follows:

- Local municipality officials and councillors.
- Provincial and national government department officials.
- Mining company managers.
- Mining employees.
- Community members affected by the mining operations.

5.5.3 Interview Schedule

The researcher drafted an interview schedule (Appendix 2 Part C) to be utilised for data collection during semi-structured interviews as well as focus group discussions. Jarbandhan and Schutte (2006: 678) argue that the typical semi-structured interview is an interview that uses a questionnaire with only or various open-ended questions that give the respondent the freedom to respond in whatever way s/he wishes. The interview schedule was developed as an instrument to gather the maximum of information from respondents while allowing them a degree of leeway in their responses.

5.6 Organisation of the data

As indicated above, qualitative data was collected to furnish an overview of the extent to which CSR has been implemented by the mining sector at the local government level. The researcher ensured that all the data collected during the study was organised for analysis. According to Lacey and Luff (2007:21), it is necessary to organise one's data into easily retrievable sections that are also easily identifiable.

The availability of computer software packages specifically designed for qualitative data analysis has significantly reduced the need for traditional filing techniques (Cloete, 2007). The raw data collected from the 5-point Likert scale questions was captured using computer qualitative research software to create a data matrix for data analysis purposes. The Computer-Assisted Qualitative Data Analysis Software (CAQDAS) used is the ATLAS/ti package. Barry (1998:16) claims that the ATLAS/ti statistical package is very user-friendly for coding, analysing and interpreting qualitative data. The captured data is presented and analysed in a systematic manner in the next chapter of the study. A copy of the questionnaire is attached (see Appendix A).

5.7 Analysis and interpretation of the empirical data

Three different data collection instruments were used in this inquiry, namely the 5-point Likert scale questions, semi-structured interviews and focus groups. According to Dey (1993:31), data analysis involves breaking data down into bits, and then 'beating' the bits together. He claims that without analysis, researchers would rely entirely on impressions and intuitions about the data as a whole. Dey (1993:31) argues that the central thrust of qualitative analysis lies in the processes of describing and classifying the phenomena and seeing how concepts interconnect, as depicted in Figure 5.2, below:

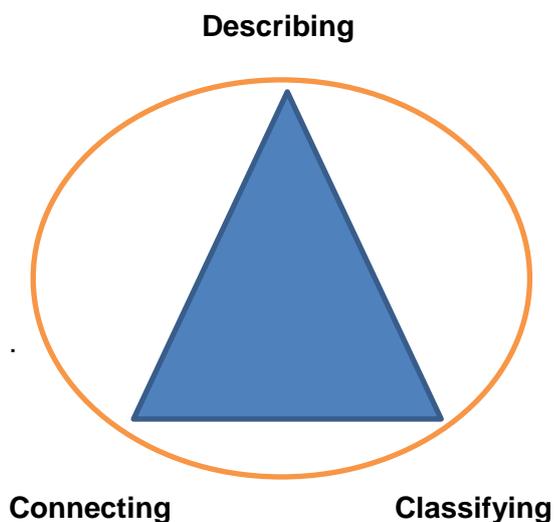


Figure 5.2 : Qualitative analysis as a circular process

Source: Dey, I. 1993. *Qualitative data analysis: A user-friendly guide for social scientists*. London: Routledge, Taylor & Francis.

- **Description:** According to Dey (1993:31), description permeates scientific theory. Theory develops from thorough and comprehensive descriptions of the phenomenon under study.
- **Classification:** Qualitative analysis involves more than just fitting the bits together: the pieces of the puzzle need to be classified in order for the researchers to know what it is that they are analysing. The classification of data is therefore an integral part of the analysis as it lays the conceptual foundations upon which interpretation and explanation are based (Dey, 1993:41).
- **Making Connections:** This entails putting pieces together with the overriding purpose of producing an account or analysis. According to Dey (1993:48), connecting concepts is equivalent to putting mortar between building blocks through the identification of associations between different variables.

There are many different techniques for analysing qualitative data, and novice researchers must understand that there is no prescribed way to address the process (Kawulich, 2004:96). Kawulich (2004:96) suggests that analysing qualitative data typically involves becoming familiar with the data and looking for patterns, themes and relationships. Jones (2014:274) points out that qualitative data analysis does not have the same objective and scientific rigour as quantitative analysis and depends to a large extent on how the researcher goes about it.

For Flick (2013:3), data analysis is the central step in qualitative research that determines the outcomes of the research. Flick (2013:5) suggests that qualitative data analysis involves the classification and interpretation of material to make statements of what is represented in it, to discover and describe issues in the field. It usually consists of a combination of approaches, so as to arrive finally at generalisable statements by comparing various materials. The process has several aims:

- The first aim is to describe a phenomenon in some or greater detail. The phenomenon can be the subjective experiences of a specific individual or group.
- The second aim is to identify the conditions on which such differences are based.
- The third aim is to develop a theory of the phenomenon under study from the empirical material analysed. (Flick, 2013:5-6).

For Cloete (2007:513), data analysis is a continuous process that starts when the researcher begins to collect literature on the subject and gather empirical data. Qualitative data normally results in narrative descriptions, explanations of processes, outcomes and impacts of events, relating to the specific issue under consideration (Cloete, 2007:513).

Statistical Consultative Services, Potchefstroom Campus, assisted with the analysis of the data gathered. The descriptive statistical analysis was used with the aim of identifying frequencies as well as percentages.

5.8 Limitations of the study

Written permission to conduct the study was obtained from the different stakeholders identified for participation in the study, i.e. local municipalities, provincial and national departments, mining companies, mining employees as well as community members in the respective municipalities. The researcher encountered problems in obtaining permission from the municipalities and mining managers, with apparent lack of interest leading to delays. The researcher was able to obtain permission from the mining companies' Head Offices and thereafter referred to the local operations management. This made the coordination of the focus

group impossible, and the researcher resorted to having one-on-one, unstructured interviews in addition to distributing the questionnaire. The researcher was able to collect the necessary data from the employees as well as the community members with the assistance of community development workers. The delays in getting participants to agree to be interviewed as well as composing focus groups created challenges in the collection of the necessary data.

The aim of the study was to determine whether the design and implementation of CSR through PPP might be successful. The question is whether the implementation of the CSR programme through a partnership with the public sector would enable the mining sector to address societal challenges. This would involve a shift from the previous practice of mines providing CSR programmes without the involvement of the public sector.

The main limitations of the study derive from its being a qualitative case study confined to the two local municipalities and two mining companies located within the Lejweleputswa district. The model developed is, strictly speaking, applicable only to that locality. Secondly, the time taken to organise and run the focus groups, conduct each semi-structured interview and distribute and analyse the questionnaire with 5-point Likert scale questions, frustratingly extended the duration of the study.

During the conduct of this study the following problems were encountered:

- The researcher had difficulty in securing access to municipal managers for them to complete the questionnaire, despite a letter being sent beforehand.
- Lack of knowledge about CSR and PPP among some of the municipal, provincial as well as national government officials. The researcher observed that the challenge was a lack of knowledge on the part of the respondents, rather than an unwillingness to participate in the study.
- Some of the respondents, especially within the mining sector, were not willing to participate, despite their head office having given permission.
- The mining sector is more focused on Social Labour Plans now than on CSR, and there was confusion over whether SLP was part of CSR.

5.9 Chapter summary

This chapter described the research setting and the research methodology used to investigate the research questions. The researcher's role as well as challenges encountered in data collection were presented. A brief justification was provided for the selection of a qualitative research approach. The chapter further discussed the research design, and the limitations of

the study, including those deriving from certain problems encountered during the course of the investigation.

The primary data collection techniques utilised in this study were semi-structured interviews, a 5-point Likert questionnaire and focus group discussions. The chapter concluded with a discussion of the data analysis and interpretation. A detailed discussion of the empirical findings is presented in the next chapter.

CHAPTER 6:

EMPIRICAL FINDINGS: TOWARDS THE DEVELOPMENT OF A MODEL FOR THE IMPLEMENTATION OF CSR THROUGH PPP

6.1 Introduction

This chapter presents a detailed analysis of the data obtained from the questionnaires, the semi-structured interviews and the focus group discussions. The chapter is structured in three parts. The first part presents the findings from the questionnaire and provides a general summary of these. Secondly, the chapter discusses the findings from the semi-structured interviews and summarises them. The third section of the chapter discusses the findings from the focus group discussions and offers a general summary.

The findings from the three different data collection instruments used in this inquiry support the objectives of this study in addressing the question of whether the implementation of the CSR programme through a partnership with the public sector would enable the mining sector to address certain societal challenges. The chapter concludes with a detailed discussion of the results, and how they address the research questions.

6.2 Empirical findings

Data was collected from a total of 66 (n=66) respondents. Not all of the respondents identified answered all the questions in the survey, but the statistical analysis made allowance for these missing values. The data collected from the 5-point Likert scale questions was captured using descriptive statistical analysis with the aim of identifying the frequencies as well as the percentages. The next section details the biographical information gathered about the respondents that took part in the survey, as well as the results of responses to the Likert-scale statements regarding how CSR can be implemented through public–private partnerships.

6.2.1 Part A: Biographical information (demographics)

This section utilised descriptive statistics to present the demographic background of the respondents, i.e. gender, age, highest level of education, the organisation the respondents are working at as well as the number of years in their respective organisations. The data gathered shows that the selected sample was broadly representative of the targeted population.

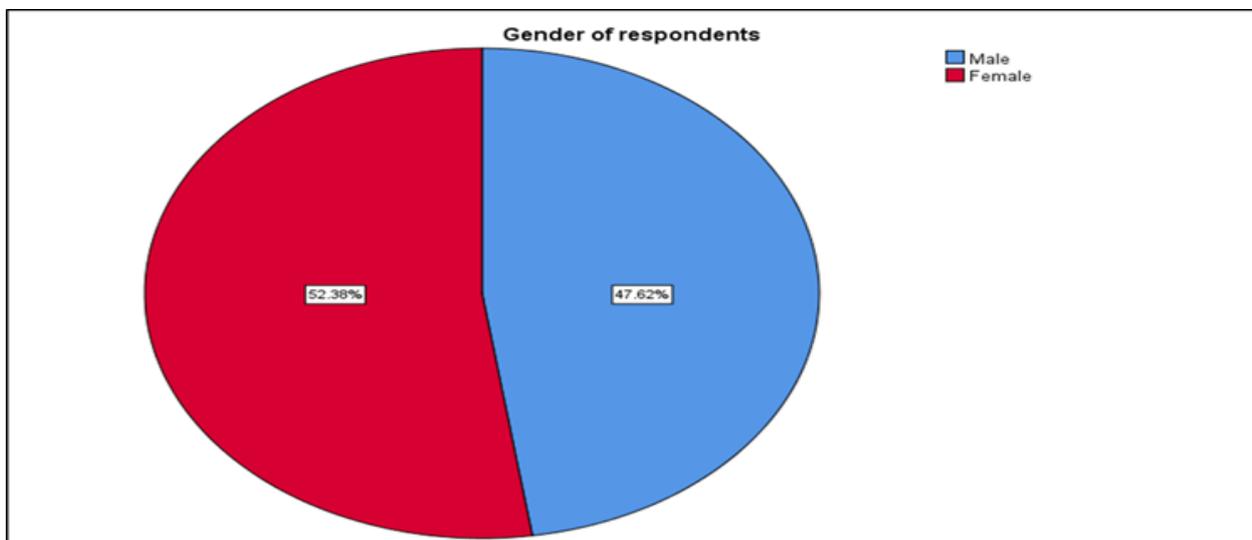
6.2.1.1 A.1 Gender of respondents

Respondents were asked to indicate their gender by ticking the option provided, i.e. male or female. Of the sixty-six respondents that completed the questionnaire, thirty (45.5%) of the respondents were males; and thirty-three (50.0%) respondents were females, while 4.5% did

not answer this question. Thus more female respondents participated than male respondents. With regard to the mining sector, the statistics are not unusual. Although historically females have been housewives and the mining companies were dominated by male workers, nowadays opportunities have been created for females to work in the mining field. Table 6.1, below, summarises the responses regarding section A1.

Table 6.1: Gender of respondents

Gender of respondent	Total
Male	30 (45.5%)
Female	33(50.0%)



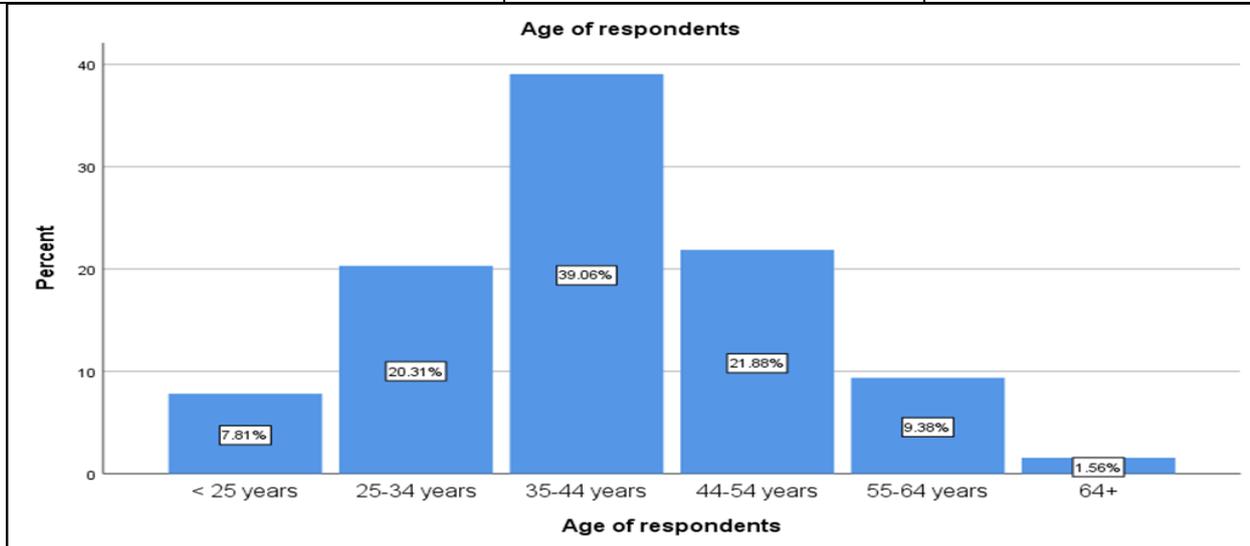
6.2.1.2 A.2 Age of respondents

This section analyses the age of respondents who participated in the study. Table 6.2 presents the age distribution of the respondents. Five of the respondents (7.8%) were younger than twenty-five, with the oldest (1.6%) being sixty-four. The majority of the participants were between 35 and 44 (39.1%). This distribution is attributable (at least in part) to the fact that the questionnaires were administered to a selected population, of whom most were of a mature age and had sufficient appropriate work experience. Two of the respondents did not complete this section of the questionnaire. One respondent will be exiting the public service in the next financial year at the pensionable age of 65.

Table 6.2: Age of respondents

Age groups of respondents	Total nr. of respondents	Valid Percentage
< 25 years	5	7.8%
25 - 34 years	13	20.3

35 – 44 years	25	39.1
45 – 54 years	14	21.9
55 – 64 years	6	9.4%
64 +	1	1.6
TOTAL	64	100%

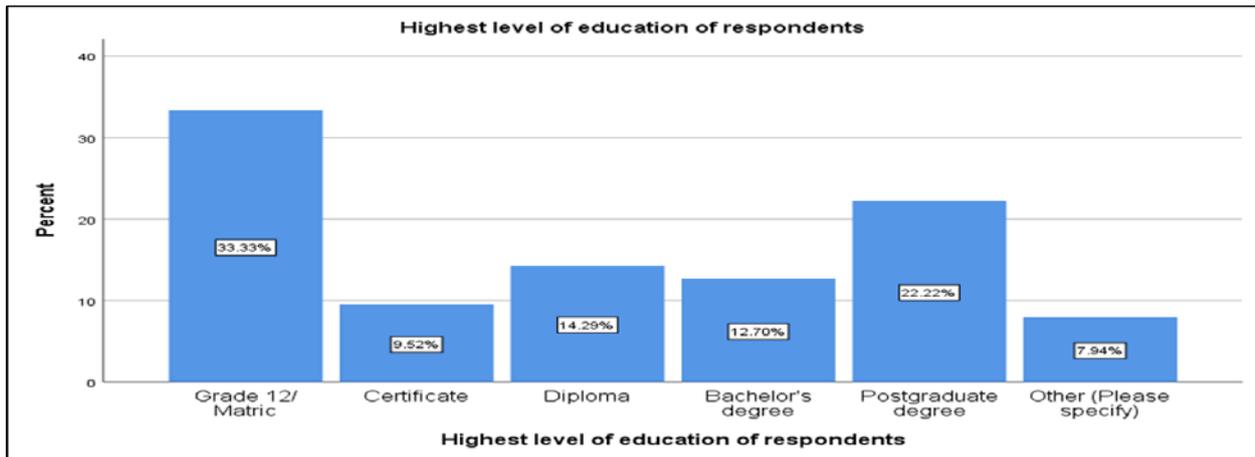


6.2.1.3 A.3 The highest level of education of respondents

Table 6.3, below, clearly indicates the findings regarding the educational background of all the respondents who participated in the study. Out of sixty-six respondents given the questionnaire, two did not fill in their highest level of education.

Table 6.3: The highest level of education of respondents

Educational background of respondents	Total nr. of respondents	Valid Percentage
Grade 12/ Matric	21	33.3 %
Certificate	6	9.5%
Diploma	9	14.3%
Bachelor's degree	8	12.7%
Postgraduate degree	14	22.2%
Other (Please specify)	5	7.9%
TOTAL	64	100%



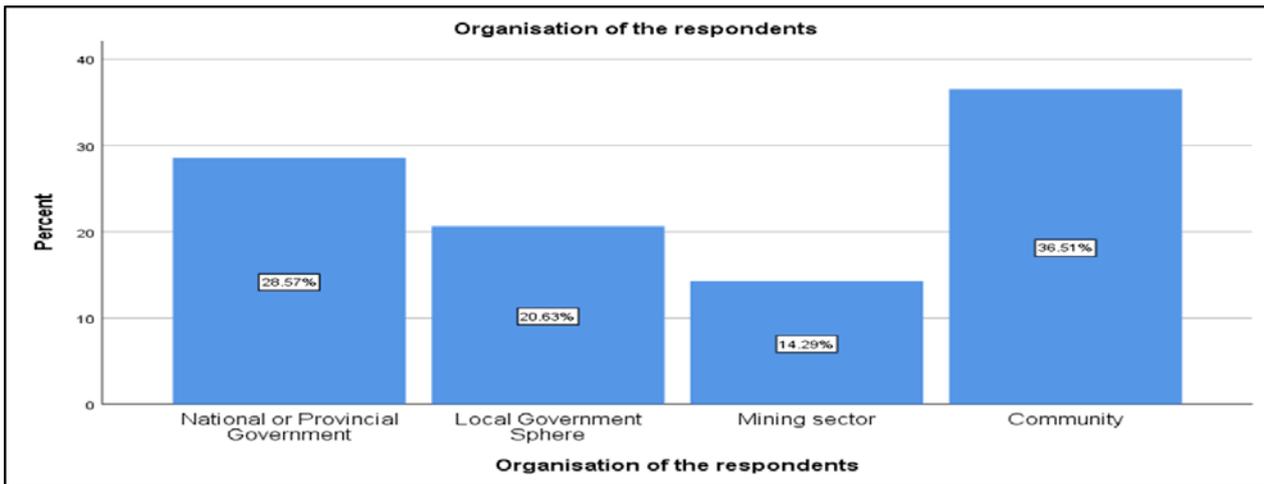
The majority of the respondents (33.3%) had Grade 12/Matric, followed by those with postgraduate degrees (22.2%). Only 5 or 7.9 % of the respondents had less in the way of formal education. The composition of the sample can be regarded as acceptable in respect of this category as it included representatives from each major educational level.

6.2.1.4 A4 Which category best describes your organisation?

The table below reflects the organisation that each respondent is associated with or works for. Table 6.4 shows the number of respondents who work for the different organisations as well as those representing the community, who happen not to be working. Three respondents did not complete this section.

Table 6.4: Description of the organisation

Description of the organisation	Total nr. of respondents	Valid Percentage
National or Provincial Government	18	28.6%
Local Government Sphere	13	20,6%
Mining sector	9	14.3%
Non-governmental Organisation (NGO)	0	0
Community	23	36.5%
Other Specify	0	0
TOTAL	63	100%



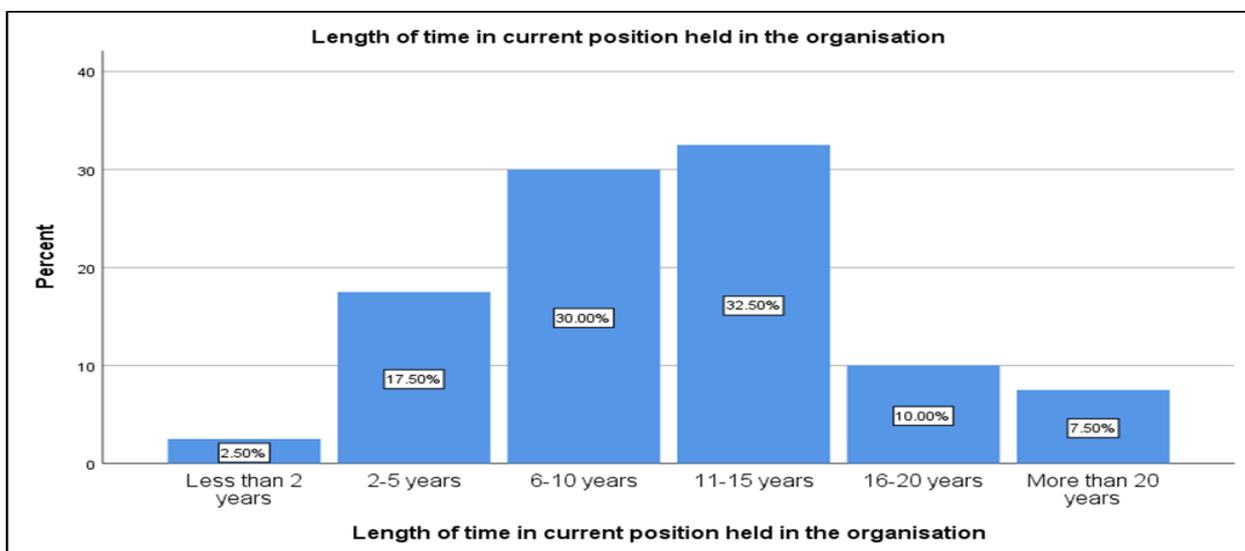
The majority of respondents who participated in the study were thus from the community (36.5%). Communities around mining towns in the Lejweleputswa district are aware of the social responsibility the mining houses have committed to in terms of their Social Labour Plans. As most community members are unemployed, the high number of participants is probably based on their curiosity and hope for a job opportunity. The results from Table 6.4 also indicate that one respondent from an NGO who was invited did not show up.

6.2.1.5 A5. How long have you held your current position in your organisation?

This question analysed the number of years that respondents had been employed in their current positions within their respective organisations. Results from Table 6.5, below, reveal that about 80% of the respondents had been in their current position within their respective organisations for 6 years or more. The table also illustrates the number of participants who were not employed, which is indicative of the high unemployment rates within mining towns. The unemployed respondents from the community participated with the aim of getting opportunities, despite being informed that the study was aimed at improving the implementation of CSR and was not a recruitment drive.

Table 6.5: Number of years in current position

Number of years in current position	Total nr. of respondents	Valid Percentage
Less than 2 years	1	2.5%
2 – 5 years	7	17.5%
6 – 10 years	12	30%.2%
11 – 15 years	13	32.5%
16 – 20 years	4	10.0%
More than 20 years	3	7.5%
TOTAL	40	100%



The next section discusses the non-demographic information, comprising perceptions and statements by respondents regarding their understanding of how CSR can be implemented through PPP.

6.2.2 Section B: Likert-scale questions regarding how CSR can be implemented through Public–Private Partnerships (Public and Private Sector Managers).

The data collected from answers to the Likert-scale questions is presented in concert with the gathering of additional information from the research problem statement and the research objectives. The results were analysed by Statistical Consultation Services according to the frequency of responses. The statements in this section to which participants responded are related to the fourth secondary objective of this study, namely, to determine how PPP between government and the mining sector can improve CSR. The results of the statements in section B

of the questionnaire are summarised below. Not all the respondents answered all questions and missing values were treated as missing.

Statement B1. Businesses are implementing Corporate Social Responsibility (CSR) to address social issues affecting communities.

The purpose of this statement was to determine whether businesses were actually fulfilling their Corporate Social Responsibility (CSR) obligations to address social issues affecting communities. CSR has been described as integrating both social and environmental concerns into business routines on a voluntary basis. Lange and Kolstad (2012:135) maintain that corporate community involvement activities can be viewed as one aspect of CSR, addressing the interests and concerns of members of the local community in which a corporation operates. The following findings were recorded.

Table 6.6: Statement B1

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
1. Businesses are implementing Corporate Social Responsibility (CSR) to address social issues affecting communities	4 (9.5%)	1 (2.4%)	11 (26.2%)	16 (38.1%)	10 (23.8%)	3,64	1,165
TOTAL	Number (nr) of respondents 42						

Interpretation of the results pertaining to statement B1

The results from statement B1 show that almost 62% (38.1% + 23.8%) of the respondents agree that businesses implement Corporate Social Responsibility (CSR) to address social issues affecting communities. Based on the descriptive statistics, the result is consistent with a Likert scale mean score of 3.64, which lies in the agreement zone and is greater than the undecided Likert scale score of 3. The respondents felt that the private sector does implement CSR to address social issues affecting communities.

Statement B2. My organisation has developed a CSR policy/strategy that defines its commitment to CSR

This statement tested whether the respondents’ organisations had developed any policy or strategy that defines its commitment to CSR. As outlined in Chapter 1 of this study, Hamann

(2004:280) argues that although the South African government has been able to put in place policies on how CSR business should be conducted, these policies tend to get no further than office desks, their implementation neither monitored nor evaluated. Municipalities as stakeholders are the custodians of the IDP and LED strategies with which the mining Social Labour Plans must be integrated. It was also noted in Chapter One that the legislative framework in the South African context is clear on what is expected of the private sector with regard to CSR, but has not clearly articulated the role and contribution of the public sector.

As pointed in Chapter One, Section 1.2, in the problem statement of this thesis it was highlighted that the implementation and monitoring of different CSR policies on the part of the public sector are problematic owing to a lack of integration of plans. The following responses were recorded.

Table 6.7: Statement B2

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
2. My organisation have developed a CSR policy/strategy that define its commitment to CSR	4 (9.5%)	9 (21.4%)	17 (40.5%)	7 (16.7%)	5 (11.9%)	3,00	1,126
TOTAL	Number (nr) of respondents 42						

Interpretation of the results pertaining to statement B2

The results from statement B2 reveal that the majority of respondents (40.5%) were undecided as to whether or not their organisations had developed a CSR policy/strategy that defined their commitment to CSR. A mere 28% (16.7% +11.9%) agreed that their organisations had developed a CSR policy/strategy that expressed their commitment to CSR. About 31% of the respondents were in disagreement about the statement. The mean score of 3 is consistent with the modal scale of neither agree nor disagree. In general, it can be deduced that the organisations involved in the study had not developed a CSR policy/strategy that defined their commitment to CSR.

Statement B3. My organisation has designated personnel with responsibility for CSR activities

In respect of this statement, the particular challenge mentioned in the literature is that some organisations have not treated CSR as a crucial component of the company's competitiveness by integrating it into company operations and core strategy. As noted in 2.2.3, above, Decker

(2004: 712) claims that businesses see CSR as a source of business risk as well as a source of business opportunity, which if not properly managed can have a direct negative impact on a business.

Table 6.8: Statement B3

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
3. My organisation have designated personnel with responsibility for CSR activities	4 (9.5%)	11 (26.2%)	7 (16.7%)	15 (35.7%)	5 (11.9%)	3,14	1,221
TOTAL	Number (nr) of respondents 42						

Interpretation of the results pertaining to statement B3

The results from statement B3 show that the majority of the respondents – about 48% (35.7% +11.9%) – agreed that their organisations had designated personnel with responsibility for CSR activities. On the other hand, about 36% of the respondents disagreed that their organisations had designated personnel with responsibility specifically for CSR activities. The mean score of 3.14 suggests that a reasonable number of respondents are undecided on this statement. However, the mean score of 3.14 lies on the positive side of 3, which indicates a marginal degree of agreement with the statement. In conclusion, the findings with respect to statement B3 reveal that it is unclear whether or not organisations have designated personnel with responsibility for CSR activities.

Statement B4: Implementation of CSR is focused on increasing stakeholder participation

The purpose of this statement was to determine if the respondents' company or employer in implementing CSR was intent on increasing stakeholder participation, the assumption being that stakeholders play a crucial role in the implementation of CSR. As suggested in Chapter 1 (Section 1.5.1.1) as well as in Chapter 3 (Section 3.2.4), the concept of CSR should be grounded in stakeholder theory, to the extent that a firm ought to identify the economic, legal, ethical and discretionary issues that its stakeholders view as affecting the firm's activities (Hutchins et al., 2007:26). For companies, the implementation of CSR programmes means actively interacting with different stakeholders and achieving a positive impact on society as a whole. The following responses were recorded.

Table 6.9: Statement B4

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
Implementation of CSR is focused on increasing stakeholder participation	1 (2.4%)	0	9 (21.4%)	28 (42.4%)	4 (9.5%)	3,81	0,707
TOTAL	Number (nr) of respondents 42						

Interpretation of the results pertaining to statement B4

The results from the responses to statement B4 show that over 76% of the respondents agreed that the implementation of CSR was focused on increasing stakeholder participation. Additionally, the results showed that companies that are committed to CSR have a higher level of employee engagement and satisfaction as well as values shared with all the stakeholders. The results are consistent with a mean score of 3.81, which resides in the agreement zone. In conclusion, the study has revealed that the implementation of CSR is indeed focused on increasing stakeholder participation.

Statement B5. My organisation complies with all relevant legislative frameworks promoting CSR

The implementation of CSR in South Africa has been influenced by legislation and policy frameworks, while changes with regard to how companies engage in CSR practices have been influenced by the country's transition from the apartheid system to a new democratic government. This statement, therefore, sought to shed light on whether the various organisations were complying with the current policies and legislative framework in promoting the implementation of CSR and PPP in South Africa. The statement references RQ3 and RQ4 in the study. The responses were as follows:

Table 6.10: Statement B5

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
4. My organisation complies with all relevant legislative frameworks promoting CSR	.4 (9.5%)	6 (14.3%)	17 (40.5%)	12 (28.6%)	3 (7.1%)	3,10	1,055
TOTAL	Number (nr) of respondents 42						

Interpretation of the results regarding statement B5

The results from statement B5 show that the majority of the respondents (40.5%) were undecided as to whether their organisations complied with all relevant legislative frameworks promoting CSR. Just under 36% of the respondents agreed that their organisations complied with all relevant legislative frameworks promoting CSR. On the other hand, slightly under 24% of the respondents disagreed that their organisations were compliant with all relevant legislative frameworks promoting CSR. The mean score of 3.10 suggest that on average respondents were undecided on this statement. This mean score of 3.10 lies on the positive side of 3, which indicates a marginal degree of agreement with the statement. Nevertheless, the results from the responses to this statement suggest that it is unclear whether or not organisations comply with all relevant legislative frameworks promoting CSR.

Statement B6. My organisation:

- (a) has defined key CSR priorities
- (b) has communicated priorities throughout the organisation

This two-pronged question sought to determine whether the respondents' company or organisation had defined key CSR priorities, and, secondly, whether the organisation had communicated these priorities throughout the organisation.

Table 6.11 (a): Statement B6

- (a) has defined key CSR priorities

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
6. My organisation (a) has defined key CSR priorities	2 (4.8%)	16 (38.1%)	14 (33.3%)	6 (14.3%)	4 (9.5%)	2,86	1,049
TOTAL	Number (nr) of respondents 42						

Table 6-11(b): Statement B6

(b) has communicated priorities throughout the organisation

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
6. My organisation (a) has communicated priorities throughout the organisation	2(4.8%)	12 (28.6%)	12 (28.6%)	12 (28.6%)	4 (9.5%)	3,10	1,078
TOTAL	Number (nr) of respondents 42						

Interpretation of the results regarding statement B6

Results from the responses to statement B6(a) reveal that the majority of respondents (43%) disagreed that their organisations had defined key CSR priorities, while less than 24% agreed that their organisations had defined key CSR priorities. Just over 33% of the respondents were uncertain as to whether their organisations had defined key CSR priorities or not. In general, the results pertaining to this statement revealed that the majority of organisations did not have defined key CSR priorities. This is consistent with the mean score of 2.86, which is less than 3 and therefore lies in the disagreement zone.

The results from statement B6(b) show that just under 34% of the respondents disagreed that their organisations had communicated priorities throughout the organisations, while about 29% of the respondents were uncertain about this. Just over 38% of the respondents agreed that their organisations had communicated these priorities. The mean score of 3.10 is very close to 3, suggesting that on average respondents were unclear as to whether their organisations had communicated priorities throughout the organisations. The results for statement B6 thus reveal that organisations on the whole do not have defined key CSR priorities, while respondents were undecided whether these priorities were effectively communicated throughout the organisations.

Statement B7. My organisation has engaged in activities related to CSR

This statement summarised the respondents’ organisations’ engagement in activities related to CSR. As suggested in Chapter Four, Section 4.2.4.3, prior to democratic change in the early nineties, big business argued that CSR was not an admission of guilt for their share in apartheid activities and that they favoured corporate social investment (CSI) over CSR (Skinner & Mersham, 2008:240). The respondents indicated that most of the organisations to which they were affiliated had engaged in a variety of programs and a number of initiatives to enhance and

promote CSR. The following responses were recorded. Not all of the respondents answered the question.

Table 6.12: Statement B7

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
7 My organisation has engaged in activities related to CSR	2 (4.9%)	2 (4.9%)	12 (29.3%)	21 (51.2%)	4 (9.8%)	3.56	0,923
TOTAL	Number (nr) of respondents 41						

Interpretation of the results regarding statement B7

Results from statement B7 show that just under 10% of the respondents disagreed that their organisations had engaged in activities related to CSR, while 29% of were uncertain as to whether or not their organisations had done so. The majority of the respondents, 61%, agreed that their organisations had engaged in activities relating to CSR. This is consistent with the mean score of 3.56, which lies in the agreement zone. In conclusion, the results reveal that a majority of the organisations considered have engaged in activities relating to CSR.

Statement B8. My organisation has a plan of action to deal with the needs of employees

This statement enquired whether the respondents’ organisations or companies had adopted and implemented CSR as a strategy to deal with employees’ needs. Additionally, the statement aimed at determining whether companies were committed to engaging their employees in CSR activities to address their social, environmental, economic and ethical needs. By having an arrangement in place for dealing with employees’ needs, organisations can help promote CSR by attracting employees with the requisite skills, who are enthusiastic and willing to improve their livelihoods. As suggested in Section 3.2.1, doing the right thing in business enables companies to meet the needs and expectations of their various stakeholders (Pederson & Andersen, 2006:229).

Table 6.13: Statement B8

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
8 My organisation has a plan of action to deal with employee needs		1 (2.4%)	8 (19.0%)	24 (57.1%)	9 (21.4%)	3,98	0,715
TOTAL	Number (nr) of respondents 42						

Interpretation of the results pertaining to statement B8

Results from statement B8 show that just less than 2.5% of the respondents disagreed that their organisations have a plan of action to deal with employee needs, while 19% of the respondents were uncertain whether or not their organisations had a plan of action to deal with employee needs. The vast majority of the respondents, over 78.5%, agreed that their organisations had a plan of action to deal with employee needs. This is consistent with a mean score of 3.98, which lies in the agreement zone. In conclusion, the results reveal that the majority of organisations considered have a plan of action to deal with employee needs.

Statement B9. My organisation has a plan in place to communicate with stakeholders regarding CSR programmes

This statement evaluated whether the respondent's organisation or company has a system for communicating with other stakeholders. The implementation of CSR programmes involves the participation of different stakeholders who perform various roles within a given area. In communicating with stakeholders, Mainardes et al. (2011) suggest that the strategic behaviour most organisation follow is to attempt to meet the needs of the various stakeholders in accordance with their respective importance. The following responses to the statement were recorded.

Table 6.14: Statement B9

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
9 My organisation has a plan in place to communicate with other stakeholders	0	1 (2.4%)	1 (2.4%)	30 (71.4%)	10 (23.8%)	4,17	0,581
TOTAL	Number (nr) of respondents 42						

Interpretation of the results regarding statement B9

Results from statement B9 show that just under 2.5% of the respondents disagreed that their organisations had a plan in place to communicate with other stakeholders, and less than 2.5% of the respondents were uncertain as to whether or not their organisations had a plan for communicating with other stakeholders. An overwhelming majority of the respondents, 95%, agreed that their organisations had a plan in place to communicate with other stakeholders. This is consistent with a high mean score of 4.17, in the upper reaches of the agreement zone, revealing that the majority of organisations where respondents were employed had a system for communicating with their stakeholders.

Statement B10. My organisation engages regularly in dialogue with its stakeholders on the following: (subjects specified)

This statement investigated whether the respondent's organisation had regular dialogue with its stakeholders. As noted in Section 3.2.4.3, an organisation has to select the type of stakeholder to engage with that the business cannot function without (Clarkson, 1995:106), and choose the most vital issues to communicate. This question focused three possible issues.

Table 6.15 (a): Statement B10

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
10 My organisation engage regularly in dialogue with its stakeholders on the following Employee welfare	1 (2.4%)	5 (11.9%)	4 (9.5%)	23 (54.8%)	9 (21.4%)	3,81	0,994
TOTAL	Number (nr) of respondents 42						

Table 6-15 (b): Statement B10

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
10 My organisation engage regularly in dialogue with its stakeholders on the following (b)Community development activities	None	1 (2.4%)	5 (11.9%)	26 (61.9%)	10 (23.8%)	4,07	0,677
TOTAL	Number (nr) of respondents 42						

Table 6-15 (c): Statement B10

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
10 My organisation engage regularly in dialogue with its stakeholders on the following (c) environmental awareness campaigns	3 (7.1%)	10 (23.8%)	6 (9.1%)	15 (35.7%)	8 (19.0%)	3,36	1,246
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B10

The results from statement B10(a) reveal that a majority of the respondents (76%) agreed that their organisations engaged regularly in dialogue with their stakeholders on employee welfare, while less than 15% disagreed. Less than 10% of the respondents were uncertain as to whether or not their organisations engaged regularly in dialogue with their stakeholders on employee welfare. In sum, the responses to this statement reveal that the majority of organisations engage regularly in dialogue with their stakeholders on employee welfare matters/issues. This is consistent with a mean score of 3.81, which is greater than 3 and lies in the agreement zone.

The results from statement B10(b) show that just under 2.5% of the respondents disagreed that their organisations engaged regularly in dialogue with their stakeholders on community development activities, while 12% of the respondents were uncertain about whether their organisations engaged regularly in dialogue with their stakeholders on community development activities. An overwhelming proportion of respondents, almost 86%, agreed that their

organisations engaged regularly in dialogue with their stakeholders on community development activities. The mean score of 4.07 is very high, suggesting that most organisations engaged regularly in dialogue with their stakeholders on community development activities.

The results from statement B10(c) show that about 31% of the respondents disagreed that their organisations engaged regularly in dialogue with their stakeholders on environmental awareness campaigns, while 14.3% of the respondents were uncertain about this. A majority of respondents (55%) agreed that their organisations engaged regularly in dialogue with stakeholders on matters of environmental awareness. The mean score of 3.36 is greater than 3, suggesting that on average, organisations engage regularly in dialogue with their stakeholders on environmental awareness issues.

The responses to statement B10 reveal that organisations indeed engage regularly in dialogue with stakeholders on employee wellness, community development activities and environmental awareness campaigns.

Statement B11. My organisation has a community development strategy related to social initiatives

This statement sought to determine whether the respondents' employer or organisation had a strategy to promote CSR community development initiatives. As noted in Section 4.2.4.3 of this study, most organisations had community development strategies relating to social initiatives such as improving the quality of teaching at surrounding schools, augmenting adult literacy and numeracy programmes, and improving the job prospects of unemployed youth. The following responses to the statement were recorded.

Table 6.16: Statement B11

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
11. My organisation has a community development strategy related to social initiatives	n/a	6 (14.3%)	5 (11.9%)	22 (52.4%)	9 (21.4%)	3,81	0,943
TOTAL	Number (nr) of respondents 42						

Interpretation of the responses to statement B11

The results from statement B11 show that just over 14% of the respondents are in disagreement that their employers or organisations have a community development strategy related to social initiatives, while about 12% were uncertain about it. An overwhelming percentage of respondents, 74%, agreed that their organisations had a community development strategy relating to social initiatives. The mean score of 3.81 is high, suggesting that most organisations have a community development strategy involving social initiatives. To sum up, the results pertaining to this statement have revealed that organisations have a community development strategy relating to social initiatives.

Statement B12. My organisation has experienced internal and external pressures to promote CSR initiatives.

This statement sought to determine whether the respondents' organisation had experienced any pressure to promote CSR initiatives. Clement (2005:256) warns that business leaders should learn to face increasing pressures to respond to their stakeholders. What emerges from responses to this statement is that businesses and managers are faced with the dilemma of integrating CSR with stakeholders. Responses to the statement were recorded as follows:

Table 6.17: Statement B12

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
12. My organisation has experienced internal and external pressures to promote CSR initiatives.	2 (4.8%)	5 (11.9%)	18 (42.9%)	14 (33.3%)	3 (7.1%)	3,26	0,939
TOTAL	Number (nr) of respondents 42						

Interpretation of the results in respect of statement B12

The results from statement B12 show that just below 17% of the respondents disagreed that their employers or organisations had experienced internal and external pressures to promote CSR initiatives, while the majority of respondents (43%) were uncertain as to whether their organisations had experienced internal and external pressures to promote CSR initiatives. Just over 40% of the respondents agreed that their organisations had experienced internal and external pressures to promote CSR initiatives. The mean score of 3.26 is slightly greater than 3,

suggesting that on average it is largely unclear but a little more likely than not that organisations have experienced internal and external pressures to promote CSR initiatives.

Statement B13. My organisation faces non-cooperation by its employees when implementing CSR.

According to Choi, Myung and Kim (2018:2), employees are one of the most important groups of stakeholders, and employees' perceptions of CSR activities, whether good or bad, constitute the best standard by which to measure the outcomes of CSR activities and exert a significant influence corporate performance. The following responses were recorded.

Table 6.18: Statement B13

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
13. My organisation faces non-cooperation by its employees when implementing CSR.	11 (26.2%)	14 (33.3%)	15 (35.7%)	1 (2.4%)	1 (2.4%)	2.21	0.951
TOTAL	Number (nr) of respondents 42						

Interpretation of the results of statement B13

Results from statement B13 show that a majority of respondents, 59%, disagreed that their organisations face non-cooperation from their employees when implementing CSR, while about 36% were uncertain about this. Less than 5% of the respondents agreed that their organisations faced non-cooperation from their employees when implementing CSR. The mean score of 2.21 is less than 3 and lies in the disagreement zone, suggesting that on average respondents disagreed that their organisations face non-cooperation on the part of their employees when implementing CSR.

Statement B14. Employees are encouraged to participate in community work by the implementation of CSR initiatives by my company

The statement sought to determine whether the respondents were encouraged to participate in community work through the implementation of CSR initiatives by their employers. Choi, Myung and Kim (2018:3) claim that before implementing CSR activities, sufficient internal agreement should be reached with employees about the purpose of and necessity for CSR activities. The following responses were recorded.

Table 6.19: Statement B14

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
14. Employees are encouraged to participate in community work by the implementation of CSR initiatives by my company.	1 (2.4%)	13 (31.0%)	10 (23.8)	13 (31.0%)	5 (11.9)	3,19	1,087
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B14

Results from statement B14 show that the majority of respondents, 43%, agreed that employees were encouraged to participate in community work through the implementation of CSR initiatives by their organisations/companies, while 24% were uncertain about the statement. The mean score of 3.19 is slightly greater than 3, suggesting that while some employees are encouraged to participate in community work through the implementation of CSR initiatives by their organisations/companies it is unclear whether or not this is a general situation. There appeared to be great uncertainty with regard to this statement.

Statement B15. The private sector receives adequate support from the local municipality when implementing CSR initiatives

This statement evaluated whether companies received adequate support from the local municipality when implementing CSR initiatives. According to Frederick (1986:126) the interaction between business and other institutions in society deals with normative or ethical matters in three ways: first, is to make clear the values that are at stake as business and society interact with one another; second, to examine where both business and society stand with regard to those values; and lastly, to point to the moral consequences of pursuing the values business practitioners and their companies hold. The following responses were recorded.

Table 6.20: Statement B15

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
15. The private sector receives adequate support from the local municipality when implementing CSR initiatives	1 (2.4%)	2 (4.8%)	14 (33.3%)	18 (42.9%)	7 (16.7)	3,67	0,902
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B15

The results pertaining to statement B15 show that just over 7% of the respondents disagreed that the private sector received adequate support from the local municipality when implementing CSR initiatives, while about 33% of the respondents are uncertain about whether or not this is the case. The majority of respondents, 60%, agreed that the private sector received adequate support from the local municipality when implementing CSR initiatives. The mean score of 3.67 is quite high, suggesting that the private sector indeed receives adequate support from the local municipality when implementing CSR initiatives.

Statement B16. I have an acceptable level of knowledge about Public-Private- Partnerships (PPPs)

This statement sought to determine if respondents were sufficiently knowledgeable about public-private partnerships (PPPs). According to Lamprecht (2007:1) public-private partnerships (PPPs) constitute an increasingly popular system for the delivery of public policies and services across the world. Osborne (2000: 1) similarly describes PPP as a key tool of public policy across the world to, bringing significant benefits, particularly in terms of developing socially inclusive communities. The following responses to the statement were recorded.

Table 6.21: Statement B16

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
16. I have an acceptable level of knowledge about Public-Private-Partnerships (PPPs)		1 (2.4%)	11 (26.2%)	22 (52.4%)	8 (19.0%)	3,88	0,739
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B16

Results from statement B16 show that just less than 2.5% of the respondents disagreed about having adequate knowledge with regard to public-private partnerships (PPPs), while 26% were uncertain about the statement. The majority of respondents (71%) were confident that they had sufficient knowledge about PPPs. The mean score of 3.88 is high, suggesting that on average respondents had an acceptable level of knowledge about PPPs.

Statement B17. My organisation has collaborated with other sectors on PPP initiatives

The purpose of this statement was to determine the extent of respondents' employers' collaboration with other sectors on PPPs. Lamprecht (2007:19) notes that PPPs operate at the boundary of the public and private sectors, and represent a form of collaboration under contract by which public and private sectors, acting together, are able to achieve what each acting alone cannot. The general discourse regarding partnership and PPP refers to the notion that new ways of collaboration have been devised to encourage good governance between various sectors. The following responses to the statement were recorded.

Table 6.22: Statement B17

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
17. My organisation has collaborated with other sectors on PPP initiatives	None	None	16 (38.1%)	20 (47.6%)	6 (14.3%)	3,76	0,692
TOTAL	Number (nr) of respondents 42						

Interpretation of the results pertaining to statement B17

Results from statement B17 show that none of the respondents disagreed that their organisations had collaborated with other sectors on PPP initiatives, while 38% were uncertain on this score. The majority of respondents, about 62%, agreed that their organisations had collaborated with other sectors on PPP initiatives. The mean score of 3.76 is high, suggesting that on average respondents agreed that their organisations had collaborated with other sectors on PPP initiatives. In sum, the responses to this statement reveal that the organisations considered in this study have collaborated with other sectors in order to enhance PPP initiatives.

Statement B18. PPPs can be used to tackle service delivery issues

As discussed in Chapter 2 of this thesis, the literature reviewed showed that the public and private sectors have become more interdependent and that the private sector has in some cases taken the lead in ensuring that the political sphere does not interfere with service delivery. The private sector holds the public sector responsible for creating an environment conducive to collaboration within the space they operate (Brinkerhoff, 2003; Bovaird, 2004; Mirafteb, 2004; Hodge & Greve, 2007, 2010; Muragurl, 2010; Brinkerhoff & Brinkerhoff, 2011). The following responses to the statement were recorded.

Table 6.23: Statement B18

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
18. PPPs can be used to tackle service delivery issues	None	None	10 (23.8%)	14 (33.3%)	18 (42.9%)	4,19	0,804
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B18

The results from statement B18 show that no respondents disagreed with the statement, while about 24% were uncertain whether or not PPPs can be used to tackle service delivery issues. The large majority of respondents, about 76%, agreed that PPPs could be used to tackle service delivery issues. Moreover, nearly 43% of respondents “strongly agreed” with the statement. The mean score of 4.19 is high and lies in the agreement zone, suggesting that on average respondents agreed that PPPs can be used to tackle service delivery issues.

Statement B19. The top management of my organisation recognises the benefits that PPP can bring with the implementation of CSR

As discussed in Chapter 2, Section 2.3, the literature review showed that many corporations involved in CSR globally have investigated the relationship between CSR and PPP, and concluded that it can be flexible enough to allow for both sectors to address societal concerns. The two concepts, CSR and PPP, thus in a sense constitute a multi-faceted phenomenon, with a host of opportunities aimed at improving society and redressing the inequalities of the past. It is therefore of the utmost importance to understand how the two interrelate. The following responses to the statement were recorded.

Table 6.24: Statement B19

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
19. The top management of my organisations recognises the benefits that PPP can bring in the implementation of CSR	3 (7.1%)	1 (2.4%)	21 (50.0%)	14 (33.3)	3 (7.1)	3,31	0,924
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B19

Results from statement B19 show that just less than 10% of the respondents disagreed that the top management of their organisations recognised the benefits that PPP can bring to the implementation of CSR. On the other hand, just over 40% of the respondents agreed with the statement, though the majority of respondents (50%) were uncertain whether or not the top management of their organisations recognised the benefits that PPP can bring to the implementation of CSR. The mean score of 3.31 is slightly greater than 3 and lies in the uncertainty zone, suggesting that on average respondents were uncertain whether or not the top management of their organisations recognised the benefits that PPP can bring in the implementation of CSR.

Statement B 20. My organisation favours the approach of PPP to provide for improved public services and facilities.

This statement investigated whether the respondents' organisation favours an approach involving PPP to improving public services and facilities. Bloomfield (2006) insists that the relationship between the public and private sectors must be redirected in such a way that a win-win situation is created for the purpose of achieving common goals. There are also the important questions of mutual trust, communication and transparency to be considered. The literature on PPP provides a compelling weight of argument that PPP is necessary for development and that all stakeholders, including the private sector, have to manage the relationship by sharing resources and power in providing services to the community. The following responses were recorded.

Table 6.25: Statement B20

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
20. My organisation favours the approach of PPP to provide for improved public services and facilities.	None	1 (2.4%)	14 (33.3%)	23 (54.8%)	4 (9.5%)	3,71	0,673
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B20

Results from statement B20 show that just less than 2.5% of the respondents disagreed with the statement, while just over 33% were uncertain whether or not their organisations favoured the PPP approach to improving public services and facilities. The majority of respondents, (64%), agreed that their organisations favour the approach of PPP in the provision of improved public services and facilities. The mean score of 3.71 is high and greater than 3 and lies in the agreement zone, which is consistent with the percentage frequency distribution results. The responses to the statement thus confirm that organisations favour the approach of PPP to provide for improved public services and facilities.

Statement B 21. The private sector is: (several options follow)

This statement sought to determine perceptions regarding whether the private sector is: (a) in possession of better mobility than the public sector in planning and designing programmes; (b)

able to have better planning and (c) have well designed programmes. As noted in Section 2.3.3 of this thesis, Forrer et al. argue that the fact that governments do not have the requisite in-house knowledge and rely on consulting firms to do their thinking and manage their contracts, prompts government to engage partners that have the necessary expertise, know-how, and managerial skills to carry out government responsibilities. Forrer et al. (2010:477) observe that as governments enter into partnerships with the private sector, they are able to gain access to technical expertise as well as exploit the private sector's willingness to share their expertise in exchange for long-term service contracts.

Table 6.26 (a): Statement B21

(a) better mobility than the public sector in planning and designing programmes.

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
21. The private sector possesses: (a) better mobility than the public sector in planning and designing programmes.	None	1 (2.4%)	6 (14.3%)	22 (52.4%)	13 (31.0%) 4,12	4.12	0,739
TOTAL	Number (nr) of respondents 42						

Table 6.26(b): Statement B21

(b) able to have better planning

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
21. The private sector possesses: (b) able to have better planning	None	1 (2.4%)	6 (14.3%)	23 (54.8%)	12 (28.6%)	4,10	0,726
TOTAL	Number (nr) of respondents 42						

Table 6.26(c): Statement B21

(c) have well designed programmes

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
21. The private sector possesses: (c) have well designed programmes	None	1 (2.4%)	6 (14.3%)	22 (52.4%)	13 (31.0%)	4,12	0,739
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B21

The results from statement B21 (a) reveal that an overwhelming majority of respondents (over 83%) agreed that the private sector possesses better mobility than the public sector in planning and designing programmes, while only 2% disagreed with the statement. About 14% of the respondents were uncertain whether or not the private sector possesses better mobility than the public sector in planning and designing programmes. Overall, the responses to this statement reveal that the majority of respondents agree that the private sector possesses better mobility than the public sector in planning and designing programmes. This is consistent with the mean score of 4.12, which is greater than 3 and lies in the agreement zone.

The results from statement B21(b) reveal that an overwhelming majority of respondents, over 83%, agreed that the private sector had better planning than the public sector, while 2% of the respondents disagreed with the statement. Fourteen percent (14%) of the respondents were uncertain whether or not the private sector was better at planning than the public sector. Overall, the results pertaining to this statement have revealed that the majority of respondents agreed that the private sector possesses the ability to plan better than the public sector. This is consistent with the mean score of 4.10, which is greater than 3 and lies in the agreement zone.

The results from statement B21(c) reveal that an overwhelming majority of respondents, of over 83%, agreed that the private sector possesses better designed programmes than the public sector, while only 2% of the respondents disagreed with the statement. About 14% of the respondents were uncertain whether or not the private sector possesses better designed programmes than the public sector. In general, the results reveal that the majority of respondents agreed that the private sector possesses well-designed programmes. This is consistent with the mean score of 4.12, which is greater than 3 and lies in the agreement zone.

Statement B 22. Government has the ability to influence PPP processes and projects positively

Partnerships between different stakeholders play a crucial role in addressing developmental initiatives during the implementation of CSR. Both public and private sectors have to change their attitudes towards the inclusion of other stakeholders who may be important role players. Ismail and Harris (2014) refer to this as a problem, unless the government creates a win-win situation with the private sector, without burdening the public as the end users of the facilities provided. Taking the identified challenges into account, the two sectors are expected to examine their roles to ensure that such challenges are mitigated and addressed. The following responses were recorded.

Table 6.27: Statement B22

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
22. Government has the ability to influence PPPs processes and projects positively.	None	None	9 (21.4%)	24 (57.1%)	9 (21.4%)	4,00	0,663
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B22

The results from statement B22 show that 21% of the respondents are uncertain whether or not government has ability to influence PPPs processes and projects positively. The majority of respondents (over 78%), however, agreed that government did have ability to influence PPPs processes and projects positively. The mean score of 4.00 is high and lies in the agreement zone, which is consistent with the percentage frequency distribution results.

Statement B 23. Decision makers from the public sector lack understanding of how CSR can be implemented through PPP

Among the serious challenges that hamper development in most instances is political interference, which leads to mistrust and delay in implementing service delivery projects (Bloomfield, 2006). The result is that societal expectations and needs are never addressed. The implication is that, instead of wasting resources and time, both the public and private sectors have to focus on making a difference to people's lives. The following responses were recorded.

Table 6.28: Statement B23

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
23. Decision makers from the public-sector lack understanding of how CSR can be implemented through PPP	4 (9.5%)	4 (9.5%)	23 (54.8%)	9 (21.4%)	2 (4.8%)	3,02	0,950
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B23

The results from statement B23 show that 19% of the respondents disagreed that decision makers from the public sector lack understanding of how CSR can be implemented through PPP, while the majority (55%) were uncertain about the statement. Just over 26% of the respondents agreed that decision makers from the public sector lack understanding of how CSR can be implemented through PPP. The mean score of 3.02 is almost equal to 3 and lies in the uncertainty zone, which is consistent with the percentage frequency distribution results.

Statement B 24. Decision makers from the private sector lack understanding of how CSR can be implemented through PPP

The failure of political and social institutions to enforce laws and guidelines for the adoption of CSR by business firms can result in CSR not being taken seriously. What is also clear, according to Campbell (2007:948), is that most of the literature on CSR has failed to explore whether institutional conditions affect the tendency of firms to behave in socially responsible ways. The business firm ought to have sufficient understanding of how CSR can be implemented through PPP as it regards CSR as a philanthropic contribution towards addressing societal issues. The following responses to the statement were recorded.

Table 6.29: Statement B24

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
24. Decision makers from the private sector lack understanding of how CSR can be implemented through PPP	13 (31.0%)	14 (33.3%)	14 (33.3%)	1 (2.4%)	None	2,07	0,867
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B24

The results from statement B24 show that the majority of respondents (64%) disagreed that decision makers from the private sector lack understanding of how CSR can be implemented through PPP, while 33% of the respondents were uncertain regarding the statement. Less than 2.5% agreed that decision makers from the private sector lack understanding of how CSR can be implemented through PPP. The mean score of 2.07 is less than 3 and lies in the disagreement zone, which is consistent with the percentage frequency distribution results. The deduction can thus be made that decision makers from the private sector do not lack understanding of how CSR can be implemented through PPPs.

Statement B 25. Government has a significant influence on the private sector's involvement in PPP projects

This statement sought to determine whether government has a significant influence on the private sector's involvement in PPP projects. Lack of policy direction from government and clarity for both the implementing agencies and the private sector create problems in the involvement of private sector in PPP projects (Lamprecht, 2007). According to Lamprecht (2007:243) positive prospects were forthcoming from new legislation pertaining to PPP that enables the public sector to become a "juristic person". Furthermore, the inconsistent commitment to PPPs at different levels of government affects the influence that government has on the private sector's involvement in PPP projects. The following responses were recorded.

Table 6.30: Statement B25

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
25. Government has a significant influence on the private sector's involvement in PPP projects.	None	1 (2.4%)	7 (16.7%)	29 (69.0%)	5 (11.9%)	3,90	0,617
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B25

The results of responses to statement B25 indicate that 2.5% of the respondents disagreed that government has a significant influence on the private sector's involvement in PPP projects, while 17% of the respondents were uncertain regarding the statement. The majority of respondents (81%) agreed that government has a significant influence on the private sector's involvement in PPP projects. The mean score of 3.90 is very high and lies in the agreement zone, which is consistent with the percentage frequency distribution results. The results have thus revealed the perception that government has a significant influence on the private sector's involvement in PPP projects.

Statement B 26. Government creates a conducive enabling environment for participation of the private sector in PPP

Bloomfield (2006:405-408), for example, observes that as a starting point for developing PPPs there needs to be a practical approach to planning, implementing, and monitoring these complex ventures. Ismail and Harris (2014) similarly argue that the government needs to create a win-win situation with the private sector, without burdening the public as the end users of the facilities provided. The following responses were recorded.

Table 6.31: Statement B26

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
26. Government creates a conducive environment for participation of the private sector in PPP	None	None	5 (11.9%)	29 (69.0%)	8 (19.0%)	4,07	0,558
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B26

The results from statement B26 indicate that there were no responses disagreeing or strongly disagreeing with the statement. Twelve percent (12%) of the respondents were uncertain whether or not government creates a conducive or enabling environment for participation of the private sector in PPP. The majority of respondents (88%), however, agreed that the government creates a conducive and enabling environment for participation of the private sector in PPP. The mean score of 4.07 is very high and lies in the agreement zone, which is consistent with the percentage frequency distribution results. It can be thus deduced that government indeed creates a conducive environment for participation of the private sector in PPP.

Statement B27. Government policies and legislation are clear on the implementation of PPPs

This statement investigated whether government policies and legislation are clear on the implementation of PPPs. Boeva and Vassileva (2008:12-13) suggest that a government planning to implement a PPP programme should be prepared to invest political capital, create a suitable investment environment, document relevant policy, monitor invested funds, and also ensure programme success and outcomes. With regard to how government policies and legislation impact on the implementation of PPPs, Lamprecht (2007:79) claims that it is necessary to measure the outputs and the provision of goods and services through the medium of a PPP in collaboration with the private sector, as such measurement must reflect in government budgets, which must in turn be formulated around this measurement.

Table 6.32: Statement B27

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
27. Government policies and legislation is clear on the implementation of PPPs.	None	None	10 (23.8%)	23 (54.8%)	9 (21.4%)	3,98	0,680
TOTAL	Number (nr) of respondents 42						

Interpretation of the results from statement B27

The results associated with statement B27 show that no responses in the categories of strongly disagree and disagree were received. About 24% of the respondents were uncertain whether or not government policies and legislation were clear on the implementation of PPPs. The majority of respondents (76%) were of the opinion that government policies and legislation were clear on the implementation of PPPs. The mean score of 3.98 is very high and lies in the agreement zone, which is consistent with the percentage frequency distribution results. The responses to the statement thus confirm the perception that government policies and legislation are clear on the implementation of PPPs.

Statement B28. CSR implementation by my organisation is supported by the local community

Marais (2010:55) is of the view that CSR has to do with the behaviour of a business towards stakeholders such as consumers, suppliers, competitors, employees, owners or shareholders and the community at large. This *inter alia* involves the implementation of CSR initiatives through partnerships that increase the support that all the stakeholders can offer to the relevant communities. As indicated in Chapter 1 of this thesis, Lange and Kolstad (2012:135) describe corporate community involvement activities as the aspect of CSR that address the interests and concerns of members of the local community in which a corporation operates. It is therefore essential when CSR is implemented that the local communities are consulted. The following responses were recorded.

Table 6.33: Statement B28

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
28. CSR implementation by my organisation is supported by the local community	2 (4.9%)	10 (24.4%)	10 (24.4%)	17 (41.5%)	2 (4.9%)	3,17	1,022
TOTAL	Number (nr) of respondents 41						

Interpretation of the responses to statement B28

The results from statement B28 indicate that just over 29% of the respondents disagreed that CSR implementation by their organisation was supported by the local community, while 24% of the respondents were uncertain regarding the statement. The majority of respondents (46%) agreed that CSR implementation by their organisations was supported by the local community. The mean score of 3.17 is slightly greater than 3 and lies in the uncertainty zone which is consistent with the percentage frequency distribution results. The responses to the statement thus reveal that it is unclear whether or not CSR implementation by the organisations are supported by the local community.

Statement B29. Mining in the area is contributing to the upliftment of the community

This statement asked whether mining in the area was contributing to the upliftment of the community. Discussing a mining company's responsibilities in respect of CSR, Hamann (2003:244) claims that mining needs to be aware of the many initiatives surrounding corporate sustainability and responsibility. The mining company in implementing CSR should always put community needs before profits. The following responses were recorded.

Table 6.34: Statement B29

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
29. Mining in the area is contributing to the upliftment of the community.	1 (3.7%)	6 (22.2%)	3 (11.1%)	14 (51.9%)	3 (11.1%)	3,44	1,086
TOTAL	Number (nr) of respondents 27						

Interpretation of the results from statement B29

Results from statement B29 shows that about 26% of the respondents disagreed that mining was contributing to the upliftment of the community, while about 11% of were uncertain regarding the statement. The majority of respondents, 63%, agreed that mining in the area was contributing to the upliftment of the community. The mean score of 3.44 is greater than 3 and lies in the agreement zone, which is consistent with the percentage frequency distribution results.

Statement B30. The community is recognised as an important stakeholder by (alternatives follow)

Both public and private sectors should recognise the community as an equal stakeholder in the implementation of CSR. According to Hamann (2003:245), the government should provide a regional planning framework and bulk infrastructure, while local communities can supply labour and building materials. Hamann (2003:251) claims that mining companies faced important challenges, particularly with respect to company–community relations. There was a need to support communities’ right to prior informed consent and to respect the community’s culture. The following responses to the statement were recorded.

Table 6.35 (a): Statement B30

(a) government sector

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
30. The community is recognised as an important stakeholder by (a) government sector	None	9 (33.3%)	3 (11.1%)	13 (48.1%)	2 (7.4%)	3,30	1,031
TOTAL	Number (nr) of respondents 27						

Table 6.35(b): Statement B30

(b) the mining sector

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
30. The community is recognised as an important stakeholder by (b) the mining sectors	1 (3.7%)	8 (29.6%)	4 (14.8%)	13 (48.1%)	1 (3.7%)	3,19	1,039
TOTAL	Number (nr) of respondents 27						

Interpretation of the responses to statement B30

The results from statement B30(a) show that about 33% of the respondents disagreed with the statement, while about 11% of the respondents were uncertain. The majority of respondents, about 56%, agreed that the community is recognised as an important stakeholder by the government sector. The mean score of 3.30 is slightly greater than 3 and lies marginally in the agreement zone, which is consistent with the percentage frequency distribution results. The results of the statement therefore reveal the perception that the community is to some extent recognised as an important stakeholder by the government sector.

The results from statement B30(b) show that 33% of the respondents disagreed that the mining sector recognised the community as an important stakeholder, while about 15% of the respondents were uncertain regarding the statement. Fifty-one (51%) of respondents agreed that the community is recognised as an important stakeholder by the mining sector. The mean score of 3.19 is slightly greater than 3 and lies marginally in the uncertainty zone, which is consistent with the percentage frequency distribution results. The results of the statement reveal that the community is not always recognised as an important stakeholder by the mining sector.

To conclude, the responses to Statement B30 reveal that the community is at times (or some ways) recognised as an important stakeholder by both the government and mining sectors. The study, however, could not clearly establish that it is always the case that the community is given the recognition of being an important stakeholder.

Statement B31. The community is informed of CSR and PPP activities that are implemented in the area.

In working with communities, it is always important that both sectors allow the community to identify their needs and take informed decisions to identify what is relevant to them and their community. The expressed needs of the community should be considered as contributions and prioritised accordingly as and when CSR programmes are implemented. For Hamann (2019:3), business–government interaction has been given insufficient attention and has mostly occurred in a one-way direction. The following responses to the statement were recorded.

Table 6.36: Statement B31

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
31. The community is informed of activities that are implemented in the area.	1 (3.7%)	5 (18.5%)	1 (3.7%)	19 (70.4%)	1 (3.7%)	3,52	0,975
TOTAL	Number (nr) of respondents 27						

Interpretation of the results from statement B31

The results from statement B31 demonstrate that about 22% of the respondents disagreed with the statement, while about 4% were uncertain whether or not the community is informed of CSR and PPP activities implemented in the area. A large majority of respondents (74%) agreed that the community was kept informed of the activities implemented in the area. The mean score of 3.52 and lies in the agreement zone, which is consistent with the percentage frequency distribution results. In conclusion, the responses to the statement reveal a perception that the community is informed of the activities being implemented in the area.

Statement B32. The implementation of CSR initiatives through PPP is beneficial for societal growth

The purpose of this statement was to evaluate whether the implementation of CSR initiatives through PPP was beneficial for societal growth. The literature review shows that many corporations involved in CSR globally have the potential to address the problems of local communities (Hamann & Acutt, 2003; Bredgaard, 2004; Polášek, 2010; Homkes, 2011; Scherer & Palazzo, 2011). What is important is that the implementation of CSR initiatives through PPP be beneficial for both sectors to address societal concerns. The two concepts, CSR and PPP, thus constitute an opportunity for improving society and redressing the inequities of the past. It is therefore of the utmost importance to understand how the two interrelate. The following responses to the statement were recorded.

Table 6.37: Statement B32

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
32. The implementation of CSR initiatives through PPP is beneficial for (a) societal growth	1 (3.7%)	6 (22.2%)	15 (55.6%)	4 (14.8%)	1 (3.7%)	2,93	0,829
TOTAL	Number (nr) of respondents 27						

Interpretation of the results of statement B32

Results from statement B32 show about that 26% of the respondents disagreed with the statement, while the majority of 56% were uncertain whether or not the implementation of CSR initiatives through PPP was beneficial for social growth. Only about 19% of the respondents agreed that the implementation of CSR initiatives through PPP was beneficial for social growth. The mean score of 2.93 is almost equal to 3 and lies in the uncertainty zone, which is consistent with the percentage frequency distribution results. In conclusion, responses to this statement reveal that it is unclear whether or not implementation of CSR initiatives through PPP is beneficial for societal growth.

Statement B33. The implementation of CSR initiatives through PPP is beneficial for development

The purpose of this statement was to evaluate whether the implementation of CSR initiatives through PPP was beneficial for development. According to Prieto-Carrón et al. (2006:981), numerous arguments have been made about the potential benefits accruing to companies, workers and community members through engagement in CSR initiatives. Prieto-Carrón et al. (2006) argue that with the increase in foreign direct investment in some developing countries, private sector development plays a central role in shifting the terms of the debate on the relationship between business and poverty, and on the contribution of business to poverty reduction. The following responses to the statement were recorded.

Table 6.38: Statement B33

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
33. The implementation of CSR initiatives through PPP is beneficial for (b) development.	1 (3.7%)	5 (18.5%)	15 (55.6%)	5 (18.5%)	1 (3.7%)	3,00	0,832
TOTAL	Number (nr) of respondents 27						

Interpretation of the results regarding statement B33

The results from statement B33 indicate that 22% of the respondents disagreed that implementation of CSR initiatives through PPP was beneficial for development, while as many as 56% of the respondents were uncertain regarding the statement. Twenty-two (22%) of the respondents agreed that implementation of CSR initiatives through PPP were beneficial for development. The mean score of 3.00 lies in the uncertainty zone, which is consistent with the percentage frequency distribution results. The results of the statement reveal that respondents are on the whole not sure whether or not implementation of CSR initiatives through PPP is beneficial for development.

Statement B34. The future of CSR in my organisation is based on improving the quality of service to all stakeholders

As indicated in Section 3.2.4.4, above, the central issue emerging from the literature is that managers of business firms need to take both shareholders' and stakeholders' interests into consideration, and not focus merely on self-interest. Statement B34 sought to determine the extent to which this principle had been embraced by the organisation concerned. The following responses on the statement were recorded.

Table 6.39: Statement B34

Statement	Scale					Descriptive Statistics	
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Mean	Std. Deviation
34. The future of CSR in my organisation is based on improving the quality of service to all stakeholders.	1 (3.7%)	3 (11.1%)	22 (81.5%)	1 (3.7%)	None	2,85	0,534
TOTAL	Number (nr) of respondents 27						

Interpretation of the results of statement B34

Results from statement B34 show about that 15% of the respondents disagreed with the statement, while an overwhelming majority of 82% of the respondents were uncertain whether or not the future of CSR in their organisations was based on improving the quality of service to all stakeholders. Only 4% of the respondents agreed that the future of CSR in their organisations was based on improving the quality of service to all stakeholders. The mean score of 2.85 is almost equal to 3 and lies in the uncertainty zone, which is consistent with the percentage frequency distribution results. The responses to the statement therefore reveal that people are undecided as to whether or not the future of CSR in their organisations is based on improving the quality of service to all stakeholders.

6.2.2.1 General summary and interpretation of statements B1 – B34

The purpose of the study was to determine how a public and private sector partnership (PPP) might assist in developing effective CSR practices in the Lejweleputswa District in the Free State province. The aim of the above 34 statements was to test the perceptions of respondents against the research objectives of the study. The results from the 34 statements provided information needed for the development of a PPP model for Lejweleputswa District, Free State province, so as to secure the effective implementation of CSR programmes in the mining sector.

The study used 5-point Likert scale response ranges for 34 statements formulated to address specific concerns regarding how PPP might be utilised in the implementation of CSR. As mentioned above, the study grouped statements into the following identified categories for further analysis and interpretation:

- First, statements B1 – B15 evaluated whether the respondents had sufficient knowledge on or of CSR and its implementation.

- Secondly, statements B16 – B28 sought to establish if the respondents had adequate knowledge of PPP and how it could be implemented by various organisations, especially in relation to CSR.
- Lastly, statements B29 – B34 focused on community members and their knowledge and experience of how CSR had been implemented by mining houses in their respective communities.

With reference to the level of knowledge, both municipal and government officials possessed sufficient knowledge regarding the implementation of CSR. Many respondents indicated that they had some form of knowledge, even though limited. Responses to the statements revealed that CSR plays a crucial part in addressing societal issues. Respondents maintained that the majority of organisations considered in this study have a plan in place to communicate with other stakeholders by engaging regularly in dialogue on employee welfare, community development activities and environmental awareness campaigns.

Analysis of the responses to the statements revealed that not all the companies or organisations implemented CSR. If and when businesses implemented CSR they did so to address social issues affecting the communities and increase stakeholder participation. It was unclear whether or not those companies or organisations complied with all the relevant legislative frameworks promoting CSR. Furthermore, it was unclear whether or not organisations had experienced internal and external pressures to promote CSR initiatives. Respondents described significant pressures applied by municipalities to mining companies, so as to make sure that a Social Labour Plan had been formulated for the development of surrounding communities.

Focusing on the involvement of employees in the implementation of CSR, the statements revealed that employees were cooperative towards the implementation of CSR. The respondents indicated that employees' primary aim was to ensure local communities benefitted from the companies' CSR and were satisfied with the level of commitment that companies were showing towards communities. Lastly, the respondents revealed that the private sector received adequate support from the local municipality when implementing CSR initiatives.

Statements B16 to B28 measured whether the respondents had adequate knowledge of PPP and how it could be implemented by various organisations, especially as it relates to CSR. The initial impression from responses to these statements indicated that respondents had an acceptable level of knowledge about public-private partnerships (PPPs). It became evident that irrespective of the type of PPP entered into, the company or organisation had collaborated with others to tackle service delivery issues. In addition, it appeared from the statement that the top

management of companies and other organisations recognised the benefits that PPPs can bring in implementing CSR to provide improved public services and facilities.

Responses to statement B21 revealed that the private sector was perceived to possess better mobility and better-designed programmes than the public sector. Some differences were also evident in terms of the government's ability to influence the PPP processes and projects positively. The respondents made their views clear on the extent to which decision makers from the public sector lacked understanding of how CSR can be implemented through PPP, claiming that decision makers from the private sector had a clearer understanding of how CSR could be implemented through PPP. The responses to statements B25 – 28 evidence recognition of the government's significant influence on the private sector's involvement in PPP projects, and expressed the view that the government had created a conducive and enabling environment for participation of the private sector in PPP.

The findings from statements B29 – B34 concerned the knowledge and experience of community members with regard to how CSR had been implemented by mining houses in their respective communities. Responses to the statements revealed that communities were perceived as significant stakeholders in the implementation of CSR programmes for social upliftment. However, it could not unambiguously be established whether or not it was always the case that the community is recognised as an important stakeholder. It was nevertheless clear that community members were aware of activities performed in the area by both public and private sectors.

Preliminary analysis of the statements B1 – B34 thus reveals that the public and private sectors are more likely to implement CSR through PPP because of limited resources as well as external pressures. Responses to the statements broadly confirmed the assumptions made by the study that there are certain gaps with regard to the implementation of CSR by mining houses in the Lejweleputswa district.

The next section presents the findings from the semi-structured face-to-face interviews with relevant stakeholders.

6.2.3 Semi-Structured Interviews

As indicated in Chapter 1 and Section 5.11.3 of this chapter, semi-structured interviews were conducted to explore key concepts identified in the literature review. Individual interviews were held with the two mine managers since the researcher was unable to conduct focus group interviews, most of the other managers being based outside of the Free State. According to Denzin & Lincoln (2005), semi-structured interviews provide a greater breadth of data than structured interviews. The researcher had sent invitations to Head Offices of the mining houses

and was referred to the relevant managers based in the Free State. The interviews were conducted at the offices of the managers so that the respondents would feel at ease to participate. Pershing (2006:783) suggests that the primary advantage of semi-structured interviews is to provide respondents with response options that might fall outside the fixed options.

The researcher used open-ended questions to probe respondents' opinions. Permission was obtained from the respondents to take notes and make use of an audio-recording device during the interview. The researcher has summarised the discussion and only included information relevant to the study.

6.2.3.1 Respondent # 1:

1. Are you familiar with what corporate social responsibility (CSR) entails?

The respondent shows knowledge and understanding of the concept of CSR. The respondent defined CSR from their company's perspective, in saying that it refers to actions undertaken by companies to contribute towards the improvement of the living conditions of local communities as well as areas outside of the Free State province.

2. What is your opinion regarding the current state of CSR in South Africa?

The respondent felt that CSR programme needs to be legislated in the same way that the Social and Labour Plan had been regulated, because as long as CSR is conducted on a voluntary basis it would not get the attention it deserves. It was felt that most companies (especially in South Africa) do not put sufficient resources into CSR, and that more needed to be done in terms of legislation to address this shortcoming.

3. What are the main challenges that the field of CSR is facing?

The participant felt that government should take the necessary action and develop legislation specifically aimed at regulating CSR. The respondent believed that the private sector was implementing CSR programmes that were not recognised by the government. The respondent also felt that the government should make an effort to promote best practices around the concept of CSR for all sectors and not only the big industries alone.

4. How important is it for the private sector to be transparent about its CSR activities?

The respondent felt that his employer was always transparent in inviting NGOs and individuals to apply for CSR funding. What became clear from this respondent was the fact that most of his

company's work was based on the recently approved Social and Labour Plan (2017-2021), with a small portion of funds allocated for CSR projects such as funding ECD projects.

5. What are some of your thoughts about partnership between different stakeholders in implementing CSR?

The respondent felt that through their SLP his company had always partnered with municipalities in implementing projects indicated in the SLP, while on CSR projects they work in partnership with NGOs. The respondent also mentioned that he was aware of the relationship the mines have with the Unemployed Forum from the two municipalities, constituting a base from which to address issues affecting surrounding communities.

6. What are the pros and cons of public-private partnerships in implementing CSR?

The respondent felt that partnership between the relevant stakeholders was crucial to making sure that all citizens benefitted from such projects. He felt that the government is always entangled in red-tape and this delays implementation.

7. What are the reasons that prevent the private sector from partnering with government?

The respondent was of the view that the government tendering processes was not as transparent as the one used by his employer. He perceived the interference of politicians in the allocation of projects, which tended to make companies unwilling to work with government.

8. How do you feel about your company's involvement in the local community?

The participant felt that his employer had always taken pride in making a contribution for the benefit of the community. The respondent cited an example of the municipality in their SLP wanting the mine to build municipal offices, which was not going to benefit the entire community.

9. What are the most important issues and concerns of the community with regard to CSR?

The respondent felt that the amount of funds allocated to CSR projects were too limited to make a substantial impact.

10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

The respondent felt that if legislation could be enacted on CSR, this would help build better relations with the various stakeholders, especially with the local communities in which they

operate. The respondent felt that lack of action on the part of government with regard to implementation of CSR need to be improved upon for better service delivery.

Respondent # 2:

1. Are you familiar with what corporate social responsibility (CSR) entails?

The respondent showed understanding of the concept of CSR and noted that his employer placed considerable emphasis on how to implement CSR projects in order to improve the living conditions of local communities.

2. What is your opinion regarding the current situation of CSR in South Africa?

The respondent felt that his employer was on track with regard to implementation of a CSR programme. According to the respondent, his employer's CSR initiatives are concentrated into five focus areas: education, socio-economic development, broad-based black economic empowerment, enterprise development and localisation, as well as the arts, culture, sports and recreation.

3. What are the main challenges that the field of CSR is facing?

The respondent felt that government needed to push companies towards undertaking CSR programmes to benefit the community in which they operate. CSR should be taken seriously and not used merely as a public relations strategy.

4. How important is it for the private sector to be transparent about its CSR activities?

The respondent felt that companies were always transparent and published their CSR projects in their Annual Reports as well as on their website.

5. What are some of your thoughts about partnership between different stakeholders in implementing CSR?

The respondent felt that through CSR his employer had partnered with municipalities and provincial government in implementing massive projects such as rental housing programmes. According to the respondent the partnership between the different stakeholders was important, especially if all stakeholders understood their roles and responsibilities.

6. What are the pros and cons of public-private partnerships in implementing CSR?

The respondent claimed that his company had participated in a number of initiatives that promote CSR practices through PPP, such as job creation, which had realised positive benefits

for both employees and the local communities. PPP did not always bring about positive results, since there was a negative side too. The respondent felt that companies do not do as much as they might about CSR, and a lack of monitoring on the part of government led to delays that caused a lot of tension in the local community.

7. What are the reasons that prevent the private sector from partnering with government?

The respondent felt that the relationship his employer had secured with government did not prevent it from forming future partnerships. The partnership his employer had entered into with government was making a positive impact on the community. The respondent noted that government did not interfere in the tendering processes and allocation of projects.

8. How do you feel about your company's involvement in the local community?

The respondent stated that his company had invested in infrastructure and education for the local community, while providing skills development so that people could be employed by the mining company.

9. What are your most important issues and concerns with regard to CSR and the community?

The respondent felt that businesses located within the communities sometimes wanted to be given preferential treatment even though their expertise had not been tested. The second concern, according to the respondent, is how strikes by workers employed in the CSR projects affected progress with regard to development.

10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

The respondent had noticed increased performance levels among employees when initiatives were implemented through PPP. The respondent believed that companies should be encouraged to implement CSR through PPP, as this would benefit all stakeholders and enhance their company's image among other stakeholders.

6.2.3.2 General summary and interpretation of semi-structured interviews

Semi-structured interviews were conducted with the two middle managers responsible for Sustainability/CSR projects from the two big mines operating in the Lejweleputswa district, Harmony Gold and Sibanye Gold.

This summary draws on the knowledge and experience of the two respondents and reflects a growing understanding of how CSR has been defined and implemented. The interviews

described above demonstrate how different companies define CSR and its relationship to PPP. Analysis reveals some interesting similarities and differences regarding CSR among the interviews, the companies' documents and their websites.

The respondents had different demographic characteristics, years of experience and attitudes towards CSR and PPP. These were based on how employers had performed on previous projects. Both respondents had experience of working within the parameters of a CSR environment, although the knowledge of the first respondent on CSR was limited and respondent 2 had a better understanding and more experience of CSR and PPP. Respondent 1 pointed out that his employer had placed greater emphasis on SLP projects, while CSR was associated with small projects for which communities and NGOs could apply for funding. Respondent 2 felt that his employer was on track, and cited a number of large CSR projects that were being implemented through PPP. He highlighted the importance of involving the community at every stage of the projects. What also became clear was that neither company participated in the development of IDPs, and would only come in at the end of the process and identify projects they could fund.

The semi-structured interviews reconfirmed that CSR implemented through PPP benefits all stakeholders. The findings yielded some useful insights into how CSR could be better implemented through PPP.

6.2.4 Focus group discussion

The researcher contacted a variety of stakeholders during the months of February to April to conduct a series of focus group interviews. The focus group discussions made use of open-ended questions that afforded respondents the opportunity to respond to CSR-related questions with regard to the benefits for businesses and society at large. The researcher followed a published guide (Breen, 2006:464) in conducting the four group discussions, taking notes and audio-taping them. After all the meetings the data collected was transcribed and a summary of relevant issues compiled for reporting in this study. The meetings were held on separate days to allow the researcher to confirm the time and venue of the next arranged meeting. The researcher sought permission from the participants to audio-tape the discussion and all the discussions were duly recorded. The groups for data collection in this study consisted of 6 to 16 people.

A total of four focus groups were constituted: the first consisted of managers from national and provincial government departments; the second, officials and managers from the two local municipalities; the third comprised mining workers, and the last focus group consisted of representatives from local communities and ward committee members. Initially the researcher

had planned to have a focus group consisting of mining managers, but was in the end only able to interview a couple of middle managers (see above).

The purpose of the study was explained to all the target groups and a list of questions in each case guided the discussion. The researcher summarised each focus group discussion and consulted various documents to prevent the results from appearing to be too imprecise and vague. The following values were therefore utilised to describe the percentage of participation in the discussion, namely “a few” is 10%, “a minority” is up to 25%, a “large minority” is between 25% and 40%, “about half” is between 40% and 60%, a “majority” is between 60% and 75%, and a “large majority” is more than 75% (www.pra.ca).

6.2.4.1 Provincial & national departments

The target population consisted of officials from both national and provincial departments who work directly with the local municipalities. The focus group (N=12) comprised seven male and five female managers. The participants were asked to share their knowledge and perceptions with regard to the following questions:

1. Are you familiar with what corporate social responsibility (CSR) entails?

The respondents from the two spheres of government revealed their level of knowledge with regard to CSR. The respondents felt that within the different government spheres many managers did not have adequate knowledge of the CSR concept, and hence there was insufficient monitoring of the existing policies and regulations. A large majority of the participants (n=9 or 75%) had some understanding of what CSR entails. During the discussion the group indicated that they did not consider themselves well informed on the implementation of CSR and were sceptical about how serious the government was about the implementation of management of CSR practices. Respondents felt that some of their colleagues did not know the meaning of the CSR concept or were even aware of its existence.

2. What is your opinion regarding the current situation of CSR in South Africa?

The participants suggested that the implementation of CSR in South Africa was currently limited in that not all companies had adopted such practices. Half of the participants were aware of some CSR programme, while half of them (n=6) were not aware of any such CSR programmes. When participants were asked to define CSR, a minority (n=3, 25%) of them could do so. The majority had little or no knowledge about the current state of CSR in South Africa.

3. What are the main challenges that the field of CSR is facing?

The participants felt that because CSR had not been legally enforced by government, it would not be taken seriously. They recommended that legislation be enacted to enforce the programme. None of the participants could identify any particular challenges facing CSR.

4. How important is it for the private sector to be transparent about its CSR activities?

All the participants (n=12) seem to have some awareness of various CSR programmes being implemented within their communities. This question revealed the extent of transparency of the CSR activities of the private sector. Participants felt that most companies had assigned responsibility for CSR implementation to the top management team and thereby demonstrated their commitment to CSR activities. The majority of the participants felt that the private sector had the capacity to implement CSR but thought they could be more transparent about this.

5. What are some of your thoughts about partnership between different stakeholders in implementing CSR?

Participants felt that partnership between the different stakeholders was important and necessary for service delivery. All the participants were familiar with projects that were completed between the Department of Housing and mining in the form of affordable rental housing.

6. What are the pros and cons of public-private partnerships in implementing CSR?

The majority of participants were unable to link PPP with CSR, and felt that unless PPP was enforced by some form of law it would not be taken seriously. Participants nevertheless held the view that PPP was a great idea and crucial for the implementation of CSR initiatives, since it enabled companies to make a real impact in the local communities.

7. What are the reasons that prevent the private sector from partnering with government?

The participants regarded the private sector and government as the most prominent stakeholders in the implementation of CSR. They (n=12) found it difficult to identify what might prevent the private sector from partnering with the public. Participants agreed that a lack of legislation enforcing implementation of CSR might be the reason why the private sector might be reluctant to partner with government.

8. How do you feel about your employer's involvement in the local community?

This question revealed the extent to which government departments are involved in local communities. The majority of the participants (n=12) felt that their employer's involvement in the local community is beneficial not only to local communities but employees as well. The fact that

most CSR activities were done on a voluntary basis and might affect the effectiveness of the programme itself.

9. What are the most important issues and concerns of the community with regard to CSR?

The participants felt that companies had emphasised the importance of supporting local communities. Their view was that CSR could help create jobs and give communities a positive perception of the companies themselves.

10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

About half of the participants (n=6, 50%) who had some level of understanding felt that the Department of Economic Affairs and the Treasury should come up with policies and legislation to make sure that CSR was taken to a higher level. Participants argued that without any form of enforcing legislation companies were apt to apply little effort to improving the implementation of CSR.

6.2.4.2 Municipal officials

The participants in this group were officials in the local municipality who work directly with mining companies within the IDP and LED programmes. The focus group was attended by a group of eight officials that comprised five male and three female managers. They were asked to share their knowledge and perceptions with regard to the following questions:

1. Are you familiar with what corporate social responsibility (CSR) entails?

The participants understood what CSR involved. They were aware that mining companies had to submit Social Labour Plans that entailed projects aimed at improving the conditions of the local people. Participants felt that most companies were actively involved in the development of IDPs and LED project plans, and that this enabled these companies to integrate their practices with those of local municipalities.

2. What is your opinion regarding the current situation of CSR in South Africa?

The large majority of participants (70%) felt that in the past companies would just implement projects without involving the municipality, but relations had since improved considerably. The participants felt that closer communication with mining companies had contributed towards the betterment of their communities.

3. What are the main challenges that the field of CSR is facing?

Participants felt that the institutionalisation and development of SLPs by mining companies was proving an important factor influencing the implementation of CSR. They regarded CRS as part of the SLP programme, and that the challenge facing SLP was the delay in implementation on the part of the municipality. The participants also felt that the different financial years of the two sectors created challenges as regards the implementation of projects.

4. How important is it for the private sector to be transparent about its CSR activities?

The officials felt that as per requirements of the SLP, companies needed to be open and transparent and there should be constant consultation between all involved. The officials seemed not to be conversant with the term CSR and only talked about SLP projects.

5. What are some of your thought about partnership between different stakeholders in implementing CSR?

The participants believed that partnership between different stakeholders played a crucial role in the development of communities. They felt that engaging the mining companies and other stakeholders enabled the municipality to give maximum support to the community. The participants maintained that the municipality should continue to forge strong relationships with all the private sector organisations operating within their space, especially big companies like the mining companies.

6. What are the pros and cons of public-private partnerships in implementing CSR?

This question asked whether PPP had the capability of sustaining the implementation of CSR. It was apparent from the responses of the participants that they had little experience of any form of CSR initiative. A large majority of them were unable to link PPP with CSR, and hence unable to elaborate further on the pros and cons.

7. What are the reasons that prevent the private sector from partnering with government?

Participants felt that the private sector might be reluctant to partner with a municipality because of the state of affairs at most municipalities. They felt that as long as the finances of the municipality were not correctly managed the situation would remain as it was.

8. How do you feel about companies' involvement in the local community?

The participants felt that the involvement of the private sector in the municipalities would help to make the municipality viable. They regarded the contribution of the mines to the community as vast. They believed that the private sector should get involved in all stages of the IDP process. The private sector needed to recognise the importance of the welfare of the local community.

9. What are the most important issues and concerns of the community with regard to CSR?

All the participants felt that unemployment and poverty were the most pressing issues. They identified the cause as retrenchments by the mining companies in the past as well as the influx of prospective job seekers to the area. The participants claimed that illegal mining also contributed to the problems of the municipality because the mines experienced losses and were in less of a position to create jobs.

10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

The participants declined to offer any recommendations because they felt that their input was not taken seriously. The large majority believed that both provincial and national government must help the municipalities to be viable.

6.2.4.3 Mining employees/labourers

This group comprised selected mining employees who had responded to the invitation to the meeting, arranged with the assistance of the Community Development workers. The meeting was the biggest as it was attended by 16 employees, some employed by the mines and others by contracted companies. The participants were reluctant to speak and were suspicious even when the purpose of study was explained. The other challenge was translating the questions during the meeting to ensure that the participants understood the concepts.

1. Are you familiar with what Corporate Social Responsibility (CSR) entails?

The participants showed a lack of understanding of CSR and a large majority were not even aware that the mining company was doing some community work in their area. The participants indicated that they were aware of the mining company's having built houses for their workers in other areas.

2. What is your opinion regarding the current situation of CSR in South Africa?

The participants could not provide any inputs as they did not have any understanding of the concept. The participants wanted to discuss their unsafe working conditions, which they felt ought to be the purpose of the meeting.

3. What are the main challenges that the field of CSR is facing?

The participants claimed that neither the mining companies nor the government were concerned about employees' safety in the mines. They were of the opinion that government needed to put pressure on the mines to pay attention to the safety and other needs of their employees.

4. How important is it for the private sector to be transparent about its CSR activities?

The participants felt that mines were not open and transparent and there should be constant consultation between the companies, the workers and their unions. The participants felt that the mines needed to be transparent in dealing with communities.

5. What are some of your thoughts about partnership between different stakeholders in implementing CS?

No relevant response was forthcoming.

6. What are the pros and cons of public-private partnerships in implementing CSR?

The participants were unable to understand the question. They felt that it was the government's responsibility to ensure that the mines benefitted all citizens, and that the problem of unemployment would consequently decrease.

7. What are the reasons that prevent the private sector from partnering with government?

The participants felt that corruption as reported in the media might serve to prevent the private sector from working with government.

8. How do you feel about your company's involvement in the local community?

The participants felt that the mines should continue to get involved in the communities to provide housing and schools to benefit the entire community.

9. What are the most important issues and concerns of the community with regard to CSR?

The participants felt that the most pressing issues were illegal mining, the high rate of crime, poverty and unemployment. They were of the view that companies should adopt CSR as a medium for promoting closer engagement with communities.

10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

The participants declined to offer any recommendations. They still appeared to be suspicious.

6.2.4.4 Community representatives

The fourteen participants in this focus group consisted of members of the community, including members of the Ward Committees. They were asked the following questions:

1. Are you familiar with what Corporate Social Responsibility (CSR) entails?

The majority of participants had no understanding of the activities of the mining companies apart from creating jobs for members of the community.

2. What is your opinion regarding the current situation of CSR in South Africa?

The participants noted that the mining companies employed people from outside their municipality, which created problems for the community. They felt that the mines needed to spread their projects among other towns within the district to prevent migration to mining towns.

3. What are the main challenges that the field of CSR is facing?

The participants had no knowledge of the challenges that CSR was facing.

4. How important is it for the private sector to be transparent about its CSR activities?

The participants believed that the mines should be transparent, especially when it came to creating jobs for both the unemployed and the contractors. They complained that some politicians interfered in the employment of jobseekers. According to the participants, the mines employed people from the Eastern Cape, while their own children remained poor and unemployed.

5. What are some of your thoughts about partnership between different stakeholders in implementing CS?

The participants felt that government should take the lead and make sure that they worked with private companies to end poverty and unemployment.

6. What are the pros and cons of public-private partnerships in implementing CSR?

The participants did not have any knowledge of the pros and cons of PPP in implementing CSR. They felt that the government should make laws forcing companies to contribute to community development projects.

7. What are the reasons that prevent the private sector from partnering with government?

The respondents felt that politics and corruption in government might be preventing the private sector from partnering with government.

8. How do you feel about mining companies' involvement in the local community?

Participants felt that mining companies should continue to establish projects that employ youth. Projects that Harmony Mine had implemented in the community included the jewellery school, soccer academy, taxi rank in Kutlwanong, housing rental at Masimong, and many more.

9. What are the most important issues and concerns of the community with regard to CSR?

The group felt that much still needed to be done by the mines to address unemployment and poverty as a matter of urgency.

10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

No relevant response was received in this instance.

6.2.4.5 General summary and interpretation: Focus group Discussion

This section provides a general summary of responses to the questions posed to the focus groups, above.

6.2.4.6 Question # 1.

The responses from both provincial and national government representatives showed some level of understanding and knowledge of what CSR entails. While the participants in local government had a reasonable understanding of what CSR entailed, the mine labourers lacked understanding and were not even aware that their employer had social responsibilities towards the community they were part of. Members of the community had no understanding of what CSR involved. The respondents also presented other arguments about the legislative framework for CSR, arguing that the absence of legislation affected the implementation of CSR to a large extent.

6.2.4.7 Question # 2

The majority of participants felt that there was limited monitoring of the implementation of CSR in South Africa, especially in respect of government departments. The respondents expressed the view that CSR was only implemented by the private sector and had conflicting views about the role of government in the implementation of CSR. Secondly, the participants explicitly commented on the fact that the mining companies had in the past implemented projects without the involvement of local municipalities. They believed that the presence of mining companies in their locality had improved the living conditions of community members. Almost all the participants felt that despite this, unemployment in the mining towns remained high.

6.2.4.8 Question # 3

The different challenges faced by the field of CSR contributed to some disagreement about whether CSR initiatives had improved the livelihood of local communities or not. The participants felt that mining companies were focusing on the Social Labour Plans (SLPs) at the expense of CSR. A large majority of participants felt that municipality only accepted responsibility for what took place in its immediate locality and was not concerned about the safety of the miners. Other participants were of the view that the safety of employees within the mining field was the responsibility of mining companies, not government.

6.2.4.9 Question # 4

A number of participants maintained that the private sector needed to be transparent about its CSR activities. To this end, the companies' reports had to be easily available. The participants also claimed that increased reporting on CSR activities had resulted in better coordinated programs: the mining companies' reports on CSR initiatives in the mining towns had given rise to integrated planning and use of resources. The debate about whether or not the private sector was transparent as regards to CSR illustrates how incongruent perceptions are of the CSR concept.

6.2.4.10 Question # 5

The question investigated the thoughts of participants on issues pertaining to partnership between the various stakeholders. The participants suggested that such partnership was necessary for service delivery. They argued that the mining companies were in a position to influence the government, particularly on how CSR was to be implemented. Participants felt that partnership between the mining companies and the municipality was necessary for bringing up social issues affecting the implementation of CSR.

6.2.4.11 Question # 6

Question 6 investigated the pros and cons of PPP in implementing CSR. Participants felt that PPP between private and public sectors was influenced by issues such as the Social Labour Plan and its legitimacy. Participants also suggested that for PPP to be effective the private sector needed to define their constituency and parameters. Participants were of the view that some stakeholders within the partnership had not been adequately informed about CSR, causing delays in the signing off of contracts. Participants felt that there were significant positive results to be gained from the implementation of CSR through PPP. The absence of legislation contributed to some companies' failure to conform to the requirements of CSR.

6.2.4.12 Question # 7

The participants felt that the private sector might be reluctant to partner with government, especially the municipality, because of the state of affairs at most municipalities. That is, either politics and corruption, or the financial predicament local government, or both, could prevent the private sector from partnering with government. The participants further argued that firms are inclined towards serving their own interests rather than the interests of other stakeholders.

6.2.4.13 Question # 8

In response to this question, the respondents argued that the other stakeholders lacked interest in issues pertaining to local communities. Most participants believed that mining and government were not informed about the implementation of any other projects within the communities. They argued that mining companies were not truly interested in getting information on day-to-day activities within the local communities. Some participants felt that both mining and government officials were faced with pressures from different groups within the communities. All participants nevertheless acknowledged that despite the limited resources within their local communities, mining companies had some contribution towards development.

6.2.4.14 Question # 9

The results for this question show that participants were aware of the changes effected by the presence of mining companies in their locality. They acknowledged that unemployment and poverty were the most pressing issues in the community and could not be tackled by one stakeholder alone. Participants felt that the role of the community in the implementation of development projects was not always acknowledged. They were of the view that illegal mining contributed to social ills affecting the community and hampered the municipality in rendering efficient services. They believed that there was a high degree of danger due to illegal mining as well as a high rate of crime. The participants felt that much still needs to be done by both the public and private sectors to address issues relating to CSR.

6.2.4.15 Question # 10

With regard to this question, the participants felt that some of their suggestions had fallen on deaf ears. They believed that sometimes both the government and the private sector ignored the input made by local communities. Some participants thought that the government should come up with policies and legislation geared towards the implementation of CSR. There was a need for a strong partnership between all spheres of government and the private sector in the implementation of CSR.

6.3 Conclusion

This chapter aimed at providing detailed explanation and interpretation of the empirical findings from the data collected for the study. The chapter outlined the data acquired through the 5-point Likert-scale questionnaires, semi-structured interviews and focus groups. The target population for the questionnaire comprised 66 respondents, semi-structured interviews were conducted with mining managers based in the Lejweleputswa area, while focus group interviews were held with a variety of local stakeholders.

Once the detailed analysis was completed the researcher reviewed the empirical findings in relation to the research questions. Relevant stakeholders such as officials from provincial and national departments, municipal officials, mining labourers and representatives from the local community were targeted to participate in the focus group discussions. The data collected was interpreted and compared with the literature reviewed. The study revealed that respondents subjectively focused more on the role of the public sector than on how partnership between the two sectors could improve the implementation of CSR.

The respondents confirmed the practical problem this study was addressing, around mines and how CSR through PPP may, or may not, address them. The current state of CSR implementation by both public and private sector seemed to be lacking and the aim of the research was necessitated to develop a model for implementation of CSR through PPPs.

The next chapter discusses in detail the key results of the empirical study and describes a model developed for Lejweleputswa District, Free State province, to secure the effective implementation of CSR programmes in the mining sector. The chapter makes recommendations regarding the manner in which a public–private partnership might improve the design and implementation of CSR within the mining sector.

CHAPTER 7: A PROPOSED CSR IMPLEMENTATION MODEL FOR THE LEJWELEPUTSWA DISTRICT

7.1 Introduction

The previous chapter discussed the key findings of the empirical study and reported on how a PPP between government and the mining sector might improve CSR in general. Corporate Social Responsibility has evolved to highlight private companies' policies and activities in addressing societal problems. However, the recent discourse has suggested that CSR is a multi-faceted concept with many stakeholders, and the question of how best to implement it remains largely unexplored (Maon, *et al.* 2009).

On the basis of the evidence presented in the previous chapter, this chapter aims to share the major findings of the study in relation to the research aim and questions. It will draw conclusions from the research and provide recommendations. The overall purpose of the chapter is thus to identify how CSR can be designed and implemented through PPP. A model for the process is developed and proposed (RO5). Lastly, questions emerging from the study are presented as the basis for further research.

7.2 Summary of the study: review of research aim and objectives

This section of the thesis provides a review of the study's research aims and objectives. The Table below links the research questions as formulated with the findings of the research.

Table 7.1: Research questions linked to objectives and chapter references

Research Problem and Overarching Aim: To determine how a public and private sector partnership for the design and implementation of CSR can help to develop effective CSR practices in the Lejweleputswa District in the Free State province.		
Research questions (RQs)	Research objectives (ROs)	Chapter reference
RQ1: How are the phenomena of CSR and PPP defined in the literature?	RO1: Define CSR and PPP from the literature	Chapter 2
RQ2: Which theories form the foundation of CSR, with a focus on PPP?	RO2: Determine the various theories that form the foundation of CSR, with a focus on PPP.	Chapter 3
RQ3: What are the current government guidelines, legislation, and policies in South Africa for the implementation of CSR?	RO3: Assess the current government guidelines, legislation, and policies in South Africa for the implementation of CSR.	Chapter 4
RQ4: How will a PPP between government and the mining industry improve CSR in general?	RO4: Determine how PPP between government and the mining sector can improve CSR.	Chapter 4
RQ5: What model can be developed for Lejweleputswa District, Free State province, to secure the effective implementation of CSR programmes in the mining sector?	RO5: Develop a model for the Lejweleputswa District, Free State Province, to secure the effective implementation of CSR programmes in the mining sector.	Chapter 5 Chapter 6

Chapter 1 of this study provided an orientation to the research problem, including a summary of the methodology used to carry out the research. **Chapter 2** provided a review of the literature on CSR and PPP and why, if correctly implemented, PPP would be the preferred approach to tackle societal issues and sustainable development in future. The chapter drew on conceptualisations and definitions of CSR and PPP to showcase the various theories and approaches to CSR that inform the study as a whole. **Chapter 3** provided a review of the various theoretical perspectives relating to CSR and PPP, especially those deemed appropriate for the implementation of CSR through PPP. It discussed, inter alia, Agency Theory, Frederick's theories of CSR, the Triple Bottom Line approach, and Garriga and Melé's theories of CSR, as well as Stakeholder Theory that is useful in describing how the public and private sectors can implement CSR through partnerships.

Chapter 4 analysed current policy and legislation in respect of the implementation of CSR and PPP in South Africa and internationally. This was done in response to RQ 3 and RQ 4 of this

study. The chapter focused on official regulations affecting CSR and PPP. The chapter also investigated whether there was compliance with policy by surveying how various European countries dealt with issues pertaining to CSS, and how CSR has been implemented in developing countries as well as in South Africa. The chapter also provided an overview of the legislative framework governing operations within the mining sector as well as other legislation pertaining to the design and implementation of CSR programmes and public-private partnership. The first four chapters of this study thus provided a textured background for examining the question of how CSR might be better implemented through PPP and the development of a model.

Chapter 5 explained the research methodology utilised in the study by providing a detailed discussion of the approaches and methods selected for data collection and analysis. **Chapter 6** presented the findings from the empirical study on how a PPP between government and mining might improve CSR in general. All the factors pertaining to the study's fieldwork were analysed in this chapter. The chapter concluded with a discussion of the results of the semi-structured interviews and focus group discussions.

Chapter 7 presents a proposed the Lejweleputswa District CSR Implementation Model for Lejweleputswa District, Free State province, to secure the effective implementation of CSR programmes within the mining sector. The chapter explains how public-private partnership can improve the design and implementation of CSR within the mining sector.

7.3 Proposed CSR implementation model"

As discussed in Chapter 5, the aim of this study was to develop a CSR model to be used by the public and private sectors in order successfully to implement CSR through PPP. From the overview provided above of the status of the two municipalities and the projects currently implemented by the mining houses, it emerged that most of the programmes run by government at all levels are not in any way integrated with those of the mining sector. The result is uncoordinated and ineffective service delivery. The proposed model should thus encompass all planning and IDP processes to contextualise how best resources can be effectively, efficiently and economically utilised.

In order to develop the proposed model, it was crucial to review all relevant literature to determine the role that government can play in ensuring that better coordinated, more integrated and cost-effective programmes are implemented.

Nilsen (2015:1) remarks that during the last decade of implementation science, there has been mounting interest in the use of theory to generate models for successful implementation. A model is defined by Nilsen (2015:2) as a theoretical construct that is descriptive in nature and

has a relatively narrowly defined scope of explanation. Nilsen (2015) argues that models are commonly used in implementation science to guide the processes of translating research into practice. According to Davison *et al.* (2015:9), for example, knowledge translation models can help guide the application of knowledge to inform sectors to improve services.

While there is considerable variation in the theoretical approaches used in implementation science, this study follows a process model that specifies phases in the process of implementing a CSR programme. The importance of clarity in utilising a process model is emphasised by Hamann (2019:9), who asserts that clear usage of process model brings about a better understanding of the interaction between business and government giving rise to “de-responsibilisation” across both sectors. The study has revealed that the performance of each sector is dependent on that of its counterpart, as well as on that of other important stakeholders, like the community. The results obtained via the three data collection instruments used in the study emphasised the need for partnership between all stakeholders. For instance, from the semi-structured interviews conducted with mining managers it became clear that if the two sectors do not collaborate, the result is delays in delivering the necessary services to deserving communities.

The questionnaire captured additional information about how CSR can be implemented through PPP by focusing on whether stakeholders have the necessary knowledge to achieve this. Although the focus groups seemed to gather useful data, some of the respondents simply used the focus group as a platform for raising their dissatisfaction with both sectors and describing their sense of feeling left out.

What arises from the literature review and the empirical findings is that the implementation of CSR through PPP would enable companies to take cognisance of all aspects – social, economic, legal and ethical – that affect communities. Michael (2003:115) points out that CSR discourse is in itself an indication of collaboration among government, business and civil society, in that for CSR to succeed, collaboration and partnership with other organisations are indispensable.

Arguments from Rosenau (1999:12) and Scharle (2002:228) support the empirical findings and point out that partnerships between various parties with common goals have always been considered trustworthy connections. Both the public and private sectors are involved in some form of service delivery, which at some point inevitably involves a duplication of resources. This can be averted if the two sectors collaborate. There are numerous studies arguing that such collaboration has the potential to address the problems of local communities (Hamann & Acutt, 2003; Bredgaard, 2004; Polášek, 2010; Homkes, 2011; Scherer & Palazzo, 2011; Hamann, 2019). The empirical findings have established that if CSR initiatives are implemented through

PPP within the mining sector, both sectors would benefit, together with other stakeholders who have an interest in the whole process (Hamann & Kapelus, 2004; Jenkins & Yakovleva, 2004; Hamann & Bezuidenhout, 2007; Kleu, 2014).

The thesis has shown that stakeholder relationships must be redirected in such a way that a win-win situation is created for the purpose of achieving common goals. This clearly involves mutual trust, communication and transparency on the part of all stakeholders.

The empirical findings also point to the absence of legislation and regulations governing the implementation of CSR and suggest that the public sector should take an active role in determining how CSR and PPP have to be addressed. The findings also confirmed the importance of treating the community as one of the key stakeholders in the implementation of CSR. The findings emphasised taking into consideration aspects of sustainable development such as social and environmental conditions as and when operations are undertaken.

However, many managers within both public and private sectors involved in service delivery initiatives still need to redirect resources to promote social responsibility policies and practices. The figures below illustrate the model that is recommended for the implementation of CSR through PPP. The first model details the processes while the second model summarises all the activities to be followed

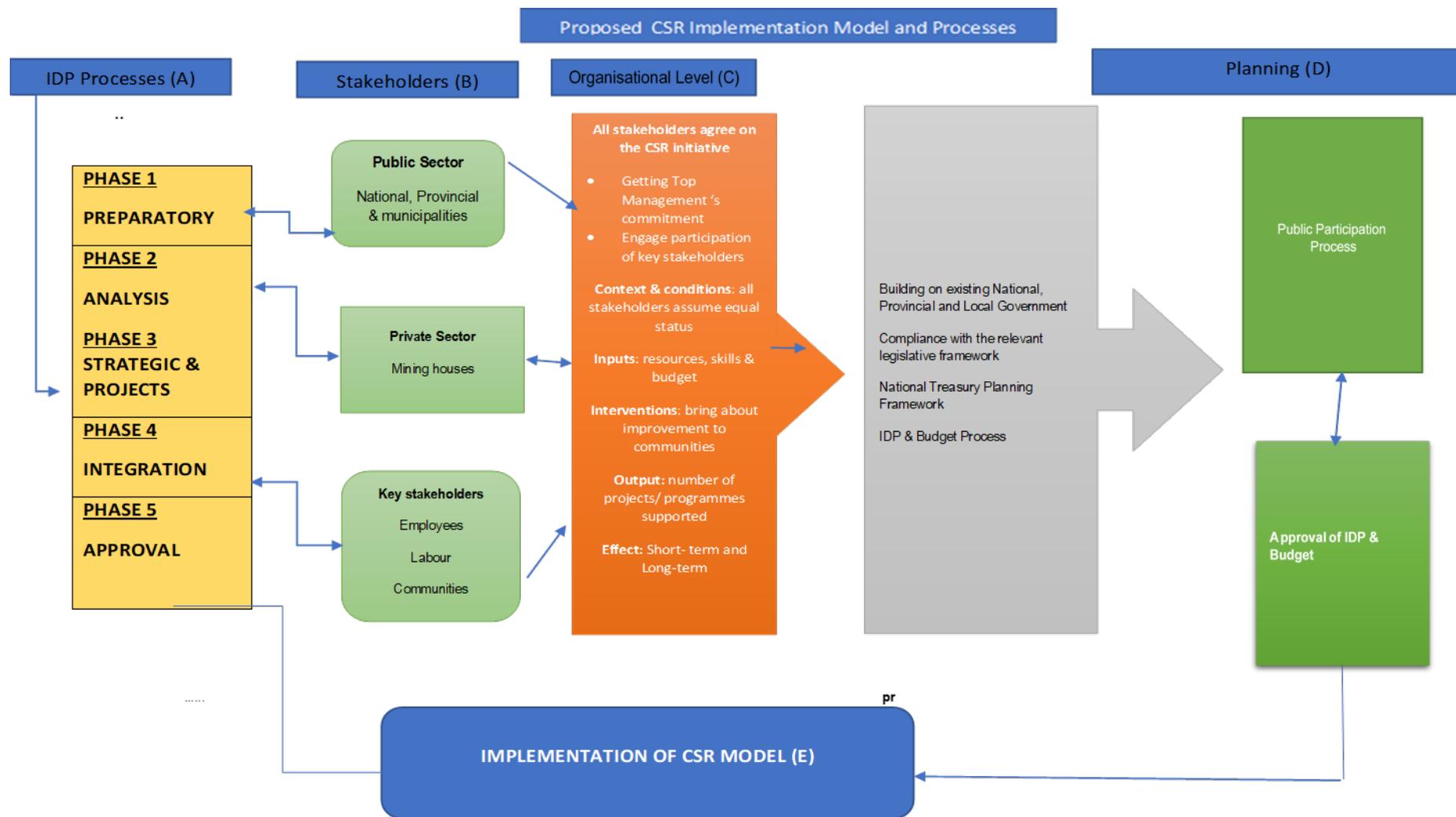


Figure 7.1 The Lejweleputswa District CSR Implementation Model.

Source: Researcher's own drawing

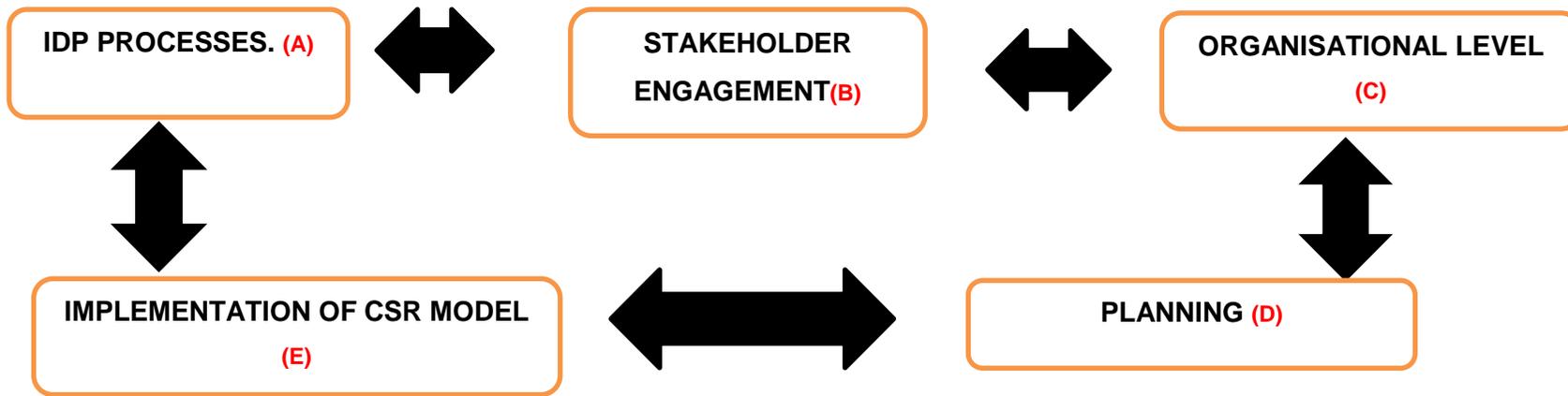


Figure 7-2: Summarised: The Lejweleputswa District CSR Implementation Model.

Source: Researcher's own drawing

7.4 Description of elements of the proposed CSR implementation model

This model commences with various Integrated Development Plan (IDP) processes followed within local municipalities (marked as A in Figure 6.2). The Local Government: Municipal Systems Act 32 of 2000 requires that the various core processes that are essential to realising a system of developmental local government – i.e. participative governance, IDP, performance management and reporting, resource allocation and organisational change – be linked into a single cycle that will align various sectoral initiatives with that of the municipality.

The proposed model can be implemented by local municipalities through their Integrated Development Plans. Section 25 of the Local Government: Municipal Systems Act (MSA) 32 of 2000, stipulates that all municipalities have to undertake an Integrated Development Planning Process to ensure a holistic and developmental approach to municipal government. The IDP is therefore a legislative requirement which supersedes all other plans that guide development at local government level. A paradigm shift towards stakeholder management and partnership thinking is required to achieve success with the model. The implementation of the model through IDP processes would enable local municipalities to cope with a new developmental role which seeks to arrive in a consultative manner at decisions on issues of service delivery, land use management and promotion of local economic development.

The second part of this model (marked as B) engages various stakeholders, including national and provincial government, the private sector (mining houses), employees, labour, as well as local communities. This part includes consultation with and the participation of the stakeholders in the IDP drafting process. The third part, marked as C, presents the institutional arrangements that need to be put in place to ensure that the process is well managed. This includes getting commitment from top management from both public and private sectors, obtaining the necessary resources as well as the intervention needed to support local communities.

The next part, marked as D, includes planning processes that build on the existing plans of the different sectors and ensures that public participation processes were followed in the approval of the IDP and budget. The last part is connected to the implementation plan of the CSR model. The point of departure during this part is that stakeholders deal with how identified projects and programmes are to be implemented by appointing champions to monitor and report on the model itself. In sum, the partnership between the several stakeholders in implementing the CSR model results in integrated and coordinated efforts to address societal issues affecting communities within mining towns.

The proposed implementation model integrates municipal IDP processes, organisational levels, planning and stakeholder management processes through the involvement of all the

stakeholders. The model is based upon the legislative framework that stipulates how local government should function while addressing the needs of local communities. Integrated planning processes within all spheres of government are necessary and a conscious effort should be made to achieve this when entering into partnership with other stakeholders.

Chapter 4 sheds light on the current policies and legislative framework promoting the implementation of CSR and PPP in South Africa. This responds to RQ 3 as well as RQ 4 of this study. As noted in Chapter 4, the implementation of CSR in South Africa has been influenced by legislation and policy frameworks relating to responsible organisational behaviour, while changes with regard to how companies engage in CSR practices have been influenced by the country's transition from the apartheid system to a new democratic government. The development of new policies geared towards the improvement of socio-economic conditions has been a novel way to further address CSR in the new democratic country. A variety of relevant legislation in the literature applicable to CSR and corporate governance was listed in Table 4.3 (Visser, 2005; Hamann, *et al.*, 2005; Kloppers, 2013).

Kloppers and Du Plessis (2008:91) claim that the implementation of CSR by the mining sector was to a large extent neglected and only received attention after the promulgation of the Constitution of the Republic of South Africa in 1996. These authors note that the Constitution treats the realisation of socio-economic rights as the obligation of government and claim that public-private partnerships had to be forged to realise these rights through mobilising the fight against poverty. Kloppers (2013) notes that despite the numerous efforts to promote CSR, as long there are no legal requirements for integrating CSR issues into decision making and governance structures, businesses will not be legally obliged to act responsibly.

The action that needs to be taken to implement the CSR model is subject to policies and legislation governing all spheres of government. Since the implementation of CSR by the mining sector happens at the municipal level, all stakeholders needed to consider how their actions might impact the local communities. Section 7 of the Companies Act reaffirms this aspect of the role of the private sector by stating that companies in South Africa are not merely vehicles for producing benefits for their shareholders, but are also expected to produce wider economic and social benefits for society. On the one hand, Kloppers (2013), for example, observes that the contribution of the Act in the CSR context is not immediately evident as it does not refer specifically to CSR. The question of whether the Companies Act or Companies Regulations can be aligned with a CSR mandate should be investigated further to ensure that companies are prohibited from exploiting both civil society and the environment.

The implementation of CSR through PPP is essentially a choice to address directly local community needs rather than to implement sporadic and uncoordinated actions. The model is based on the belief that collaboration and partnership address lack of planning and wasteful expenditure. In this sense, promoting the implementation of CSR through an integrated planning approach would enable both public and private sectors to provide public goods to local communities. Implementation of this model would require massive collaboration and strong leadership on the part of all stakeholders. This would in turn require that integrated planning processes and initiatives are properly communicated and organised among all stakeholders, including the community.

The implementation of CSR initiatives through PPP cannot be achieved as long as stakeholders operate in silos. All stakeholders must take concerted, decisive action to change how development is approached. For instance, the CSR implementation model requires that planning should focus on issues identified by communities. For this to happen, stakeholder management needs to be the driving force towards the achievement of partnership, as has been discussed at length in this thesis. The role of each stakeholder would need to be defined and clearly understood for the implementation of the model to be effective. Government at all levels would need to take the lead through the provision of relevant policies and legislation, while the private sector provides the necessary skills, resources and knowledge. Policy documents, such as the Free State Provincial Growth and Development Plan 2013: Vision 2030, have been developed by the provincial government to guide how socio-economic and political challenges are to be addressed.

A second policy document worth mentioning in this context is the Free State province's Provincial Spatial Development Framework (PSDF), 2013, which spells out the provincial spatial and strategic planning policy according to the inherent characteristics unique to the province. Planning at both provincial and local levels of government became a priority for the government, which resulted in the development and use of Integrated Development Plans (IDPs) by municipalities. The CSR implementation plan should also be linked with IDP review processes which help to assess the municipality's performance against organisation objectives as well as the implementation of CSR initiatives. The role of other spheres of government within the IDP process cannot be over-emphasised, since they help to ensure that a credible IDP is developed. Marais, *et al.* (2015) concluded that the reason why some initiatives cannot be realised is due to poor IDPs, as municipal IDPs fail to make mention of the terms 'mine closure' or 'mine decline'. They further argue that the poor quality of IDPs hampers the process of providing corporate social investment, including collaborative planning.

In order to appreciate the importance of implementing CSR, it is necessary to understand why planning and development are so important in managing any type of process. It is therefore essential that any programme planned by mining houses, such as those under the rubric of CSR, be linked with IDPs as well as with provincial plans. The proposed model therefore integrates stakeholder management with integrated planning and partnership among different stakeholders by providing opportunities for both public and private sectors to align service delivery initiatives with societal needs and expectations.

7.5 Recommendations for introducing the proposed CSR implementation model

The aim of the model is to streamline all projects through a planning process that runs parallel with government planning at all levels. Chapters 2 and 3 of the study provided a detailed theoretical basis for the thesis that planning at all levels of government plays a crucial role in the delivery of services, including CSR initiatives. The empirical findings in this study report that the lack of a necessary and relevant legislative framework as well as the application of CSR on a piecemeal, voluntary basis, hamper the implementation of a more effective, efficient and economical CSR commitment.

These findings confirm that CSR and related programmes listed in the Social Labour Plans of mining companies are not linked with the IDP processes and do not appear in IDP documents; that is, the initiatives of the public and private sectors are not well integrated and coordinated. It also became evident during the study that ordinary mining employees and other community members were not aware of any CSR projects being implemented by the mining sector. The results from the study also showed that any form of partnership entered into by public and private sectors for the delivery of services is not well communicated to the communities.

The focus group meetings sought information about how CSR might best be implemented through PPP. The discussion at those meetings revealed that there is still little public awareness of what CSR and PPP are, and that communities are sometimes excluded from any planning of them. The findings of the study also revealed that the implementation of CSR through PPP can lead to a positive attitude and acceptance by the entire community. The study highlights stakeholder theory as an enabling perspective for the introduction and promotion of CSR through PPP within a mining area. Partnership among different stakeholders improves the attitude of local communities toward both public and private sectors in the planning and implementation of CSR initiatives. Such partnerships improve societal relationships and promote active participation in community affairs.

The evidence presented in the thesis suggests how employees in both public and private sectors view CSR and PPP, and it is proposed that for organisations to succeed in the

implementation of CSR, employees need to be motivated to participate in such initiatives. The question of whether employees as stakeholders can play a key role in the implementation of CSR depends on how active and strong the stakeholders are in fighting for their rights.

The findings also indicate that local government plays a crucial role in the implementation of CSR. Municipalities as implementers of projects aimed at improving the livelihood of communities need to be consistent in their policy and activities. The findings showed that municipalities through IDP processes got the opportunity to demonstrate their ability to plan and implement a programme within a set timeframe. All the resources necessary to achieve this, be they financial or human resources, clearly need to be well coordinated. The way to attain this is through stakeholder management and constructive communication among all stakeholders.

Chapter 4 identified gaps in the current CSR legislative framework that militated against this. The study conducted by the Bench Marks Foundation (2012:126) within the communities of the Platinum Belt revealed a persistent problem of neglect of fair, transparent and honest engagement by companies with communities in respect of their needs and aspirations. The study recommended that government should ensure that mining communities be included and represented in all decision-making processes that affect local communities. It is therefore crucial that this factor be included as and when policies and legislation governing the implementation of CSR are developed.

Chapter 5 presented findings from the qualitative investigation revealing that inadequate and uncoordinated planning with regard to implementation of CSR results in the duplication of financial and human resources. The findings confirm the need for partnerships between different stakeholders to address developmental initiatives as well as the development of an implementation model. Lastly, the results reveal that the implementation of CSR affords companies the advantage of reaching out and designing relevant programmes required for an effective partnership between different stakeholders. The issues of CSR and partnership within the business environment have become a matter of serious concern and call for a stronger and more coordinated partnership within the CSR environment, including the active involvement of communities.

In sum, the successful implementation of the CSR model can be realised through collaboration and commitment by all stakeholders involved in the CSR programmes. The CSR model will play a critical role in the development of a proactive CSR that enables stakeholders to reap the positive benefits of strategic collaboration. The model reflects on the importance of stakeholder management, planning and the partnership that can be created among different stakeholders in

the implementation of CSR as it highlights the importance of integrated planning within municipalities as a vehicle for service delivery.

Based on the findings of this study, the successful implementation of the model relies on the following factors:

- Both public and private sector should treat the involvement of communities as a necessary and critical step in planning for CSR implementation.
- Partnership among all stakeholders should be taken seriously and issues that might have a negative impact on the partnership itself should be identified immediately.
- All stakeholders should realise the important role that communication plays in the process of implementing CSR among different stakeholders.
- Stakeholders must analyse and prioritise issues to be addressed through CSR that would have an impact on local communities.
- Stakeholder commitment should be identified early, especially at the planning stage, to maximise participation in all CSR activities.
- There is a need for more comprehensive and accurate planning that encompasses strategic and operational purposes in the implementation of CSR through PPP.
- The perceptions of the entire community should be measured, monitored and evaluated during and after the implementation of CSR practices.
- All stakeholders should endeavour to be transparent, consistent and trustworthy as they deal with resources aimed at addressing societal issues.

The study recommends that the role of government in promoting CSR be more proactive, especially through the adoption of legislation that promotes and enforces CSR activities as an explicit government policy that requires all companies to report accordingly. In conclusion, this study has been able to achieve its overall aim, by showing that there is a need for public and private sector partnership in the Lejweleputswa District, Free State Province, to secure the effective implementation of CSR programmes in the mining sector.

7.6 Findings relevant to stakeholder theory

On the strength of its empirical findings, the study can make a modest contribution to stakeholder theory. According to Visser (2007), stakeholder theory is a managerial theory that

redistributes important decision-making power to stakeholders. The study has provided a clear theoretical link between theory and practice as it relates to the implementation of CSR through PPP. The following factors relevant to stakeholder theory that affect the implementation of CSR through PPP have been identified:

1. The study revealed that stakeholder theory is useful in forging a significant and positive relationship between Corporate Social Responsibility and public-private partnership. Stakeholder theory helps integrate CSR as an essential issue in the planning of future corporate activities and services.
2. The study showed that the perceptions of different stakeholders played a crucial role in the implementation of CSR.
3. Both public and private sectors involved in the study understood the need to be more transparent in the implementation of CSR. The study revealed that there was a significant relationship between stakeholders in the implementation of CSR and that the public and private sectors must establish ways and means to create a strong partnership. The study sought to describe the significant effort that must be made to create good channels of communication among all stakeholders and that both the public and the private sectors have an obligation towards the delivery of services to society as a whole.
4. The study identified the role of public and private sectors in the prioritisation of CSR activities to respond to critical issues raised by local communities and adapt to the various interests of all stakeholders.
5. The results of the study reveal that while businesses implement CSR to address social issues affecting communities, it is evident that neither they nor the public sector have developed a CSR policy/strategy that defines their commitment to CSR. It would appear that they are increasingly open to participation and prompting by other stakeholders.
6. This results of the study suggest that respondent organisations engaged regularly in dialogue with their stakeholders on employee welfare, community development activities and environmental awareness campaigns, and that these organisations have a community development strategy related to social initiatives.
7. Due to the absence of legislation and policies governing CSR, the study has revealed that it is unclear whether or not organisations have experienced internal and external pressures to promote CSR initiatives. The management of both public and private sectors

claims that employees are encouraged to participate in community work as well as CSR initiatives implemented by their organisations/companies.

8. The study revealed that respondent organisations have collaborated with other sectors in PPP initiatives to tackle service delivery issues, and that the top management of these organisations recognises the benefits that PPP can bring to the implementation of CSR. This collaboration between the different stakeholders balances the perceptions and interests of the company with those of both employees and communities. Therefore, employees and communities are more likely to regard CSR initiatives and plans in a positive light.
9. It was found by the study that both public and private sector should focus more strongly on the actual implementation of CSR through PPP. This implies that partnership is vital in the implementation of CSR as well as in influencing the perceptions and expectations of other stakeholders. Furthermore, the results of the study have revealed that organisations favour the approach of PPP to provide for improved public services and facilities.
10. The results clearly revealed that the private sector possesses better mobility than the public sector in planning and designing programmes, and possesses a greater capacity for planning than the public sector. This implies that the private sector also possesses better designed programmes than the public sector and that government has ability to influence PPPs processes and projects positively. Also, communities will be more motivated to develop positive attitudes toward mining companies if they possess transparent communication policies.
11. Another interesting finding of this study relates to private sector decision makers' crucial role in the development of CSR implemented through PPP. In other words, decision makers from the private sector appear to have a clearer understanding of how CSR can be implemented through PPP.
12. Based on the abovementioned findings, both communities and employees should be prioritised as primary stakeholders in the implementation of CSR. This would create a powerful incentive for government to enforce CSR policies that focus on improving the living conditions of communities around mining towns. The study revealed that government should be primarily responsible for creating a conducive environment for participation of the private sector in PPP. Thus, implementation of in CSR through PPP should focus on the formulation of policies and legislation that are commonly binding (Hamann, 2019).

13. The study has revealed that stakeholder commitment and communication is especially crucial to the advancement and implementation of CSR through PPP. It has been argued that stakeholder theory should be taken as a guide to CSR in large firms and that it can be useful in explaining and directing the structure and operations of the established corporation (Donaldson & Preston, 1995; Russo & Perrini, 2009). This debate suggests that business firms that regard stakeholders as partners are able to reap the positive benefits of strategic collaboration and that corporations require a broad range of stakeholders in order to maximise their impact (Spitzeck & Hansen, 2010). The implication is that employing stakeholder theory will establish how the theory forms the foundation of CSR, with a focus on PPP.
14. The findings confirmed that the reporting and sharing of information pertaining to CSR with employees and local communities was seen as a means of improving relations among all stakeholders. Full transparency makes plain the inevitable trade-off between the desirability of integrating the interests of all stakeholders and the need to make effective decisions Pedersen (2006).
15. Finally, the findings suggest that communities within mining towns be persuaded to consider the implementation of CSR as contributing to the upliftment of the community. The best way of ensuring this is always to recognise the community as an important stakeholder in all initiatives.
16. Another factor that became prominent was the impact that communities can have on the management of both public and private sector in addressing the needs of the mining communities. Again, this why it is crucial to get them on board as a key stakeholder.

7.7 Issues for further research

Based on the literature reviewed and the empirical findings of the study, the following recommendations are made in terms of the theory and practice of CSR in order to improve its implementation through public-private partnership within the mining sector:

- The locus of this qualitative study was the Lejweleputswa district within the Free State province and therefore the findings cannot be generalised to other areas or provinces. Similar studies in other settings might produce results more specific to those settings, but it is believed that they will be broadly consonant with those reported here.
- The study provided interesting insight into how CSR could be better implemented through PPP by both public and private sectors. This study also developed and presented an

implementation model which aims to guide the future implementation of CSR. Future research might employ other research methods to determine more clearly the causal relationships among the concepts used, i.e. PPP and its impact on CSR.

- This study also demonstrates the importance of partnership between various stakeholders and offer some advice on how better to manage such relationships and improve communication, transparency and accountability when dealing with resources aimed at improving the livelihood of poor communities. Further research is needed on actual and possible management structures and channels of communication in order to concretise the generalities presented here.
- Finally, the absence of legislation and policies that govern the implementation of CSR poses challenges to increasing its importance. Future research should examine the role of government in promoting CSR, perhaps suggesting how the government should legislate to promote and enforce CSR activities as an explicit policy requiring all companies to report on social responsibility as well as systems and structures to monitor compliance therewith. By way of example, this thesis has shown how such practices have been duly implemented in most European countries.

7.8 Final conclusion

The aim of this thesis was to provide new insight into how CSR can be designed and implemented through PPP by public and private sectors. The solution lies in the partnership of all relevant stakeholders. The commitment of all stakeholders in terms of financial and human resources will yield positive outcomes and impact on the livelihood of poor communities.

CSR programmes address a wide array of social and environmental issues of concern to the stakeholders involved. Previous studies have shown that international development agencies have embraced the CSR concept to improve social conditions within their area of operation. It has also been argued that to attain sustainable development in most developing countries, CSR could be considered the most appropriate tool.

What emerged from the literature was the widespread recognition that companies have obligations to consider the needs and interests of communities and should consider the impact their operations have on society at large. This study advocates the adoption of Stakeholder Theory to focus, as a point of departure, on the identification, incorporation or involvement of all stakeholders. It is thus recommended that future studies should focus on expanding the role of stakeholders in the implementation of CSR through PPP.

The link between CSR and PPP can become more proactive once CSR principles are institutionalised by legislation. The empirical component of this study contributed insight into how CSR can be implemented through PPP by applying stakeholder management theory. The study has contributed to existing CSR research by underlining the nature and value of PPP, and describing the role that it can play in assisting responsible companies in the private sector to address problems of lack and need in proximate communities.

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APPENDIX 1: GATE KEEPER'S LETTER



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11th October 2017

Private Bag X6001, Potchefstroom
South Africa, 2520
Tel: (018) 299-1111/2222

The Municipal Manager or Mine Manager
Lejweleputswa District
Free State Province

Dear Sir / Madam

REQUEST TO USE YOUR INSTITUTION AS UNIT OF ANALYSIS FOR PHD RESEARCH QUESTIONNAIRE

The above matter refers.

Ms. Lesabane Audrey Mahlatsi is pursuing research towards a PhD degree in Development and Management at the Potchefstroom Campus of the North-West University. The topic of her thesis is: **“A public–private partnership between the public and mining sector to improve the design and implementation of Corporate Social Responsibility (CSR): The case of Lejweleputswa District in the Free State Province”**.

“Corporate social responsibility is often viewed as a PR invention to embrace all the stakeholders of a company, in order to attain goals of social and ecological sustainability where its implementation is benchmarked and audited, open to public scrutiny, and compliance mechanisms are in place, and it is embedded across the organisation horizontally and vertically. It is thus about the wellbeing of society or a specific community”.

The main research objective of Ms. Mahlatsi's study *inter alia* include to:

- Determine how a public and private sector partnership in terms of the design and implementation of CSR can help to develop effective CSR practices in the Lejweleputswa District in the Free State province.

The secondary objectives of the study are to:

- Define CSR and PPP from the literature.
- Determine the different theories that form the foundation of CSR, with a focus on PPP.
- Assess the current government guidelines, legislation, and policies in South Africa to implement CSR.
- Determine how PPP between government and the mining sector can improve CSR.
- Develop a model for the Lejweleputswa District, Free State Province, to secure the effective implementation of CSR programmes in the mining sector.

Ms Mahlatsi, would like to solicit your assistance by requesting permission for completion of the attached questionnaire. The completion of the questionnaire will only take 15 -20 minutes. Data and information acquired from your organisation will be treated with the utmost confidentiality and will be used for academic research purposes only.

If there are any further enquiries, please contact myself, as supervisor, at the above-mentioned contact details, or the researcher at the following numbers 0825669536 or e-mail: audreymahlatsi65@gmail.com. Your valued input and commitment will greatly assist in developing a model for the implementation of CSR through PPP.

Kind Regards

.....

Dr. M Diedericks
Promoter

.....

Ms. L.A. Mahlatsi
PhD Researcher

APPENDIX 2: QUESTIONNAIRE

PART A: BIOGRAPHICAL INFORMATION (DEMOGRAPHY)

Please fill in the following general information about your organisation and yourself. The information is necessary for statistical purposes only.

1. Gender

Male	Female
1	2

2. Which of the following age groups represents you?

< 25 years	1
25 - 34 years	2
35 – 44 years	3
45 – 54 years	4
55 – 64 years	5
64 +	6

3. What is your highest level of education?

Grade 12/ Matric	1
Certificate	2
Diploma	3
Bachelor's degree	4
Postgraduate degree	5
Other (Please specify	6

4. Which category best describe your organisation?

National or Provincial Government	1
Local Government Sphere	2
Mining sector	3
Non-governmental Organisation (NGO)	4
Community	5
Other Specify	6

5. How long have you held your current position in your organisation?

Less than 2 years	1
2 – 5 years	2
6 – 10 years	3
11 – 15 years	4
16 – 20 years	4
More than 20 years	6

PART B: STATEMENTS REGARDING HOW CSR CAN BE IMPLEMENTED THROUGH PUBLIC–PRIVATE PARTNERSHIPS (PUBLIC AND PRIVATE SECTOR MANAGERS).

Following are some statements about the Corporate Social Responsibility an Public Private Partnership perceptions and practices of the organization. For each item, there are five alternatives.

Please indicate to what extent you agree with the following statements by marking the appropriate box with an "X" (cross).

Statement	Scale				
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1. Businesses are implementing Corporate Social Responsibility (CSR) to address social issues affecting communities					
2. My organisation have developed a CSR policy/strategy that define its commitment to CSR					
3. My organisation have designated personnel with responsibility for CSR activities					
4. Implementation of CSR is focused on increasing stakeholder participation					
5. My organisation complies with all relevant legislative frameworks promoting CSR					
6. My organisation:					
(a) has defined key CSR priorities					
(b) has communicated priorities throughout the organisation					
7. My organisation has engaged in activities related to CSR					
8. My organisation has a plan of action to deal with employees needs					
9. My organisation has a plan in place to communicate with other stakeholders					
10. My organisation engage regularly in dialogue with its stakeholders on the following:					
(a) Employee welfare					
(b) Community development activities					
(c) environmental awareness campaigns					
11. My organisation has a community development strategy related to social initiatives.					
12. My organisation has experienced internal and external pressures to promote CSR initiatives.					
13. My organisation faces non-cooperation by its employees when implementing CSR.					
14. Employees are encouraged to					

Statement	Scale				
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
participate in community work by the implementation of CSR initiatives by my company.					
15. The private sector receives adequate support from the local municipality when implementing CSR initiatives.					
16. I have an acceptable level of knowledge about Public-Private- Partnerships (PPPs).					
17. My organisation has collaborated with other sectors on PPP initiatives					
18. PPPs can be used to tackle service delivery issues.					
19. The top management of my organisations recognises the benefits that PPP can bring in the implementation of CSR					
20. My organisation favours the approach of PPP to provide for improved public services and facilities.					
21. The private sector possesses:					
(a) better mobility than the public sector in planning and designing programmes.					
(b) able to have better planning					
(c) have well designed programmes					
22. Government has the ability to influence PPPs processes and projects positively.					
23. Decision makers from the public sector lack understanding of how CSR can be implemented through PPP					
24. Decision makers from te private sector lack understanding of how CSR can be implemented through PPP					
25. Government has a significant influence on the private sector's involvement in PPP projects.					
26. Government creates a conducive environment for participation of the private sector in PPP					
27. Government policies and legislation is clear on the implementation of PPPs					
28. CSR implementation by my organisation is supported by the local community					
NB: Questions 28 t0 32 are only applicable to community members					

Statement	Scale				
	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
29. Mining in the area is contributing to the upliftment of the community.					
30. The community is recognised as an important stakeholder by (a) government sector					
(b) the mining sectors					
31. The community is informed of activities that are implemented in the area.					
32. The implementation of CSR initiatives through PPP is beneficial for (a) societal growth					
33. (b) development.					
34. The future of CSR in my organisation is based on improving the quality of service to all stakeholders.					

THANK YOU FOR YOUR CONTRIBUTION TOWARDS THE STUDY!

PART C: OPEN-ENDED QUESTIONS FOR FOCUS GROUPS

1. Are you familiar with what Corporate Social Responsibility (CSR) entails?
2. What is your opinion regarding the current situation of CSR in South Africa?
3. What are the main challenges that the field of CSR is facing?
4. How important is it for the private sector to be transparent about its CSR activities?
5. What are some of your thoughts about partnership between different stakeholders in implementing CSR?
6. What are the pros and cons of Public Private Partnerships in implementing CSR?
7. What are the reasons that prevent the private sector from partnering with government?
8. How do you feel about your company's involvement in the local community?
9. What are the most important issues and concerns of the community with regard to CSR?
10. Are there any recommendations or suggestions you would like to share for improving public and private sector involvement in the implementation of CSR?

APPENDIX 3: SUMMARIES OF INSTITUTIONALISED INITIATIVES IN VARIOUS EUROPEAN COUNTRIES

Country	CSR initiatives
<p>NETHERLANDS</p> <p>(Graafland; et al, 2003; Mathis, 2004; Cramer, 2005; Moratis, et al, 2006; Dubbink & Van der Putten, 2008; Wolniak & Habek, 2013)</p>	<ul style="list-style-type: none"> • CSR in the Netherlands gained increased importance from the mid-1990s and the main driver of CSR was the change in relations among enterprises, government and citizens. • The Dutch government played a crucial role in creating a conducive environment in which CSR could be implemented, and the policy on CSR was based on self-regulation and supporting CSR activities. • The government established an advisory body, the Dutch Social and Economic Council/Sociaal-Economische Raad (SER) that encouraged the participation of different stakeholders in the advisory body.
<p>DENMARK</p> <p>(Bredgaard, 2004; Morsing, 2005; Morsing <i>et al.</i> 2008; Gjølborg, 2009; Brown & Knudsen, 2012; Mullerat, 2013)</p>	<ul style="list-style-type: none"> • Denmark is regarded as one of the countries in Europe that has made huge efforts in promoting CSR, as well as leading in good governance since the first comprehensive Danish social legislation in 1933. • Denmark adopted a law requiring the largest companies to report on social responsibility as well as systems and procedures implemented. • The Danish government established the Copenhagen Centre in 1998 as an autonomous institution to encourage partnerships between government and established business regional centres to support regional and local businesses.
<p>GERMANY</p> <p>(Pinkston & Carroll, 1996; Bondy <i>et al.</i> 2004; Habisch & Wegner, 2005; Mögele & Tropp, 2010)</p>	<ul style="list-style-type: none"> • Since 1971, the German government has passed regulations resulting in the business community taking a more proactive stance that has mutually benefitted both public and private sectors. • The government introduced the German corporate governance code of conduct for private businesses implemented as a third-party punitive code targeting senior executives, and this code dealt with corporate governance issues. • German corporations focus on both internal and external stakeholder communication. Germany, like other countries, has shown that the role of government in promoting CSR has to be clearly identified and supported.
<p>ITALY</p> <p>(Canarutto & Nidasio, 2005; Albareda <i>et al.</i>, 2008; Mullerat, 2013; Russo & Tencati, 2009)</p>	<ul style="list-style-type: none"> • CSR within academe was pioneered during the 1950s. • The social responsibility of firms in Italy has roots dating prior to the emergence of the CSR movement during the 1990s. • The Italian government introduced a CSR policy framework to integrate social and environmental concerns in their business operations, and established the Italian Centre for Social Responsibility as an independent think tank in 2008 to promote a socially responsible approach.
<p>RUSSIA</p> <p>(Mizobata, 2005, 2011; Kuznetsov <i>et al.</i>, 2009; Preuss & Barkemeyer, 2011; Belyaeva, 2010; Zhao, 2012; Fifka & Pobizhan, 2014).</p>	<p>Implementation of CSR in Russia was based on the business case, which became an aspiration to align with global trends and the dominant motives for CSR in Russian firms are as follows</p> <ul style="list-style-type: none"> • 2002 Lukoil announced the implementation of CSR for the first time in Russia and introduced the Corporate Conduct Code as well as the Corporate Business Charter by the Russian Union of Industrialists and Entrepreneurs (RSPP). • 2003 During February, the Managers' Forum on Social Investment was established, where business and the state interact. • The social strategy of Russian business was established by the Academy of Sciences during the month of March and six major

Country	CSR initiatives
	<p>international conferences on CSR took place in Moscow, focusing on providing advice to managers and government officials. President Putin called on corporations to increase their effort in the field of CSR at the annual meeting of the RSPP.</p> <ul style="list-style-type: none"> • 2004 The Russian Union of Industrialists and Entrepreneurs (RSPP) adopted the Social Charter of Russian Business and the International Project Bureau adopted business culture for CSR rating. • 2006 The United Nations Principles for Responsible Investment (UN PRI), RSPP Non-Financial Report. • 2007 State Federal House of Society established National Forum of CSR. • 2009 Meeting of Business society was held with the support of the government during December. • 2010 RSPP Human resources established as a modernisation method.

APPENDIX 4: PROOF/CERTIFICATE OF LANGUAGE EDITING

Epsilon Editing

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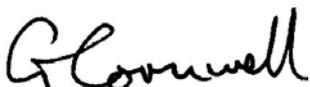
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14 May 2019

TO WHOM IT MAY CONCERN

This serves to confirm that the doctoral thesis by Lesabane Audrey Moalusi, "A public-private partnership between the public and mining sectors to improve the design and implementation of corporate social responsibility (CSR): The case of Lejweleputswa District in the Free State Province," has been edited to my satisfaction for language and presentation.



Professor D G N Cornwell (PhD)

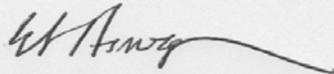
APPENDIX 5: DECLARATION OF BIBLIOGRAPHY

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The bibliography of the **PhD thesis of LA Moalusi** has been checked for correctness and formatted according to NWU Harvard bibliographic style guidelines.



Prof ES van Aswegen
15 March 2019