

**Corporate Social Responsibility and the Prospects for Community Development: the  
Case of LG Electronics' Community Development Project in Dugdadera Village**

**Addis Ababa University**

**Graduate School of Social Work**

**Bruk Degie**

**Adviser: Wassie Kebede (PhD)**

የአዲስ አበባ ዩኒቨርሲቲ  
ቤተ-መጻሕፍት  
Addis Ababa University  
Libraries

**Addis Ababa, June 2014**

Addis Ababa

College of Social Sciences

School of Social Work

Corporate Social Responsibility and the Prospects for Community Development: the Case of LG  
Electronics' Community Development Project in Dugdedhera Village.

Bruk Degie Kassa

Approved By


---

---

Advisor

Signature

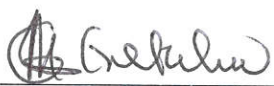
Abebe Assefa (PhD)



Examiner

Signature

Gebalw Kassa N. (PhD)



Examiner

Signature

### **Acknowledgment**

I would like to express my heartfelt gratitude to my advisor Dr. Wassie Kebede for providing me his insightful and scholarly advice throughout the whole process of doing this thesis project. Without his invaluable support this paper wouldn't have materialised. I would also like to express my heartfelt thank to the staff of the Meta Guta Komble *Kebele* for the assistances and accommodation they provided me in my stay in Dugdedhera for the purpose of data collection. Finally, I would like to thank my friend Megersa Gadissa who has done the translation of the interviews that were conducted in Afan Oromo.

### **Acronyms**

CSO- Civil Society Organizations

CSR- Corporate Social Responsibility

FDRE- Federal Democratic Republic of Ethiopia

FGD- Focus Group Discussion

ISO- International Standardisation Organisation

MNC- Multi National Corporation

NGO- Non-Governmental Organisation

OECD- Organizations for Economic Cooperation and Development

UN- United Nations

UNGC- United Nations Global Compact

### Abstract

By taking the Corporate Social Responsibility (CSR) community development project of LG Corporation that is being implemented in Dugdedhera as a case, this study explores the role of CSR to community development. Dugdedhera is a rural village located in Kombole *Kebele* of the Bereh *Woreda* of Finfinee Surrounding Special Zone of Oromia Regional State. It is located 66 K.M north of Addis Ababa. The study primarily employs the experiences of the beneficiaries to uncover the potential of CSR to community development. In-depth interviews, FGD and key-informant interviews were the techniques of data collection that were used in this study to find out the experiences, complaints and satisfactions of the members of the community towards the CSR community development project. A total of twenty four participants were engaged in this study; fourteen for in-depth interviews, eight for FGD participants and two key informants. The findings of the study indicate that the LG's Corporate Social Responsibility Project is tuned to the realities and needs of the community there by reflecting a deviation from the mainstream CSR agenda. The project is a multi-level community development project comprised of different initiatives including income improvement initiatives, educational initiative and health and hygiene initiative. The study further indicated that CSR initiatives can be moulded to attend to the needs and contexts of the local communities of developing nations. Besides, the study also shows that CSR can be an important force for community development in developing nations where governments find it difficult to meet the social governance needs of local communities. However, the study proved that the role of the government in creating an enabling environment and that of the local governments' (*Woreda* administration) role to follow up the implementation of the project has generally been very low.

Key Words: Corporate Social Responsibility, Community Development

## Table of Contents

Acknowledgment.....	i
Acronyms .....	ii
Abstract .....	iii
List of Tables.....	vii
Chapter one: Introduction .....	1
1.1. Background of the Study .....	1
1.2. Statement of the Problem.....	4
1.3. Objectives .....	7
1.4. Research Questions .....	7
1.5. Significance of the Study .....	8
1.6. Conceptual Definitions .....	8
Chapter Two: Literature Review .....	9
2.1. Historical Background to CSR: The Corporate Accountability Movement.....	9
2.2. Corporate Social Responsibility Today .....	10
2.3. Motives to CSR and the Business Case of CSR .....	11
2.4. CSR: the Case for the Discipline of Community Development .....	12
2.5. What Influences CSR penetration and Practice in nation states?.....	13
2.6. The Criticisms of the Mainstream CSR Agenda and practice .....	14
2.7. Review of CSR theories.....	17
2.7.1. The emerging south centred critical perspective of CSR .....	17
2.7.2. The theory of corporate social governance.....	20
2.8. Conceptual Framework.....	23
Chapter Three: Research Methods.....	27
3.1. Research Design.....	27
3.2. Participants of the Study .....	27
3.3. Unit of Analysis.....	28

3.4. Data Collection Instruments.....	28
3.4.1. In-depth Interview.....	28
3.4.2. Key Informant Interview.....	28
3.4.3. Focus Group Discussion.....	28
3.4.4. Document review.....	29
3.4.5. Observation.....	29
3.5. Procedure of Data Collection.....	29
3.6. Techniques of Data Analysis.....	30
3.7. Ensuring Rigour/ Trustworthiness.....	31
3.8. Scope of the Study.....	32
3.9. Ethical Consideration.....	32
3.10. Limitations of the study.....	33
Chapter Four: Findings.....	34
4.1. Introduction.....	34
4.2. Personal Profile of the Participants.....	36
4.3. Details of the Community.....	37
4.4. Impacts of the CSR Community Development Project on the Socio-Economic Lives of the Community.....	40
4.4.1. Benefits provided and activities performed by the project.....	40
4.4.2. Ongoing Activities and Benefits Being Provided by the Project.....	42
4.4.3. Benefits Provided to the Individual Households.....	43
4.4.4. Changes brought as a result of the project.....	44
4.5. The Community's Satisfaction towards the Project.....	49
4.5.1. The community's evaluation of the activities and benefits provided so far.....	49
4.5.2. The community's evaluation of the changes.....	52
4.6. Contextual Analysis/ Contextual Factors.....	53
4.6.1. The underlying value of the CSR policy and practice.....	53

4.6.2. Enabling environment or the role of government. ....	55
4.6.3. The conceptualisation of the CSR community development project by the local community.....	57
4.7. Processes and Approaches in the Designing and Implementation of the Project .....	60
4.7.1. Meetings among stakeholders.....	61
4.7.2. Processes and approaches in the designing of the project. ....	62
4.7.3. Processes and approaches in the implementation of the project.....	63
4.8. The Roles, Responsibilities and Experiences of Stakeholders .....	66
4.8.1. The community's roles, responsibilities and experiences .....	66
4.8.2. The roles, responsibilities and experiences of the local government.....	70
Chapter Five: Discussion .....	72
Chapter Six: Conclusion, Implications and Recommendations .....	78
6.1. Conclusion .....	78
6.2. Implications.....	79
6.3. Recommendation.....	81
References .....	83
Declaration Letter .....	91

**List of Tables**

Table 1- Socio-demographic Profiles of Interview participants .....	45
Table 2- Socio-demographic Profiles of FGD discussants.....	45

---

## Chapter one: Introduction

### 1.1. Background of the Study

Two separate arguments exist regarding corporate community relations. The first argument advocates that a mutual relationship has existed between the two since the emergence of industrialisation in the west. Citing historical accounts, authors in this camp argue that corporations have been contributing their fair share to the overall socio-economic well being of communities through their philanthropic donations (Jacoby, 1997).

The second and more dominant account on the other hand argues that one of the most significant and negative impacts of the process of industrialisation and capitalism in the western world have been undermining the importance of community structures in people's lives. For capitalism to flourish individualism should prevail as the dominant ideology shaping people's day to day lives. The result has been the gross multiplication of economic capital accompanied by a decline in social capital, a sense of social solidarity and generally of community life and structures (William, 2002).

However, the 1990's proved to be a turning point in that a new opportunity emerged that helped change the traditional trend where communities were neglected or even destroyed by corporate operations. The opportunity presented itself in terms of the notion of Corporate Social Responsibility (CSR) (De winter, 2001). Through community development projects, CSR has contributed to the establishment of better relationship between corporations and local communities (Eweje, 2006).

From then onwards several protocols to help corporations embrace corporate social responsibility have been designed and voluntarily signed and accepted by corporations to guide their practice in a responsible manner and to contribute to the socio economic development needs of disadvantaged populations. Among these are the United Nations Global Compact

(UNGC), the Organisation for Economic Cooperation and Development (OECD) Guidelines, the International Labour Organisation (ILO) Declaration and International Standardisation Organisation (ISO) 26 000. Now the concept of Corporate Social Responsibility has become a common topic of discussion and debate among scholars and institutions (OECD, 2009).

However, defining CSR has been deemed a difficult task. The often contested nature of CSR has resulted in the lack of a single and agreed definition of CSR. Three schools of thought exist having different views of CSR. The neo-liberal school basically considers CSR as a voluntary initiative by business. Even though some see CSR as unnecessary burden on businesses, the dominant view of neo-liberals is that CSR is good for profitability because it improves businesses' image in the eye of the public and prevent government regulations on business. On the other hand the neo-Keynesian school adopts a relatively broader definition of CSR to include the role of stakeholders such as the society and government in defining and facilitating the ground for an effective CSR practice. Like the neo-liberals they consider CSR to be a voluntary initiative. However unlike the neo-liberal school neo-Keynesians recognise the negative impacts of business on society. Finally the Radical Political Economy school of thought is a critical school which calls for the creation of a compulsory CSR by ridiculing the notion of CSR as voluntary initiative. According to this school of thought, businesses possess enormous power that is employed to expand only their interest (Idowu, Capaldi, Zu, & Gupta, 2013).

The UN Global Compact currently encompassing, under its CSR initiative; more than 8,000 companies from 140 countries (UNGC, 2013) conceptualizes CSR as a mechanism to give globalization a "human face". The genesis of the UNGC goes back to the Davos World Economic Forum in January 1999. At the forum the then UN Secretary General Kofi Anan calls out for companies to join "a global compact of shared values and principles" which currently is the largest CSR initiative in the world with its ten principles. In the same forum Kofi Anan

redefined the role of business in a broader way so as to meet the “needs of the disadvantaged and the requirements of the future generation” (William, 2004, P.731).

The efforts made by development agencies to include community development as one area where corporate social responsibility initiatives can contribute to had succeeded. Besides an increasing awareness by developing countries and their population regarding the uneven distribution of benefits between Multi National Companies and local communities has led local communities in developing nations to consider and question MNCs as one stakeholder that should contribute to socio-economic development in Africa (Idemudia, 2011).

In line with the mounting pressure business firms around the world are showing increasing commitment to participate in community development efforts through their CSR initiatives (Arora & Kazimi, 2012). And now involvement in community development has come to be the most established and common form of CSR (Chapple & Moon, 2005). The community development projects of MNCs under their CSR programs include different types of initiatives including educational initiatives; social welfare initiatives; infrastructure and small scale business development initiatives roads, electricity and small business training centres (Eweje, 2006).

Following such a global trend, LG Electronics has established a community development project in Dugdadera Village under its CSR initiative. The village is located 66 KM away from Addis Ababa and located in Bereh *Wereda* of Finfine Surrounding Special Zone in Oromia Regional State. The objectives of the project include improving income, productivity, and access to education, health, water, and sanitation in the community. Through a critical analysis of the implementation and effects of this CSR community development project, the researcher targeted to record findings on the prospect of CSR to community development in the village and discussed valuable lessons that could be applicable in similar settings. The researcher chose LG’s CSR community development project as a case because the project encompasses several

initiatives and it was the hope of the researcher that focusing on the project would reflect a new and broader conceptualisation and effects of CSR to community development.

## 1.2. Statement of the Problem

In an attempt to address the negative impacts of the irresponsible practices of MNCs on the environment and on overall socio-economic development and to bring an inclusive social-development, civil society organisations and activists have exerted a mounting pressure to force MNCs to act in a responsible manner which results in the concept, principles and various initiatives of CSR. One of the principles of CSR requires corporations to participate in community development activities and the rest of the world considers them as partners in this endeavour. And corporations frequently report of their involvement in community development activities (Idemudia, 2009; Muthuri, Cahpple & Moon, 2009).

However, despite the claims of the corporations who engage in CSR, it has been impossible to conclusively prove the causal linkages between CSR and community development. This is firstly attributed to the fact that there is only a small amount of empirical research conducted to provide an in-depth analysis of how community development programs of CSR are implemented on the ground (Barkay, 2011; Idemudia, 2009). Besides, much CSR analysis fails to consider the best mechanism to determine if a CSR initiative had been a success; which is to evaluate stakeholder satisfaction. An emphasis on the experiences of beneficiaries of a CSR initiative, which was employed in this study, is believed to provide a better understanding of the relationship between CSR and community development. The other reason is the absence of an agreed definition for Corporate Social Responsibility. This definitional problem implies differences of expectation for CSR by different stakeholders such as the government, the corporation and the community. And this definitional problem constrains analysis as the statements of the role and contribution of CSR differ based on who defines CSR. That means the

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

evaluation of CSR projects reflect different results depending on the stakeholder who is doing the evaluation (Idemudia, 2011).

In addition, the fact that the concept of CSR is a relatively new issue brings another constraint in making a conclusive statement as to the question of its relationship with socio-economic development. This is evident from the 2013 Global Corporate Sustainability Report of UNGC. The report which presents a survey finding on the signatory corporations targets to reflect the current status of CSR worldwide. The report underlines that out of the 8000 signatory companies the majority (65%) are still on the initial stages of accepting the principles of CSR and committing themselves to the principles. It is only the remaining 35% of the 8000 signatory companies that integrate the social responsibility and sustainability principles into their operations. Besides, the report specifically indicates that companies have done more on two principles: labour and environmental protection. Companies have done more on these two principles because of the increased need and pressure for more corporate actions on these issues from several stakeholders such as governments and Civil Society Organisations (Global sustainability report 2013).

Similarly, when we come to Africa's case it has been difficult to make generalisations about the relationship between CSR practice and sustainable community development in the continent. In his analysis of the emerging South Centred Critical CSR perspective Idemudia (2011) made an important remark regarding what the future researches in Africa on CSR should look like, thereby indicating the weaknesses of researches that were conducted so far. According to him the tendency of contemporary CSR research and analysis to separately focus on the relationship between CSR and either context, development or practices must be changed so that a holistic and integrated approach will be adopted to analyse all these issues. He calls for the future CSR researchers to emphasise on the interplay of contextual factors and the interaction of different stakeholders and their varied responsibilities to shape the CSR endeavour in Africa.

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

Idemudia (2011) claimed that these separate focuses may be the reason why CSR researches and analysis have been unable to “discern in clear terms the exact impact of CSR on sustainable development” (p. 11) in the developing world. Avoiding this piece meal approach of separately analysing CSR and related issues for a more integrated approach is also expected to overcome the lack of a “well-elaborated” research methodology to assess the exact impact of CSR. All in all, studies emphasising such a bottom-up approach are still at their infancy and a lot more is expected if developing countries are to make the best out of CSR initiatives.

The push towards adopting this integrated approach is based on recognition that uncovering the link between development and CSR is complex and that there are different forces in play to influence the impact of CSR on development, claims Idemudia (2011). CSR initiatives are often bounded and influenced by the cultural, social, economic and political contexts of a society. Besides, various actors participate in the design and implementation of CSR initiatives seeking to leverage their own interests. Stakeholder responsibilities and privileges as well as how the intended beneficiaries perceive CSR must be taken into account as well. Thus an appropriate research that seeks to associate CSR and development should give due attention to these complex of interactions influencing CSR initiatives. Besides, such a bottom-up approach to researching CSR helps to uncover structural factors that facilitate and/or inhibit CSR initiatives in developing nations.

The planned research work will attempt to contribute to fill this gap through an in-depth analysis of a CSR community development initiative. The attempt to look for empirical evidences on the topic in Ethiopia has brought a zero number of results. Therefore, the main interest in the planned study is to produce, the first systematic evidence on the area.

### 1.3. Objectives

*General objective:* The general objective of this study was to identify the role of the CSR community development project of LG to sustainable community development in Dugdadera Village and document evidences of the first kind in the area in Ethiopia.

*Specific objectives:* The following were the specific objectives of the study

1. To identify the impacts of the project on the socio-economic lives of the community
2. To analyse the contextual factors (underlying values of the CSR policy and practice, enabling environment or the role of government and the conceptualisation of CSR and the project by the community) related to the CSR community development project as well as their impact on the project
3. To critically assess the process and approaches adopted by the corporation to design and implement the project in the effort to bring about sustainable community development
4. To identify the role, responsibility and experiences of stakeholders such as the corporation, civil society organizations, the community and the government in the implementation of the CSR community development project

### 1.4. Research Questions

The research questions that this research attempted to answer are the following.

1. What are the impacts of the project on the socio-economic lives of the community?
2. How do contextual factors (the underlying values of the CSR policy and practice, enabling environment or the role of government and the conceptualisation of CSR and the project by the community) influence the CSR community development project?
3. What kind of processes and approaches are adopted by the corporation to design and implement the community development project?

4. What are the roles, responsibilities and experiences of stakeholders such as the corporation, civil society organizations, the community and the government in the implementation of the CSR community development project?

### 1.5. Significance of the Study

Studies of corporate behaviour and corporate social investment are significant and timely since Ethiopia as a developing nation is becoming a destination of an increasing number of MNCs and foreign investment in the recent years. Such a critical investigation of corporate behaviour and corporate social investment is necessary to drive the re-definition of business among local communities, policy makers and the business community in Ethiopia. As Kofi Anan; the former Secretary General of the UN, in the 1999 UNGC conference at Davos claimed business should be redefined as “an activity of fulfilling the needs of the disadvantaged and the requirements of the future generation”. The re-definition would be immensely significant in the creation of an enabling environment and/or legal framework to enforce CSR which would help overcome the potential problems posed by unchecked corporate operation.

### 1.6. Conceptual Definitions

*Investment*- means expenditure of capital by an investor to establish a new enterprise or to expand or upgrade one that already exists (Investment Proclamation of the FDRE proclamation NO. 280/2002)

*Corporate Social Responsibility*- is “a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and society” (ISO strategic advisory group on CSR).

*Affirmative duty*- refers to the aspect of CSR that businesses engage in to contribute to socio-economic development of disadvantaged communities.

*Negative Injunction Duty*- is the aspect of CSR that require businesses to avoid perpetuating deprivation and poverty through their core business operations.

## Chapter Two: Literature Review

### 2.1. Historical Background to CSR: The Corporate Accountability Movement

The social movement that later in the 1990's gave rise to the concept of CSR began in the 1970's. The 1970's was pivotal for the emergence the social movements in that it was in this decade that the welfare state declined and the western world experienced the resurgence of liberalism. The result was a massive privatisation of government roles and responsibilities including the role of government in meeting the welfare needs of citizens. With the advent of neo-liberalism market replaces the government as the primary arena for citizens to fulfil their welfare needs. By replacing the welfare state, neo-liberalism declared the hegemony of MNC's and further contributes to the powerlessness of disadvantaged individuals and communities. The social movement for corporate accountability immediately set in motion seeking to pressurise corporations to attend to their irresponsible business practice and contribute to the welfare needs of local communities in which they conduct their operations. The movement was a global social movement because it also shared the developing nations call for a new economic order (De-winter, 2001).

The tension surrounding corporate social responsibility and/or corporate community involvement is necessarily a result of two contradictory values. These values are liberty and justice which prioritise self interest and collective interest respectively. The institution of government is ideally and conventionally associated with the responsibility to uphold the value of justice and collective interest while the institution of capitalism and business is considered to be the best social institution to safeguard liberty and self interest. Other social institutions such as family, religion and education nurture and educate individuals of the importance of balancing the two values. Similarly we can conceptualise corporate social responsibility as a mechanism

that seeks to balance these two values among corporations that are traditionally known for prioritising the value of self interest and liberty (Wood, et.al, 2002).

## **2.2. Corporate Social Responsibility Today**

Corporate social responsibility is increasingly winning the attention of business companies throughout the world. Owners and leaders of corporations are admitting the importance of addressing challenges related to environmental protection and socio-economic development. One indicator that shows the increasing acceptance of CSR is the rise in the number of signatory companies of UNGC which today is the largest CSR initiative. Only 40 companies were present to sign the initiative at its launch in 2000. But today the initiative has 8000 signatory corporations and 4000 civil societies.

However even though the acceptance of CSR is growing, its implementation is still in its infancy. In its report of global sustainability report which reflects the current status of CSR, UNGC underlines that the majority (65%) of signatory companies are still on the initial stages of accepting the principles of CSR and committing themselves to the principles. The remaining 35% only integrate the social responsibility and sustainability principles into their operations.

Companies pledged their allegiance to the effort to address the UN priorities of development for the 21<sup>st</sup> century such as poverty reduction, health, education, equality, etc since the inception of these principles as fundamental priorities in 2000. The survey by UNGC in 2013 indicates that 70% of the signatory companies of the initiative are taking actions to address these issues.

However, contrary to such a claim of the contribution of corporations to sustainable development through their CSR there are also empirical researches exposing the “true” intention of corporations implementing CSR in different parts of the world. For instance, in her study of the community development projects of the Coca Cola Company in Israel Barcay (2011),

concludes that CSR's "community programs function as material performances of present-day capitalist ideology". Her study describes how the company designed the community program in a response to the global sales crises it faced as a result of the spread of rumours that reflect Coca's negative health impacts. According to her explanations, the community programs were used for publicity purposes which eventually helped address the sales crises that the company had faced. But the projects did not bring about the desired improvements in the communities.

### **2.3. Motives to CSR and the Business Case of CSR**

Analysis of the corporate citizenship statements of corporations reflects that one or a combination of three reasoning drive businesses' engagement in CSR. These reasoning are normative, pragmatic and instrumental reasoning. The first reasoning that companies often forward to justify their CSR is a combination of normative and pragmatic motive. Their reasoning in this respect is that at nowadays communities are considered one of the significant stakeholders in the immediate environment of corporations. As a result corporations claim of the need to act in a responsible manner to such a stakeholder. Secondly companies pursue CSR as it is the best mechanism to show that they are attuned to the needs, desires and spirit of the public which is a pragmatic motive or reasoning. The third common reasoning by companies employs a combination of normative and instrumental reasoning. It asserts that CSR is a right thing to do and when companies contribute to the community they are indirectly contributing to the overall wellbeing of societies which again creates the favourable conditions they need to conduct their businesses. The fourth reasoning, which is based on the instrumental motive, state that CSR is a strategic approach to build and enhance the reputation of the company (Muthuri, Moon and Idemudia, 2012).

Corporations themselves have benefited from their engagement in community development initiatives. As a strategic business objective CSR has enabled the corporations to

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

improve their reputation (Arora and Kazimi, 2012). There are even claims that community development projects of corporations only serve as “material performance of capitalism” (see Barkay, 2011)

The available literature shows that MNCs have failed to bring about the desired impact on community development as a result of their inclination to the business case of CSR. When the business case for CSR dominates the community development projects, there will be several impediments limiting the impacts of the projects for the following reasons. In the community development projects the corporations will take the liberty of defining the needs of the community while the community itself should be given the chance to do so. The result would be that the needs of the company would be prioritised over the needs of the community in the design of the program and in the subsequent projects. This is primarily because of the tendency of companies to emphasise only on the inputs that they have brought to the projects. As a result the company would not even assess the potential impacts of the projects. This all reflect inclination of businesses to emphasise the business case of CSR over the community case (Barkay, 2011).

#### **2.4. CSR: the Case for the Discipline of Community Development**

The evaluation of 103 MBA curriculums in American universities by Wood et.al in 2002 reflects that Corporate Involvement in community economic development is commonly thought by various courses in different schools including schools of social work (Wood, et.al, 2002).

Similarly, the discipline of community development is among those disciplines that are concerned with the process of globalisation as it shapes the opportunities and constraints of individuals and local communities. The existing process of globalisation is dictated by economic fundamentalism. The idea of the world as one village prioritizes the breach of trade barriers to give the necessary momentum for the dominance of free trade principles to create a globalised

economy. As we know it this globalised economy is one sided as it benefits the more affluent people and nations. One of the consequences of this process of globalisation is that nation states are controlled by the globalised economy. That is, should any state take measures to withdraw itself from the globalised economy, it would risk exposing itself to macro economic crises which would destroy the sustenance of its citizens and potentially their lives (William, 2002).

The discipline of community development attends to the process of globalisation for one more fundamental reason. As the globalised economy is expanding its hegemony by controlling governments throughout the globe, one immediate consequence has been the reduction of welfare expenditure by governments. Under normal circumstances, to address income inequality and to pull their citizens from the slump of poverty, governments rely on taxes collected from citizens and businesses. However, with the advent of the globalised economy any increase in taxation on businesses is considered to have a negative impact on economic performances. As a result the welfare expenditure of governments is facing drastic cuts. And this has presented its own challenge to the fulfilment of the community development needs of citizens and communities (William, 2002).

## **2.5. What Influences CSR penetration and Practice in nation states?**

The practice and penetration of CSR varies between countries. And this variation is not attributed to the level of development of respective countries as widely was assumed but to the available institutional and legal arrangements and incentives of nation states. In their study on CSR penetration in seven Asian nations Chapple and Moon (2005) conclude that there was no statistically significant relationship between CSR penetration and national level of development which was measured by GNP. The common assumption debunked by this research claims that CSR was matured in developed nations because the businesses had abundant resources that they can transfer into social investment in communities. But as their research implies that was not

necessarily the case as less developed nations in their study had a better CSR penetration than the more developed nations. Their study concludes that CSR practice and its penetration tends to be dependent on national contextual factors. The lesson for developing nations in the south and their governments is that CSR can be promoted if the necessary arrangements are established which may include legal provisions.

One other important conclusion of the research by Chapple and Moon (2005) was that there is also no statistically significant relationship between CSR penetration and national economic composition. This has helped to disprove the common assumption that associates nation states dominated by agricultural and industrial sectors with low CSR practice and those dominated by service sector with better CSR practice. The notion behind this assumption was that service sector businesses tend to be more responsible than agricultural and industrial businesses.

Generally contextual factor such as an enabling environments influence CSR penetration and its practice. This is also evident from South Africa's case, a nation that has gone ahead of other African states in terms of CSR practice. The experience of South Africa reflects that regulatory forces or proclamations are an important starting point to engage businesses in CSR and contribute to the fulfilment of social development goals. The CSR related legislations in South Africa systematically facilitated good corporate behaviour by providing incentives, pressures and benchmarks for good corporate behaviour (Arya and Bassi, 2011).

---

## **2.6. The Criticisms of the Mainstream CSR Agenda and practice**

Currently, the major concern of the scholarship of CSR is the gap between the rhetoric and practice of community development under the CSR initiatives of MNC's in developing nations. MNCs coming from the west and Asia fail to recognise the differences in the context of CSR in developing nations and the western world (Idemudia, 2011). For instance, Muthuri

Moon and Idemudia (2012) calls for MNCs to innovate new and suitable mechanisms to address the sustainable community development question of developing nations. This is because the expectations that local communities, CSOs and governments of developing countries have of MNCs is different from those reflected by the same kind of stakeholders in the places of origin of the MNCs; the Western world. In the developing nations there is the expectation for MNCs to assume a Para-governmental role. Two reasons can be raised for such a different expectation by local communities of developing nations according to Muthuri, Moon and Idemudia (2012).

The first reason is that there is a widespread governance shortcoming whereby states are unable to meet the community development needs of local communities. The second reason has to do with the fact that the MNCs possess abundant resources and capacity to assist local communities in addressing community development needs. Amassing billions of dollars from their investment in developing nations, the MNCs are expected to contribute their fair share to the need for sustainable community development in disadvantaged communities.

Many of the existing empirical researches reflect that CSR initiatives have failed to fulfil their promise. These researches criticise CSR for failing to ignore contextual factors, for not being development oriented and for providing more attention to the business dimension as opposed to the community dimension of CSR. Such failures stem from adopting a western view of CSR in developing nations which present a totally different context. The western view is an instrumental perspective that places an emphasis on the business case of CSR and spans for a short period of time, thereby failing to address the structural and deep rooted development related problems of communities in developing nations. Sustainable development and CSR can only be causally associated when CSR gives the primary attention to factors that result in powerlessness and vulnerability of African communities such as low level of education and material deprivation. In addressing such problems relational and participatory approach must open the path for local communities to own the process of development (Muthuri, 2012).

Similarly, Idemudia (2011) criticized the mainstream CSR initiatives and its approach in developing countries for failing to bring about their intended purpose regarding sustainable community development. His first fundamental critic of the mainstream CSR initiatives in developing nations is that they tend to ignore the needs, realities and priorities of local communities. Without specifically consulting the local communities regarding their pressing issues and top priorities, MNCs design and implement CSR initiatives in order to sustain their acceptance and operations in the localities. There have been evidences supporting the argument that business' CSR initiatives, which only offer a minimal support to address the symptoms of deep rooted problems such as chronic poverty, were used for public relations consumptions without bringing about a tangible and sustainable change in local communities' lives. For a long period of time "structural and policy determinants of underdevelopment" have been over-looked by CSR initiatives in developing nations.

Charitable donations of philanthropy by corporations in the traditional or mainstream CSR initiatives as an approach to community development have their own contribution to community development. But the contributions of such approach may not always be sustainable as global economic crises may force companies to cut down their expenditure in such donations. Successful corporate-community relationship and sustainable community development will be a reality if a genuine approach of CSR is adopted that puts the community at its core. Putting the community at the centre requires placing emphasise on the capabilities and assets of local communities (Muthuri, 2012).

The same kind of sentiment regarding CSR and community development is reflected by Ganuza, (2012). In determining whether the management of a company is socially responsible he identifies two important factors. First, a socially responsible company is concerned not only about the interests of shareholders but also about the stakeholders affected by the company's activities (employees, consumers, suppliers, society as a whole, etc.). Second, in order to be

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

considered socially responsible, actions must be voluntary and go beyond what is required by regulatory institutions on environmental protection, workers' rights, consumer protection, and the like.

Fulfilling these concerns require MNCs to adopt the bottom-up approach in their CSR initiatives to bring about community development. Often two reasons are mentioned as to why the bottom-up approach to CSR initiatives should be used. Firstly, this approach helps understand the impact of CSR on local communities rather than on business. This is because the bottom-up approach begins from the needs, realities and priorities of the local communities. It does not impose western values and interests rather it begins from the values and voices of local communities. Secondly adopting the bottom-up approach to CSR helps to generate new insights for both CSR policies and practice (Idemudia, 2011).

In his study of Corporate Partnerships and Community Development in Nigerian Oil Industry in (2009), Idemudia recommends that the 'bottom-up' approach is more likely to achieve community capacity building and empowerment than the 'top-down' approach. Therefore, checking whether such a framework for capacity building exists in the projects help to evaluate whether the projects are development oriented.

## **2.7. Review of CSR theories**

### **2.7.1. The emerging south centred critical perspective of CSR**

The criticism of the mainstream CSR initiative for failing to recognise the needs and priorities of local communities in developing nations has led to the emergence of the South Centred Critical CSR perspective. This criticism by this newly emerging perspective stems from the recognition that the mainstream CSR agenda is essentially a western perspective which is incompatible with the needs, priorities and contexts of developing nations. Unlike the mainstream CSR initiatives, the south-centred initiative gives emphasise to the needs and

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

context of localities of developing nations. It seeks to provide a base on how CSR initiatives could be designed and implemented to change in peoples' lives by bringing about sustainable development and poverty reduction. Thus the South-centred CSR is critical of CSR initiatives and more development oriented (Idemudia, 2011).

According to Idemudia the South-Centred CSR agenda is critical of some issues. Firstly it asserts the importance of contextual analysis of local communities to better utilize the potential of CSR to community development. This is to ensure that indigenous values and norms should guide the designing and implementations of CSR initiative. The mainstream CSR initiatives have been simply importing CSR policies and practices from the west. As a result they have been unable to recognise and address the needs, realities and priorities of local communities in developing nations. The contextual analysis of local communities' culture, values, and norms helps to capture the realities of developing nations and attend to their real priorities.

The second issue that the South-centred CSR agenda has to do with a critical analysis of "an enabling environment", in other words the role of government, which make effective and appropriate use of the potential of CSR to community development. This enabling environment is the availability of national policy frameworks that regulates appropriate CSR practice and fosters the capacity of Civil Society Organizations. In this respect governments in developing countries lag behind western countries which have developed national policies and ministerial offices to effectively pressure MNCs to adopt CSR initiatives and regulate the operations of MNCs.

The third issue that the South-centred CSR agenda advocates for is the development of varying definitions of CSR by indigenous people. The mainstream CSR agenda have been lacking this component as it advocated the western point of view in conceptualising CSR. This in turn has resulted in the failure of the CSR initiatives to recognise the priorities and needs of

local communities. Poverty reduction and capacity building which are central to bring about development have been often frequently ignored by CSR in developing countries.

According to Idemudia if the emerging critical south centred CSR agenda is to achieve its full potential to contribute for sustainable development in Africa, three principal issues must be addressed. First of all the tendency of contemporary CSR research and analysis to separately focus on the relationship between CSR and either context, development and practices must be changed so that a holistic and integrated approach will be adopted to analyse all these issues. Idemudia suspects that these separate focuses may be the reason why CSR researches and analysis have been unable to “discern in clear terms the exact impact of CSR on sustainable development” in the developing world. Avoiding this piece meal approach to separately analyse CSR and related issues for a more integrated approach is also expected to overcome the lack of a “well-elaborated” research methodology to assess the exact impact of CSR.

The push towards adopting this integrated approach is based on recognition that uncovering the link between development and CSR is complex and that there are different forces in play to influence the impact of CSR on development. CSR initiatives are often bounded and influenced by the cultural, social, economic and political contexts of a society. Besides, various actors participate in the design and implementation of CSR initiatives seeking to leverage their own interests. Stakeholder responsibilities and privileges as well as how the intended beneficial perceive CSR must be taken into account as well. Thus an appropriate research that seeks to associate CSR and development should give due attention these complex of interactions influencing CSR initiatives. Besides, such an approach helps to uncover structural factors that facilitate and inhibit CSR initiatives.

The second issue that the south-centred CSR agenda must improve at is regarding the failure to critically engage governments to play better roles in facilitating an enabling environment for CSR initiatives. The existence of an enabling environment can help both

business and beneficial leverage the most out of the initiatives. The emerging CSR agenda should place emphasise on the linkages between “the micro, messo and macro” processes influencing the success of CSR initiatives to bring about sustainable development in developing countries.

Finally researchers as well as advocates of CSR in the developing nation should adopt and facilitate the bottom-up approach to CSR analysis as opposed to the top-down approach. Studies emphasising the bottom-up approach are still at their infancy and a lot more is expected if developing countries are to make the best out of CSR initiatives.

### **2.7.2. The theory of corporate social governance**

The view that business companies are only impediments to development is coming to an end as a new conceptualisation of MNCs is surfacing. According to this view now there is a widespread tendency to consider MNCs as sources of solutions to the most pressing socio-economic problems faced by societies and communities of developing nations (Muthuri, Moon and Idemudia , 2012). Now poverty reduction, community development, the provision of welfare services and empowerment are not considered to be the sole responsibility of the state. This in part stems from the recognition of the contribution of MNCs and businesses in general to such a public policy issues. And business firms around the world are showing increasing interest to participate in community development efforts through their CSR initiatives and contribute to the improvement in quality of life to local communities including those that reside in developing countries (Arora and Kazimi, 2012). Such changes that invite MNCs to the social governance arena are the concern of the corporate social governance theory.

At times especially in developing nations MNCs have been found to have contributed more than governments were able to contribute to social development. This is mainly attributed to the large amount of financial resource at the disposal of the corporations. For instance in some

local communities MNCs through their CSR projects have rendered service that the local government was never able to avail. The implication is that in developing nations MNCs have acted as 'surrogates' of governments. They are assisting governments in the global south in areas where they are unable to properly serve their citizens, fulfilling the economic and social development needs of their communities (Eweje, 2006).

Perhaps the best example where governments have been inviting businesses into the social governance arena to help improve socio-economic conditions and bring about empowerment can be seen from the case of South Africa. The government of South Africa has been promoting CSR related regulations since 1994 to enhance the economic empowerment of historically oppressed black people. The regulations have led corporations to get involved in addressing the historical exclusion of black people and communities from the mainstream economy. The effort of the government to promote CSR culminated in the legislation of two significant CSR related regulations: Broad Based Black Economic Empowerment Act (BBBEE) and the Code of Good practice which came out in 2003 and 2007 respectively (Arya and Bassi, 2011).

By following the standards set by the regulations corporations have been contributing their own share to the cause of the proclamation which is the economic empowerment of black people and black communities. By doing so, businesses in South Africa are led to get involved in public policy matters and the administration of social development which conventionally fall under the category of the social governance responsibility of the state (Arya and Bassi, 2011).

One of the impacts of corporations' involvement in community and social development endeavours has been the change in the economic and political environment and infrastructures at the macro level. Their engagement in CSR has given them a state-like role and has facilitated changes in several arena of social life including the institutional set up of societies, governance structure and process, and cultural change. There have even been accounts reflecting

Corporations' contributions in narrowing and bridging the gaps between the public sector and local communities in the provision of social welfare. Such a "bridging role" has contributed to the fulfilment of the respective goals of the public sector and the communities. As mediating institutions corporations are also altering the civic arena (Arora and Kazimi, 2012).

However, the increased corporate involvement in the administration of social services through their Corporate Social Responsibility initiatives is not without negative consequences. One of these consequences which is more widely observed in developing nations is that corporations' involvement in the administration and allocation of welfare services has been contributing to the ever growing 'democratic deficit' observed in these nations. The notion of CSR coupled with the limited capacity of states has driven the increased involvement of corporations in dealing with public issues such as meeting the development needs of communities. This indirectly had the effect of reducing states' involvement in the endeavour and at times contributed to the declining power of states in controlling the administration of development (Scherer, et.al, 2012).

In her study on the community development projects of Coca Cola in Israel Barkay (2011) explained the fact that states have become unable to meet the socio-economic needs of their population and as a result they are becoming increasingly dependent up on non-state actors. This relates to the changing climate of governance observed where by states are inviting corporations get involved in addressing social issues. The change of governance is typified by a democratic deficit as there is imbalance in the responsibilities and roles of the stakeholders. Businesses play the decisive role while the communities and local governments are reduced to a secondary role. Businesses have recognised that due to a shortage of resources, local governments would cooperate for any initiative that would bring even a meagre result to their population. This realisation has given them the upper hand in their engagement with the stakeholders. As a result the community projects are designed in order to maintain this

unbalanced relationship with stakeholders whereby commercial concerns are emphasised and the businesses reap the bigger benefit. Her ultimate conclusion was that community development projects are used as a mechanism to enhance corporate power and dominance (Barkay, 2011).

Addressing the ‘democratic deficit’ caused by corporations’ involvement in the civic arena requires embracing democratic principles on the side of corporations. Engaging the several stakeholders such as Civil Society Organisations, communities, local governments and public institutions can be the first step that corporations take in embracing the desired democratic principles (Scherer, et.al, 2012).

Besides, there are also claims calling for caution to be taken to curb the potential negative impacts of market rationality that may prevail as corporations increase their involvement in public issues through CSR. The potential negative impact is that some social welfare services may be neglected due to the dominance of market rationality. As a result it is advised that a strong partnership between Corporations and civil society organisations be promoted to ensure that all the desires of local communities would be met (Arora and Kazimi, 2012).

## **2.8. Conceptual Framework**

This research will rely on the Emerging South Centred Critical CSR Perspective as a research planning or analytical tool to assess the relationship between CSR and Community development and to assess the contextual factors that influence the design, process and implementation of the community development project in Dugdadera Village of Meta Guta Kombole Kebele of Berek Woreda of Oromia Region.

Idemudia (2009) identified different studies that try to reflect the relationship between CSR and community development. Some of the studies show that CSR has had its own contribution to development while the rest of them tell the opposite. However there is a lack of a

systematically accumulated knowledge to explain why this is the case. Idemudia (2009) reflect that even though we know more about “the developmental outcomes” of CSR, ascertaining the CSR-development relationship requires investigating the “the process that informs” the relationship. And to do so he proposes an analytical strategy that helps investigate the process that informs the CSR-Development nexus.

The first issue is ensuring conceptual clarity at the outset of investigation. That is, there is a need recognise and take into consideration the multifaceted nature of both CSR and development to address the definitional problem of both terms. This definitional problem has resulted in an uncritical acceptance or rejection of CSR. One of the first steps that can be taken to address this short coming regarding the concept of CSR is to recognise the distinction between corporations’ affirmative duties to contribute to socio-economic development and their negative injunction duties to avoid perpetuating deprivation and poverty in developing nations. The implication is that a business’s impact on development is a combination of its balanced activities in both this areas. That is philanthropic activities or involvement in community development activities by the business would not be sufficient to claim that the business had contributed to development. It must also carry out its negative injunction duties to conduct its operations in a responsible manner.

The second issue is analytical clarity. That means investigation on CSR should focus on aspects of development that are possible to qualitatively and quantitatively measure. Such aspects may be poverty reduction, community empowerment or capacity building. This is because concepts such as ‘CSR’ and ‘Development’ are difficult to qualitatively measure.

The third important consideration while assessing the relationship between CSR and development is the responsibility of stakeholders. This is based on the recognition that the task of community development requires the involvement of several stakeholders. This is no different when it comes to CSR projects. That is CSR would not succeed unless other stakeholders carry

out their responsibilities. The appropriate balance and combinations should be maintained between the roles and responsibilities of the different stakeholders. This requires the availability of an enabling environment, the political contestations surrounding the CSR and the structural constraints in developing nations.

And finally in order to assess the impact of CSR attention has to be placed on “the impact of the different CSR strategies employed by business to contribute to sustainable development”. That is, rather than focusing on the holistic impact of CSR it would be better to focus on specific issues of development such as poverty reduction and capacity building. Such an approach is more helpful as it enables to assess the impact of CSR based on the experiences of beneficiaries.

Thus the focus on conceptual specificity, analytical clarity and emphasis on beneficial experience is believed to give a better account of the relationship between CSR and community development.

Besides, in order to investigate the contextual factors in play in the CSR project the study will use the emerging South Centred Critical Perspective of CSR. The perspective identifies three dimensions of the contextual analysis (Idemudia, 2011). Firstly, it calls for the analysis of the underlying values of CSR policy and practice. According to the theory it is essential to evaluate if the values that underlie the CSR are compatible with the value system of the target community. This is because one of the weakness of CSR initiatives is their failure design their projects in line with the values and culture of the communities in which they operate.

The second aspect of contextual analysis in this perspective has to do with the role of the government in facilitating CSR initiatives. Unlike the developed nations governments in developing nations lag behind in enforcing or motivating corporation to act in a responsible manner. This is to imply that there is a need to formulate a policy framework to enhance the

growth of CSR in developing nations. Besides the government is also expected to enhance the capacity of civil society organizations that can challenge corporations for more efforts.

The third and final aspect of the contextual analysis in the perspective is the need to observe and evaluate the conceptualisation of CSR by local communities. The expectations of local communities regarding CSR varies based on their culture, perception and need. CSR initiatives would succeed in fostering community development if they recognize these issues at the outset.

## Chapter Three: Research Methods

### 3.1. Research Design

This study applied a qualitative method in order to identify the impacts of a Corporate Social Responsibility initiative to community development from the point of view of the members of the community. The study followed a case study design and a single case, LG's CSR community development project that is being implemented in Dugdhera was used to address the objectives of the research. I found case study to be the most appropriate research design for this particular research project for the following reasons. First of all case study helps uncover the realities of contemporary "complex social phenomena" while "retaining the holistic and meaningful characteristics of real life events". That is, case studies are appropriate if and when the research is concerned with uncovering contextual factors in phenomena (Yin, 2003). The concern of this research fits in this description in that the researcher targeted to understand the overall characteristics of such a complex social phenomena as Corporate Social Responsibility which involves several stakeholders and contextual factors.

Besides, case study is also the preferable design of research to answer the "what" question as in the exploration of what can be learnt from an effective implementation of a particular project or program which had been one of the concerns of this research. In addition case study is the appropriate research design to answer "how" and "why" questions not in the sense of coming up with frequencies but in explaining the operational link between different phenomena over time (Yin, 2003).

### 3.2. Participants of the Study

This research had three groups of participants. The first group of participants include fourteen heads of households in the Dugdhera village that were involved in the in-depth interview. Nine of them were male while the remaining five were female. The second group of participants are eight heads of household that were involved in the focus group discussion. Four

of the discussants were male while the remaining four were female. Thirdly, the chairman of the *Kebele* administration and the chairman of the community's '*Iddir*' were involved in the research as key informants. Convenience sampling was used to select the fourteen participants of the study in the in-depth interview and the eight participants in the FGD.

### **3.3. Unit of Analysis**

The unit of analysis for this research are the households in the Dugdadera village. This was because the CSR community development project of LG targets to bring about the desired changes primarily at the household level.

### **3.4. Data Collection Instruments**

The following instruments were employed to gather the required data from the sources.

#### **3.4.1. In-depth Interview**

In-depth interview was the technique of data collection used to gather the required data from the fourteen heads of households that were selected using convenience sampling. An in-depth interview of about forty five minutes to one hour was conducted with each of these participants.

#### **3.4.2. Key Informant Interview**

Key informant interview was conducted with the chairman of the *Kebele* administration and the chairman of the '*Iddir*' in the community to gather more data on how the community perceives the project and its effects on the socio-economic life of the community.

#### **3.4.3. Focus Group Discussion**

Focus group discussion was conducted with eight members of the community to get more information regarding their participation in the designing and implementation of the

project and to evaluate their satisfaction regarding the impacts of the projects. The researcher had achieved gender balance. Therefore the FGD was composed of four females and four males.

#### **3.4.4. Document review**

To support the findings gained from the in-depth interviews and the FGD a document that discusses project's profile was reviewed to understand the provisions of the project and its underlying values.

#### **3.4.5. Observation**

Observation was conducted to see how the different types of provisions of a project are being implemented on the ground and to see how much members of the community actively participate in the implementation of the project. Besides, observation of the community had helped to evaluate the changes brought as a result of the contributions of the CSR community development project. The results of the observation was triangulated with data from other sources to make evaluative judgements on the real intent of the CSR project.

### **3.5. Procedure of Data Collection**

Before engaging in the data collection activities, the researcher made sure that the necessary preconditions were met. That included firstly building a rapport with the local government and the community and get the trust, permission and approval of the local government to collect the data.

The first data collection task was observation. The researcher had firstly carried out an extensive observation of the community to have an overall picture of the status of the community. After that preliminary observation, the researcher then proceeded to an observation of more detailed issues such as the changes brought by the project. The observation activity was not a onetime task.

Secondly, to understand the design of the project and the provisions of the project I had reviewed the profile of the project. The document review helped the researcher gain an insight into the underlying values of the project as well as the aspirations and goals of the project.

The third task in the data collection procedure was conducting the interviews. And important stakeholders such as fourteen residents of the community, the chairman of the '*Iddir*' who is also a resident of the community and the chairman of the *Kebele* administration were interviewed to gain a data on the views and perceptions of these stakeholders regarding the topic as well as to record the changes brought as a result of the CSR community development project.

Then, in order to get more detailed data especially on how the CSR community development project and its impact were perceived by the community, the FGD was conducted. Data and information gained from the observations, document review and interviews were crosschecked in the FGD.

### **3.6. Techniques of Data Analysis**

Before the analytical work was done the first task was the translation of the data from Afan Oromo and Amharic into English. The method of qualitative analysis especially for the interviews and the FGD followed an analytical hierarchy developed by Ritchie and Lewis (2003). The analytical hierarchy has three stages each having a series of analytical activities. These stages are data management, constructing descriptive accounts and explanatory accounts.

In the data management stage the researcher reduced, sorted and ordered the large amount of raw data which is typical of qualitative studies. The activity of sorting the data was done to make it more manageable. This was done through a series of analytic tasks the first of which was identifying the recurring initial themes and sub themes or concepts.

The second task at this stage was the preparation of an index or a thematic framework which contains hierarchy of major themes and subthemes. The index was constructed by identifying relations between different categories, grouping them thematically and sorting them

according to different levels of generality. Then the researcher conducted the indexing or labelling or tagging activity which is the task of applying the index to the raw data.

The final analytic task of the researcher in this first stage was to sort, synthesise and summarise the data. This task was conducted by constructing a thematic chart. Here a separate thematic chart was prepared for each theme and its subsequent sub topics with each respondent given a separate row and the subtopics plotted on the columns. This brought together materials of the same content together and summarise the data by retaining its content and context.

The second analytical stage followed by the researcher was the construction of descriptive accounts. In this case the already synthesised data was used to identify key dimensions, elements and accounts, and prepare descriptive accounts regarding the range, diversity and nature of phenomena. In doing so, the researcher looked into the themes and across all cases to measure the range of attitudes, beliefs and experiences. Then the researcher tried to distil and sort the key dimensions within the ranges to identify more refined categories.

The third and final analytic stage in the hierarchy is the task of developing explanatory accounts. This implies that the researcher looked for patterns of associations and recurrent linkages, processes and contradictions within the data and make accounts for why those patterns had occurred. In this analytic stage of constructing explanatory accounts the researcher had applied triangulation. That is, the researcher scrutinised the data found from the different sources such as observation, FGD and document review to make explanatory claims.

---

### **3.7. Ensuring Rigour/ Trustworthiness**

The first way of addressing the question of bias should be through admitting the fact that all research work is influenced by some form of political interest and theoretical construct (Ezzy, 2002). The researcher admits such a claim and exerted his utmost effort to minimise bias to the minimum level possible. But because this is a qualitative research and standardised and numerical methods of ensuring trustworthiness were impossible, firstly the researcher had relied

on his personal integrity. This implies that the researcher had refrained from activities such as inserting personal opinion into the data and using data selectively to support the preferred personal views and opinions.

In addition to personal integrity, the researcher used a variety of checks to ensure the rigour and trustworthiness of his findings. These checks include firstly scrutinising evidence carefully and sceptically. That is, for any statements made the researcher had looked for confirming evidence from various sources to maintain internal consistency. Besides, the researcher had checked if his sources have firsthand information on the issue. Another check was the detailed raw data generated in the research. The large amount of data in the form of notes that was generated in this research, with reference to the sources, also provided a thick description of the phenomena.

Finally as Krueger and Newman (2006) stated it the most important way that a qualitative research ensures trustworthiness is through the way it narrates and presents evidence. The evidence and discussions are presented in a way to provide the reader with a sufficient amount of detail and texture there by allowing the reader to trust what he/she is reading.

### **3.8. Scope of the Study**

This study is delimited to the analysis of the CSR community development project of LG electronics which is being implemented in Dugdadera Village. And even though CSR has a variety of concerns including labour, corruption, human rights, and environment, this study was delimited to the analysis of corporate social investment which is also called corporate community engagement and/or corporate community involvement.

### **3.9. Ethical Consideration**

This research was conducted in accordance with the ethics of social work research. Hence the researcher had exerted his utmost effort to make sure that there was no harm done to the respondents of the research. To do so the researcher first prepared a consent form that was

signed by every respondent prior to any other data collection procedure. The consent form informed the respondents what the research was going to be about. It revealed to every respondent that he/she has the right to withdraw him/her self from participation in the research process anytime he/she wants.

### **3.10. Limitations of the study**

One major limitation of this study was that the researcher's search for literature and empirical study on the topic in Ethiopia was not successful. This may be attributed to several reasons but the major ones are possibly that the concept of CSR itself is new, not just to our country but globally. Besides the scholarship of CSR is at its infancy and requires time to mature and capture the attention of researchers and policy makers. The other major limitation in this study was that the MNC and the NGO implementing the CSR community development project were not willing to participate in be part of the study. An input from the two organisations would have given more information regarding the CSR community development project in general and the underlying values of the CSR policy and practice in particular. But the researcher had tried to fill the gap in the information regarding the project and its underlying values that the two stakeholders should have given by reviewing a document that discusses the profile of the project and its provisions.

## Chapter Four: Findings

### 4.1. Introduction

This chapter presents the findings of the study. The findings of the study are presented under six sections. Firstly, the personal profile of the participants of the study is presented. Secondly the background and details of the Dugdedhera community where the CSR community development project of LG Corporation was being implemented is presented. Thirdly the impacts of the project on the community's socio-economic life are presented along with the community's evaluation of the changes brought as a result of the project. In the fourth section of the chapter analysis of the contextual factors in relation to the CSR community development project is presented. The fifth section on the other hand presents analysis of the approaches and activities used in the designing and implementation of the project. Finally the roles, responsibilities and experiences of the community and local government in relation to the project are presented.

The six sections presented here in this chapter emerge as the major themes each having their own sub concepts that are presented here as sub sections. Following the analytical hierarchy for qualitative analysis developed by Ritchie and Lewis (2003) the themes and sub concepts were identified and an index or a thematic framework was developed by observing the relationship between the themes and the sub concepts and putting them hierarchically. Following is the conceptual framework or the index.

- 
1. Personal Detail of the Respondents
    - 1.1. Demographic/ household characteristics
    - 1.2. Means of livelihood
    - 1.3. Other issues
  2. Details of the community
    - 2.1. The Dominant means of Livelihood

- 2.2. Accessibility of Infrastructures
- 2.3. Magnitude of socio-economic problems before the Project was operational
- 2.4. Past attempts at solving the socio-economic problems of the community
- 2.5. Other issues
- 3. Effects of the project on the socio-economic lives of the village
  - 3.1. Activities already done and benefits already provided for the community
  - 3.2. Ongoing activities and benefits being provided for the community
  - 3.3. Benefits that the individual households have gained
  - 3.4. Changes brought as a result of the project and its activities so far
  - 3.5. Satisfaction
    - 3.5.1. The community's Evaluation of the activities and benefits provided so far
    - 3.5.2. The Community's Evaluation of the changes brought as a result of the activities and benefits
  - 3.6. Other Issues
- 4. Contextual Factors
  - 4.1. The underlying values of the CSR policy and practice (Real Intent)
  - 4.2. Enabling environment/ role of government
  - 4.3. The community' conceptualisation of the project
  - 4.4. Other Issues
- 5. Processes and approaches in the designing and implementation of the project
  - 5.1. Meeting held between the village and the MNC and the local government
  - 5.2. Processes and activities in the designing of the project
  - 5.3. Processes and approaches in the implementation of the project
  - 5.4. Other Issues
- 6. The role, responsibilities and experiences of Stakeholders

## 6.1. The Community's roles, responsibilities and experiences

6.1.1. The community's roles and responsibilities in the designing and implementation of the project

6.1.2. Dissatisfactions of the community towards the project

## 6.2. The roles, responsibilities and experiences of the local governments

Based on this thematic framework the data was scrutinised in detail to identify descriptive and explanatory accounts which are presented below in this chapter.

#### 4.2. Personal Profile of the Participants

The participants of this study can be simply categorised into three groups based on the technique of data collection used to engage them in the study. The first of these categories includes the fourteen participants who are the residents of the community and heads of their household and who engaged in in-depth interviews. Five of these participants are female while the remaining nine are male. On the other hand eleven of them are married while one is divorced and two are widowed. Table 1 summarizes the socio-demographic profiles of these fourteen participants.

Table 1- Socio-demographic Profiles of Interview participants

Characteristics	Category	Number
Sex	Male	5
	Female	9
Age	26-30	3
	31-40	4
	41-50	4
	51-64	3
Marital Status	Married	11
	Divorced	1
	Widowed	2
Number of Children	1-3	3
	4-5	7
	6-10	4
Educational Background	Never been to school	11
	1-4	3

The second category includes eight participants who engage in FGD. Four of them are male and the other four are female. Seven of them are married and one is widowed. Table 2 describes the socio-demographic profile of the discussants. Finally there are two participants who engaged in key informant interviews. One is an official from the Kebele administration and the other one is the chairman of the 'Iddir' in the community.

Table 2- Socio-demographic profiles of FGD Discussants

Characteristics	Category	Number
Sex	Male	4
	Female	4
Age	26-30	2
	31-40	3
	41-50	1
	51-64	2
Marital Status	Married	7
	Divorced	-
	Widowed	1
Educational Background	Never been to school	5
	1-4	2
	5-8	1
	9-10	-

#### 4.3. Details of the Community

Dugdetherera is a rural village located in Kombole *Kebele* of the Bereh *Woreda* of Finfinee Surrounding Special Zone of Oromia Regional State. It is located 66 K.M north of Addis Ababa. From the interviews with the key informants of the study, the chairman of the *Kebele* and the chairman of the 'Iddir', it was understood that agriculture is the dominant means of livelihood of the village. Teff and Wheat are the major cereals produced in the village with other crops also produced by the residents in small scale to support their lives.

As the chairman of the *Kebele* and the chairman of the community's 'Iddir', as well as all the other participants of the study who engaged in the in-depth interview and the FGD describe it Dugdetherera, was characterised by the absence of basic infrastructures especially prior to the implementation of the project. The community never had access to potable water; there

was no electric light; there was no road or a vehicle transportation connecting the community to neighbouring communities, there is no health post with in the village or nearby and the only school with in the village teaches only up to grade four. In order to get access to health posts and major market places the residents of the village had to walk for about two hours.

Prior to the implementation of the CSR community development project of LG the major problem experienced by the community was the lack of potable water. The community used to get access to water from a pond with in the village and from water well in a neighbouring village which requires a two hours long walk on foot. Kombole, the neighbouring village where the residents of Dugdedhera get water from is approximately five kilometres away which requires a total of more than three hours of walking carrying water. The problem of water became worse during the winter season. That is because of the absence of rain in the winter season in the community which makes the pond in the community empty. The chairman of the 'Iddir' who is considered as leader in the community also describes the problem of water experienced by the community as follows by highlighting the difficulties they pass through to get access to water that is not even clean. The chairman states that:

Before LG came to the community with the project idea the big problem we had was the problem of water. The water we used and drank was very dirty. To fetch that water we had to go to more than one hour on foot. It is around Guta. It is far away from here. Also there is one in Gimbicho *Wereda*. We also go there and fetch water. It would take us around one hour. We had to go through difficulties to get that water. Especially from February to June when there will not be rain there will not be anything called water here. (20<sup>th</sup> of March 2014. 10:00 a.m. Conducted in Dugdedhera village)

The lack of clean water had forced the community to consume water from ponds and well which had its own adverse health effects on the residents of the community. In most of the times children were the victim of water born disease. Belay (Pseudo name), one of the participants in the in-depth interviews describes the incidence of diarrhoea in the village as follows.

To get water for drinking we go to kombole and fetch it. We use our donkeys to fetch the water. Sometimes we carry it ourselves. Even that is not clean. We fetch it from a well. There were lots of children who got sick from drinking that water. My children used to get sick from diarrhoea because we used to drink dirty water. (21<sup>st</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera village)

The other problem experienced by the members of the community was the absence of road and as a result the absence of transportation which made accessing the markets in neighbouring communities and towns very difficult. Even now the road already constructed the residents of the village had to walk four to five kilometres on foot to get transportation to get to market places. Kumela (Pseudo name), another participant in the in-depth interviews describes the difficulty in relation to absence of road in the community as follows.

Our journey was always on foot. That is because we didn't have a road. So it was very difficult. It was very difficult when we went to Sendafa or Chefe for market. Even now we had to walk until Kombole. It is only after that we get vehicles for transportation. Now that the road is constructed it would be good if the government assigns transport for the community from Dugdedhera to Kombole. It is because that would help us sell our agricultural products without difficulties. But now we have to use the back of donkeys to transport our materials until Kombole where we have access to transportation. (21<sup>st</sup> of March 2014. 2:00 p.m. Conducted in Dugdedhera village)

Past attempts to mitigate the problems experienced by the community were not good enough. This is attributed firstly to the failure of the local government to successfully respond to their desires and fulfil the basic needs of the community. In describing the change that has come as a result of the CSR community development project the participants of this research indicate how little the local government had done in those areas. Belay describes the local government's effort as follows.

The *Kebele* has been living with us for a long period of time. And it hasn't brought us clean water. It hasn't constructed a road. At one time it has dug and brought out water. It worked for some time. Then it stopped working after a short period of time. And after it came out of use they didn't want to repair it. (21<sup>st</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera village)

#### **4.4. Impacts of the CSR Community Development Project on the Socio-Economic Lives of the Community**

##### **4.4.1. Benefits provided and activities performed by the project.**

The community development project under the CSR initiative of LG Corporation is a three years project. The project is an all level capacity enhancement program with the general objective of developing a model village that is free from dependency and that can share its development experience with neighbouring villages and regions in the country. The project is comprised of several initiatives which include social welfare initiatives, educational initiatives, health initiatives and income improvement initiatives. It aims to improve the income of 150 households, increase the agricultural productivity of 150 Households, increase children's school enrolment, and help 150 Households get access to potable water, hygiene and sanitation practices by the end of 2015. The project implementer, World Together Ethiopia (WTO)

visualises the enhancement of the community's welfare through raising households' income, the establishment of saving and credit scheme and the improvement of agricultural productivity.

As the project was still operational in its second year not all of the planned activities are implemented. The activities performed and benefits provided for the community so far are limited in number. However, they are significant for the overall improvement of the community.

The first benefit that the community has gained from the CSR community development project is that now the community has got potable water supply. All of the study participants agree on the importance of the project for availing clean water by highlighting the extent and magnitude of the problem of lack of potable water that the community used to experience. The magnitude of the problem of water and now that the problem had been resolved by the project in a short period of time has elevated the significance of the project in the eye of the community. As the chairman of the '*Iddir*' in the community and the official of the Kebele explained it and all the participants of this research unequivocally confirmed, the community never had access to clean and potable water services before the project starts operational. As it is also explained in the previous section the residents of the village consumed water from a pond or from water well that requires a three hours travel on foot. Considering the magnitude of the problem they used to experience in this regard, the participants of this research put access to potable water as the most important benefit that the project had provided.

The second benefit that the community has gained is a road infrastructure. Like the absence of potable water the other challenge of the community had been the absence of a road infrastructure that made vehicle transportation inaccessible for the residents of the community. Now, according to the chairman of the '*Iddir*' vehicle transportation has become a possibility even though the government has not yet assigned transportation reaching to the community.

In Dugdedhera there is one primary school that teaches at first cycle (Grade 1-4). The School had only two classrooms. The chairman of the *Kebele* reflected that as part of its aim to improve children's school enrolment the project has repaired the school and it has built a two class room library.

Besides the chairman of the *Kebele* indicated that school assistances were provided for students which include both learning materials and food aid which students can bring home and put to household consumption. The learning materials provided for students include exercise books and educational items. The food items on the other hand include oil and rice. There were also occasions when students had received soap from the project.

#### **4.4.2. Ongoing Activities and Benefits Being Provided by the Project.**

Besides the three activities performed in the areas of potable water, road construction, and school support, there was only one ongoing activity that was being carried out at the time of the data collection to the current study. The task being carried out was the distribution of the potable water into five different spots within the community. So far, after the potable water was made accessible, the community get access to potable water from one place where the water was originally brought out. And, in an effort to make water easily accessible, preparations and activities were underway to distribute the running water to five places with in the community. In line with this, the leader and chairman of the '*Iidir*' in the community who participated in this research as a key informant strongly asserts that the potable water program is not yet finalised as per the promise made by the MNC. He explained the situations as follows:

Even now I couldn't conclude that the water work of the Koreans is done. What is left is for example, we get water from one place. There is one place in the village where the water was brought out. Now they have planned to distribute the running water and install the running water at five different places. It is after the

running water is installed in five places in the village that we say the water project is finished. (23<sup>rd</sup> of March 2014. 10:00 a.m. Conducted in Dugdedhera village)

Besides to this, the chairman of the '*Iddir*' in the community has confirmed that preparations were finalised and a construction of water facility for the cattle was about to start. However, the participants of this research reflect some frustration because the potable water, the road construction and the school support activities were already accomplished before five months and no other major activity has been done in that period of time. The more sought benefits by the community were not provided until the time of data collection was finalised.

#### **4.4.3. Benefits Provided to the Individual Households.**

According to the chairman of the '*Iddir*' in the community there were benefits and assistances promised for individual households which so far have not been delivered. These benefits more widely needed and expected by the community include financial and material assistances as well as the provision of trainings to improve agriculture production. Benefits that households have gained so far are only in relation to the school assistance provided for students which include school materials and food items such as oil and rice. They are given for students but the students brought those materials to their home where all members of the household use the materials. However, the school assistances were not distributed for all the students in the school and as a result all the households in the community were not beneficial in that regard.

And this had been another area of disappointment for the community as expressed by chairman of the '*Iddir*'. The chairman of the '*Iddir*' also confirmed that except the school assistance there is no other benefits that the individual households of Dugdedhera have gained from the community development project.

#### 4.4.4 Changes brought as a result of the project.

The first major change that has happened within the community as a result of the CSR-community development project is related to access to potable water. Before the project starts potable water was not accessible to the community. As mentioned in the previous section the community used to get access to water either from a pond or from water well in a neighbouring village that requires a two hours of transportation on foot. But now with the help of the community development projects the residents of the community are able to get access to potable water in their own village. The fact that they are getting access to potable water meant a lot of change for them. Firstly, according to the participants of this research the water is clean and that it has improved their hygiene and sanitation. Kumela describes the change in this regard as follows: “Above all the water that the Koreans brought out is clean. Now we are not afraid that our children will get sick of diseases caused by polluted water. This is the change that the Koreans have brought regarding water.”

The other change that took place within the community in relation to access to potable water has to do with the fact that now the residents of the village get access to potable water within the village. That meant now the residents of the village don't have to walk for hours to get water. It has saved their time as well as energy to engage in other agricultural activities or any other activity they want to engage in. The fact that now water is accessible within the community has also been important for women in the community who are given the responsibility to fetch water from a neighbouring village of '*Kombole*' which is about three hours of transportation on foot. Ayantu, a resident of the community and another participant in the in-depth interview describes the change for women in the community including herself as follows.

Now we don't get tired. There is no problem of water now. It is very good now. We don't walk until Guta to fetch water. So it is very good to us. All the other women

are also happy. It reduces tiresomeness. (28<sup>th</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera village).

Now because she doesn't have to travel for hours on foot she said she can use the time which she spent in the past to fetching water to attend trainings that are promised to be provided by the project in the remainder of its time in the community. Asked if she is looking forward for the trainings on vegetable production and poultry production she responded as follows.

Now I have more time. That is because we can get water here. But in the past when we don't have water here, when there was a shortage of clean water in our community we went to Guta and bring water. That means we spent hours to go there and fetch water so we didn't have enough time for other activities. That is because Guta is very far from here. Now I have time. So I can attend the trainings that the project will give us in the future. (28<sup>th</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera village)

Another change that had happened in the community as a result of access to potable water has been that now children don't miss classes because water is accessible within the community. Before potable water was made accessible to the community, children and women were responsible for fetching water by walking for hours and carrying twenty to thirty litres of water using plastic cans. As a result of the long distance, children were forced to miss classes. Bekele, a participant in the in-depth interview describes the change in this regard as follows.

Water is easily accessible now. We don't have to go anywhere to fetch water. Our children do not miss school. Because, before we get water here, our children had to go far away to fetch water. So they sometimes miss class. But now my children never miss classes. Now I can even fetch water myself because it is nearby. I can fetch water

and get back to my farm practice or any other activity quickly. (21<sup>st</sup> of March 2014.

9:00 a.m. Conducted in Dugdedhera village)

The change brought in relation to potable water had also served as a motivating factor for the community to get into more community development activities. Deyassa also explains how the easy access to water they have now has motivated him and provided him the opportunity to get into more development activities.

Now that we have got water we have a plan to get into development works in the future.

If there is going to be more water and if they clean more ponds in the community our cattle would get drinking water as well and we can even use for irrigation in the future.

If we can get more clean ponds in the future we will be besides them. (28<sup>th</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera)

The change regarding access to potable water has come to be the most important change that the CSR community development project has brought about for the residents of Dugdedhera village. Two reasons were raised by the participants of this research as to why they consider the access to potable water is the most important change that the project has brought. The first one is the magnitude of the problem of lack of potable water in the community. As all the participants of the research indicated the problem of water was a challenge they have had to deal with all their live and something the local government couldn't even address. As a result access to potable water was the most important thing the community expected from the project since they first heard that a Multinational Company has a desire to implement a community development project in their community. Secondly, the problem of access to potable water, which the local government could not address, was resolved by the CSR community development project within a short period of time.

The second change that has been brought to the community is related to access to road that connects the community to neighbouring villages. The official of the *Kebele* describes the improvement in the following way. “They have constructed a road and the community has gained some benefits in this regard particularly in the summer season when it is muddy and when the residents transport their agricultural products.” (20<sup>th</sup> of March 2014 10:00 a.m. Conducted in Dugdedhera).

Access to road is also considered to be an important change by the rest of the participants of this research. But the participants of this research also reflect that they still walk on foot for about five kilometres to get a vehicle transportation to get to market places in the nearby towns of Sendaffa and Cheffe. And they urge the government to assign vehicle transportation. Ayantu puts the existing situation as follows.

Now we have a road but in the past we never had a road. The journey was very difficult when we want to go to other places....to Sendafa, or to Cheffe. It was very difficult. Now it is better. In the future if we can get buses for transportation it would be a very good thing. That will be a very good thing for us. (28<sup>th</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera)

However, even though vehicle transportation has not been assigned to the community, the respondents have a hope that the road would make transportation easier especially in the summer when it rains and it becomes muddy which makes transportation very difficult. On the other hand the construction of the road, even though vehicle transportation is inaccessible, has provided an opportunity for some residents to rent a vehicle to transport their agricultural products. Ayanna describes their plan as follows.

There was no road at all in the past. Vehicles could not reach the village. But they came and built the road. Now there is a road so vehicles can reach our village. Now

if we want to we can all rent Isuzu cars to transport our agricultural products to markets. But before now, before the road was constructed we use the back of our donkeys to transport our farm products to markets, to Sendafa and Cheffe. But now if we want to, we can organize ourselves into and three or four together and can rent Isuzu and easily to transport our materials to market places. (25<sup>th</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera)

The third change brought as a result of the CSR community development project is the improvement of the primary school in the village. The project has repaired the old classrooms of the school. In addition the project has built a library for the school. Megerssa sees the contribution of the project as an important improvement in the learning conditions of children in the community. He stated, "In addition the project is important because it helps the school. They helped the school means the children learn in better conditions. So that is the important change we get from the Koreans." (25<sup>th</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera)

All in all even though the respondents of this study recognise the significances of the changes so far brought, the respondents of this study still expect more changes to be brought by the project. The chairman of the '*Iddir*' in the community particularly is critical of what the project has done so far because a significant change hasn't been seen on the lives of individuals and households in the community. In order to see more changes in their lives and in the community's wellbeing the participants of this study require that the trainings promised by the project be given. Besides to this, the respondents also question the speed with which the project is proceeding. All the respondents of the study unequivocally request an improvement on the speed with which the project is going.

#### **4.5. The Community's Satisfaction towards the Project**

##### **4.5.1. The community's evaluation of the activities and benefits provided so far.**

The data from the research indicates that there are some issues that make it difficult to conclusively state that the community is fully satisfied with the benefits it has gained so far and the way the project was being implemented. On the one hand the participants of this research reflect that the project has been useful in improving the community's living situation. They are grateful for what the project has done regarding access to potable water, road infrastructures and the improvement of the school. One of the discussants in the FGD, Feyissa describes what has been done by the project and what he thinks of the project and the activities done so far.

As for myself I am happy. As we have said it we had lots of problems. And we were happy because they came to help us. We accepted them with happiness. After we accepted them they had asked for land and they were given the land. And now they have constructed the project's buildings on the land. And they built the road and water very quickly. And now the big problem of water is solved and we are drinking clean water that never existed here before. So I am happy. (5<sup>th</sup> of April 2014.10:00 a.m. Conducted in Dugdedhera).

On the other hand there are issues that make the community at odds with the project. The first thing is that the community expects lots of changes to be brought by the project and the project is not keeping up with those expectations. That is, even though they recognise the significance of the activities that have been done and the benefits that have been provided so far, they consider them as small benefits compared to their expectations. The following excerpt from an in-depth interview with Belay reflects the situation. Asked about his evaluation of the activities done and changes brought by the project so far Belay responds as follows.

They are useful of course. But so far it is not that much. That means the changes are only in water, road and school. Those changes are very good. But we are farmers. We are uneducated. Most of us are poor. So we have lots of needs. For example, we don't have access to electric light. When we want to sell teff or wheat we face difficulties because a vehicle cannot reach our village. We don't have toilets. We also don't have other school than this one (pointing his hand towards the only primary school from grade 1-4). When children get passed grade four they stop learning. (21<sup>st</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera)

In addition to this, there has been one issue that has made the community unhappy about the project in general and the activities done in particular. The issue was that the project had requested five hectares of land for different purposes including constructing offices from the beginning and the land was given as requested. However, the compensation fee for the land was paid by the contribution of all members of the community as the MNC was unwilling to pay the compensation. As I have been told by the chairman of the *Kebele* seventeen households have given up their land for the project after receiving a compensation fee. The members of the community have discontent with the fact that the MNC was unwilling to pay the compensation. The discontent is also shared by the chairman of the *Kebele* who claims that the community is getting few benefits and more disadvantages by considering their unwillingness to pay the compensation fee and the limited number of benefits gained by the community so far. In its own way, the fact that the community had paid the compensation fee for the land had also served as an incentive for the community to expect tangible changes. That is because of the value that the community places up on their land and there is a perception that "our land is occupied" and there is a tendency to compare the value of land given with the benefits that that they are getting from

the project. What the project has done so far was not proportional with the value that the community has of their land.

The other dissatisfaction of the project that all the participants mentioned was the way the school assistance was distributed for the children in the community. The assistance was provided partially as a result not all the children in the community were beneficial. The participants of the research reflected their discontent in this regard. Ayana describes how the community reacted to the school assistances provided for students.

...and so far they have built us the road and the water. They also helped the students. Oil, rice, and soap were given. All this is significant. But there are people who are unhappy about the support in the school. We don't know the reason but the support did not reach everyone. They gave for some and said no for others. We are not happy about that. But we are happy with the rest. We have got road and water. And I want to say I am happy, except with the school support. (25<sup>th</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera)

The speed with which activities and benefits were being provided has also been another reason for the declining satisfaction of the community towards the project and its activities. The potable water service and the road infrastructure were accomplished very quickly. However, after these two activities were finalised there was no major task carried out. With the high expectations they have of the project and with the limited time that the project has to meet those expectations, the pessimism of the community towards the project is growing as the speed with which activities were being conducted was slowing down. The trainings in the areas of poultry and vegetable production that were promised by the project were widely expected by the community. Besides, there is also the tendency to expect changes to be brought to individual

households. But so far, the lives of households are not being changed and the trainings to improve agricultural products are not provided.

In addition to this, the participants of the study also reflect that the project has been repeatedly making promises that have not materialised yet. They claimed that they were getting fed up with them because they repeatedly change their words and promises. The issue of electric light was mentioned by all the participants of the study to illustrate their complaint in this regard. They claim that they were promised to be given electric light at the start of the project and later the MNC had changed its word on that.

#### **4.5.2. The community's evaluation of the changes.**

The changes brought in the three areas of potable water, road construction, and school assistances are valued and considered to be significant for the residents of the community. Lack of potable water was the biggest problem the community used to experience before the project started operation. Therefore, the project's contribution in that regard has meant a big change for the community and all the participants of the research consider the value of that change. Regarding the potable water, the change the community has seen is that firstly and most importantly now the water the community is getting access to is clean. That has improved hygiene and sanitation. In addition now they don't have to walk for hours to get water. Besides, the road has also been significant while transporting agricultural products especially in the summer. Besides the participants of the research appreciate what the project what has done to the school. They recognise that the improvement of the school would make their children get better education and in turn become better individuals. Bayyessa describes how he sees the project and the changes brought as follows.

They are very significant. We are poor farmers. We cannot afford to build road or clean running water. Now these Koreans have done that. Water is significant, very

important. To be healthy we need clean water. They brought us clean water. That kept us healthy. If it wasn't for them, we still would not get clean water or road or assistance to our school. They do these things. So I say what they did is so significant. (1<sup>st</sup> of April 2014. 9:00 a.m. Conducted in Dugdedhera).

#### **4.6. Contextual Analysis/ Contextual Factors**

##### **4.6.1. The underlying value of the CSR policy and practice.**

The first aspect of contextual factors in relation to CSR is the underlying value of the CSR policy and practice. Analysing the underlying values of the CSR policy and practice requires evaluating the intentions and goals of the project and checking whether the provisions of the project are aligned with the needs and realities of local communities.

The CSR community development project that is being implemented in Dugdedhera is designed for the purpose of transforming the quality of life of the residents of the community. A review of the project profile and the interviews conducted reflected what the aspirations of the project are. The general objective of the project is stated as creating a model village that can share its development experiences with similar other villages and communities within the country. Accordingly, this CSR community development project has the aim of facilitating change in several aspects of the community lives. These include improvements in agricultural productivity, housing conditions, infrastructural development such as potable water, road and electric light, educational achievement and children's enrolment, income generation, health, hygiene and sanitation, and emotional, relational and social bond of the community.

In order to achieve these goals, the project had proposed to carry out several strategies and activities. The activities are wide ranging the major ones being the construction of a demonstration and training site, the provision of start up capital for single moms, the provision of on jobs training on horticulture and poultry production, trainings on dairy production and

management, experience sharing for ten farmers in South Korea, remodelling the residential environment, road construction, the provision of medical treatment, and supporting the primary school in the community.

Even though the project was operational while the data was being collected, the interviews conducted also confirm that the project indeed has a good intent and that it claims to fulfil what the community is in need of. The participants of this research including an official from the *Kebele* administration have confirmed that the project had come to the community with the intention of transforming the community. Before the project starts operation in the community there were a series of meetings held between the MNC and the residents of the community. On the meetings the MNC had explained what the goal of the project is and the benefits that the community was going to get. On the meetings all the activities and benefits mentioned above were promised to be conducted by the MNC. Bekele, a participant in the in-depth interviews, describes the promises made by the MNC in a way that reflects the value and intent of the MNC.

Yes they told us that they would make Dugdedhera a model village. It was at the beginning, when they came. They told us that they would do a lot of things and make Dugdhedera a model community. I didn't understand it at first. But I understood what it meant later when our neighbours talk about it. As they told me and as I understood it, a model community meant that we would have water, electricity, road, toilets and other important things. (21<sup>st</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera)

Besides, as is mentioned in the previous section, the project had already conducted some activities that were fundamental for the wellbeing of the community. The access to potable water was the first significant contribution of the project. The constructions of the road infrastructure and the school support are also proves of what the values of the project are as improvements in

these areas were the real needs of the community. But to make a conclusive statement that the project is really committed to these noble causes would require proper accomplishment of the project and the proposed activities in a manner that changes the wellbeing of the community.

#### **4.6.2. Enabling environment or the role of government.**

The government is an important stakeholder in the designing, facilitating and implementing Corporate Social Responsibility initiatives. However, when we come to the case of the CSR initiative being implemented in Dugdedhera village the local government's involvement in the process of implementing this CSR community development project was generally very much limited.

The involvement of the local government was restricted only to the initial stages when the MNC approached the community. The role of the *Wereda* administration was setting up meetings between the MNC and the residents of the community that were held when the project was brought to the community by the MNC. In those meetings agreements were made between the MNC and the local community with the *Wereda* Administration acting as a facilitator. One of those agreements settled between the MNC and the community was regarding land where by the MNC requested a five hectares of land without being asked to pay the compensation fee for the farmers that would give up the land. Even though the local community was hesitant to pay the compensation at first, finally they agreed to pay the compensation themselves with the local government being unable to exert any pressure on the MNC to pay the compensation for the land it occupies while implementing the project.

One significant finding regarding the role of local government has been the difference between *Kebele* and the *Woreda* administration regarding the degree of concern and follow up to how the project was being implemented and the complaints of the local community. The data from this research indicates that the *Kebele* administration knew much more about how the

project is being implemented and the complaints that the local community had regarding the implementation of the project than the *Woreda* administration did. The in-depth interview conducted with an official from the *Kebele* administration proves this. The complaints he mentioned as a chairman of the *Kebele* is similar to the complaints that the other participants of the project have mentioned. Besides, the official is as much concerned and enthusiastic about the project and its outcomes as are the residents of the community who participated in this research. The chairman of the *Kebele* describes the existing situation at the time as follows.

The Koreans came claiming that they would make water accessible to the community. At the beginning they promised the people that they would make water freely accessible to the community. Now however, even though water is accessible in the community the residents of the community still have to pay to get water. As a result the community is expressing its dissatisfaction and opposition to the project. They had also promised that they would install and made electricity available in the community. However the community has not gained anything regarding electricity. (20<sup>th</sup> of March 2014. 10:00 a.m. Conducted in Dugdedhera).

He also describes his concern and opposition with the fact that the community was made to pay the compensation fee for the farmers that gave up their land for the project.

When the Koreans came they stated that they came for the benefit of the people and that they are not going to get any benefit out of it. We thought that since they came for the benefit of the people it is good and we gathered the people and let them discuss about it. Then the people agreed not knowing (the real intention). They are farmers and not more than four individuals are educated in the community. Not knowing what is best the community agreed and left them the land they needed. The people had money they saved in bank by selling trees for construction and

other purposes. They agreed to use that money to pay the compensation for land that was left by some people for the project based on the size of the land. The prospect of getting a free access to water led them to take out that money from bank and paid the compensations. (20<sup>th</sup> of March 2014. 10:00 a.m. Conducted in Dugdedhera).

In order to validate the above information I planned to make an interview with *Wereda* officials but it was unsuccessful. The response I got from the *Wereda* about the request I made for an interview was that there is no one who knows enough about the CSR community development project since the previous chairman who had a follow up about the project had already left his office for another job. The chairman of the '*Iddir*', also a resident of the community have told me that they had presented their complaints about the project to the *Wereda* administration even though they had not been given a response. This shows that the *Wereda* administration is not serious to follow up the project that the Koreans have promise to implement in the community under the current study.

#### **4.6.3. The conceptualisation of the CSR community development project by the local community.**

The CSR community development project was met with a complete acceptance at the beginning. The participants of this research noted that members of the community were happy when they were first told that a project that can help them get access to potable water and electric light was to come to the community. Taye expresses what he felt when he first heard about the project.

When they come at the beginning the *Kebele* gathered all of us. The *Kebele* gathered us all and told us that the Koreans would teach us development, poultry production,

vegetables production and livestock production. And we were happy they came to help us. (28<sup>th</sup> of March 2014. 2:00 pm. Conducted in Dugdedhera)

The project was generally perceived as one with the aim of helping change the lives of the residents of the community. They simply perceive the CSR community development project as any of the other ordinary philanthropic activities of a Non-Governmental Organisation that they used to work with.

The community refers to the project and the people that implement the project as ‘the Koreans’ since both the MNC as well as World together Ethiopia the NGO that implements the project are Korean organisations. But it was evident from the data that the whole idea of a Corporate Social Responsibility or a business being responsible for local communities and contributing its own fair share to their well being was a concept strange to the community. As a result the project was generally perceived as any of the other community development and philanthropic activities implemented by NGOs in developing communities and it was evaluated as such but not as an initiative of a business corporation that seeks to show its concern and responsibility to community development.

The expectations of the community also help identify how the CSR project is conceptualised by the community. As a community in a developing nation there are several basic needs missing in the community. And from the in-depth interviews as well as the FGD conducted I have come to understand that the community expects a lot from the CSR community development project. The community’s rising expectations towards the project is informed by their realisation of the local government’s failure to provide for the social governance needs of the community and the project’s capacity to fulfil those needs. Generally what the community now expects of the project was traditionally what they think and expect to be the role and responsibility of the government. The change in access to potable water brought by the project is

seen as prove of the gap in the capacity of the local government and the MNC and the participants of this research tend to compare and contrast the local government with the MNC and the project while describing the change. Belay for instance describes the contrast as follows.

Their strength is that they have helped us. Seeing our problems they came to help us. They brought water. They constructed road. Now they are working to install running water in three different spots in the village. Such things are their strengths, I believe. Even if it may be small, the *Kebele* administration hasn't done that. The government, the *Kebele* has been living with us for a long period of time. And it hasn't brought us clean water. It hasn't constructed a road. At one time it has dug and brought out water. It worked for some time. Then it stopped working after a short period of time. And after it came out of use they didn't want to repair it. Now the Koreans have helped us, regarding water and road. We expect that they would help us more. (21<sup>st</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera)

Another issue that reflects the extent of the community's expectation of the project is the issue of the compensation fee for the land that was being occupied by the project to build workshops and training sites. The community considers that the project should cover all the expenses instead of the community being asked to spend. Kumela explains why:

Lots of people said that they should have paid the compensation. They said that if ~~they had come to help us they should have covered all the expenses.~~ That is true because we are poor. We are poor and it is because we don't have anything that they have come to help us. And I don't know why they did not want to pay the compensation. We have heard that the project has got lots of millions of birr but said they wouldn't pay the compensation. And why is that they were unable to pay the compensation. I don't know why they say they wouldn't pay. It would have been

good if they had paid the compensation. Or I think they should have paid half of the compensation at least. (21<sup>st</sup> of March 2014. 2:00 p.m. Conducted in Dugdether)

Besides, the participants of the research have reflected a desire to see the project running beyond the time agreed. The project is a three years project that runs until the end of 2015. However, the participants claim that the project could be significant and could change the existing realities of the community if it keeps working beyond the time boundary set for it. Taye, a participant in the in-depth interviews describes his desire in this regard as follows.

The job is already started. There is no question about that. And if they really want to do things...they can work on livestock production. They can teach us more about that. They can also work on vegetable production. There is also poultry production. If they can give us we can work on all of that. So if the project can help us by fulfilling those things why not they stay here for ten more years? It is for our benefit. I will be happy. (28<sup>th</sup> of March 2014. 2:00 pm. Conducted in Dugdether)

#### **4.7. Processes and Approaches in the Designing and Implementation of the Project**

As the Emerging South Centred Critical Perspective of CSR explicitly stated it evaluating whether CSR initiatives are tuned to the needs and realities of the local communities requires analysing the processes and approaches in the designing and implementation of the project (Idemudia, 2011). ~~Following such an assertion of the perspective the findings on the activities,~~ approaches and processes of designing and implementing the project are presented in this section. The findings in this regard are categorised into three sections. First, the meetings held between the four stakeholders of the community, the local government administration, the MNC and the NGO implementing the project are presented along with the issues that were discussed and resolved in those meetings. Secondly, the activities and approaches in the designing of the

project are stated. And thirdly, the activities and issues in the implementation of the project are presented.

#### 4.7.1. Meetings among stakeholders.

The two key informants, the chairman of the *Kebele* and the chairman of the '*Iddir*' recall that there were several meetings held among the four stakeholders of the community, the officials of the *Kebele* and *Wereda* administration and the MNC and the NGO implementing the project prior to and during the implementation of the project. The first meeting was held when the MNC came to the community for the first time. The *Wereda* administration gathered the residents of the community and introduced the project. The general objective of the project was explained to the community in that meeting. Subsequent meetings were also held among the community, the MNC and the NGO with the *Wereda* administration acting as a facilitator.

The participants of this research recall that several issues were clarified and discussed in those meetings. The first of those issue discussed in those meetings was the range and magnitude of the socio-economic problems experienced by the community. Among the needs of the communities that were expressed to the MNC were the access to potable water, electric light and road infrastructure.

In turn the MNC and the partnering NGO had used those meetings as an opportunity to uncover the needs and realities of the community. Subsequently they promised the community that their needs would be satisfied and the project was designed in line with the needs and realities of the CSR community development project. The participants of this research, both in the FGD and the in-depth interview, firmly asserted that they were promised development and the resolution of their socio-economic problems. They implied that the project had claimed to make a model community through the transformation of Dugdhera

community. In relation to this, they were promised to be provided with the basic infrastructures of road, water and electric light. The provision of training on poultry and vegetable production that was promised by the project is highly expected by the community.

Another issue that was settled in the meetings was the issue of land. The MNC made it clear that they needed five hectares of land to build workshops and training sites and other offices within the host community. The disagreement at the beginning was the issue of who should pay the compensation fee for the land as the MNC made it clear that they wouldn't pay the compensation fee. The discussants of the FGD equivocally said that all the residents of community felt that the MNC should have paid the compensation fee and still feel that way. However, the discussants recall that MNC stood firm in its opinion of not paying the compensation fee. The researcher could not get information as to why the MNC did not want to pay the compensation as the MNC was unwilling to pay the compensation. Besides, the chairman of the *Kebele* and other participants of this study claim that they were not told the reason for the MNC's unwillingness to pay the compensation fee. Finally the community agreed to pay the compensation fee because, as the discussants of the FGD and the chairman of the *Kebele* stated, the MNC claimed that they would take the project to another place if they are not given the land without having to pay the compensation fee. The chairman of the '*Iddir*' and the chairman of the *Kebele* assert that community agreed to pay the compensation fee primarily in the hope that their problem of access to water would be solved.

#### **4.7.2. Processes and approaches in the designing of the project.**

The review of the project profile, the promises given to the community and what has so far been done revealed that the CSR community development project at hand was informed by the needs and realities of the target community. As mentioned above the MNC and its partner NGO had assessed the needs and realities of the community prior to getting into the

stage of implementing the project. And it designed the community development project in accordance with those needs and realities of the community.

The official of the *Kebele* administration claims that when the MNC first approached the administration and revealed its desire to implement the project, what the administration did was let the residents of the community decide for themselves. The administration gathered the community after wards and introduced the project and its intentions. After a series of meetings the community came to understand the intentions and provisions of the project and finally reached a consensus when they feel that the project can bring about desired changes.

#### **4.7.3. Processes and approaches in the implementation of the project.**

The implementation of the project was a stage where there were drawbacks according to the chairman of the '*Iddir*' and the discussants of the FGD. The first drawback in the process of implementation of the project is in relation to the speed with which the project was being implemented. All the participants of this research indicated that the first two major activities of road construction and availing potable water were accomplished very quickly right after the project started operation. But after these two activities were accomplished, the project has stopped doing anything significant for the community. This complaint regarding the implementation of the project is also shared by the interviewees including Deyissa who describes the situation regarding the speed with which activities were being done as follows.

The most important thing we needed was water. And they told us they would bring water when they came first. We were happy they came for this. It is also because they said they would bring water that we agreed to pay the compensation for the land they are working on now. Then they immediately started working on the water and the road. And we were happy they were doing everything quickly. And we thought they would always work like that. But after

they finished working on the road and the water they were not quick anymore. Their speed of doing things declined. (28<sup>th</sup> of March 2014. 11:00 am. Conducted in Dugdedhera)

As a result of the declining speed with which activities were being conducted, the pessimism of the community towards the project and its success is increasing. Taye reported the change made in this regard as follows.

So far what they have worked is on the water and the road. They have not helped us in any other areas so far. If they keep going in this way we don't think they would bring any kind of change that would benefit the village in the future. (28<sup>th</sup> of March 2014. 2:00 pm. Conducted in Dugdedhera).

Megersa on the other hand claims that there is already a negative impact on the community's confidence on the project that results from the declining speed with which activities were being conducted.

At first we believed that they would help us a lot and do what they told us. But now after the road and the water they have slowed down. And many people think they are lying. Many people now do not trust them. I have started to doubt a little. Yes. (25<sup>th</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera)

The other issue that is seen by the community as a draw-back in the implementation of the project is the way the school assistances were provided for students. All the participants of this research confirmed that the assistances were not provided for all children. And the community was not informed as to why or how the distribution of the assistance was carried out. As a result the community had expressed a strong opposition to the project and its

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

procedures in that regard. Not only did the manner of distributing the assistance was opposed by the community, it had been a source of conflict within the community. The chairman of the 'Iddir' association in the community describes what had happened in the following way.

There is a school here and they have given the students oil and rice and other things. That even had started a huge war. Why? May be because it was not sufficient or they simply have just distributed it. And the people are arguing every time about that. It is very hard. That is a very difficult problem....that has created a difference in the community. That is a difficult thing. On the other hand the people bring lots of complaints. The people have such a big hatred asking why such things have been done to their children. It is a huge hatred, a huge hatred. And why haven't they improved on this one. (23<sup>rd</sup> of March 2014. 10:00 a.m. Conducted in Dugdedhera).

Another frustration for the community in the process of implementation of the project is in relation to the promises made to the community that are later denied by the MNC and CSO who is implementing the project. The first and major source of frustration for the community in this regard had been the issue of the electric light. The participants of this research all claimed that they were promised to be given electric light. Besides, a review of the project profile indicates a plan to help the community get access to electric light. However, later the project implementers had denied promising to give electric light to the community. Besides, the participants of the study reflect that the same thing had happened to the promises they made to support other activities such as the construction of toilets for each household. Ayana describes the situation as follows.

One thing I think to be a weakness is they tell one thing today and they say another thing tomorrow. That is not a good thing. For example, they had said

they would give us solar light when they gathered us. But later they said they haven't said that. That is not good. They should think and tell us what they do at once. (25<sup>th</sup> of March 2014. 9:00 a.m. Conducted in Dugdedhera)

Recognising the fact that the MNC had said it wouldn't avail electric light in the community, the chairman of the 'Iddir' expresses his opposition by asking how Dugdedhera would become a model village without electric light. He said:

We had asked for electric light. A village cannot be a model village while in the middle of darkness. It will not be without a light. And we can say Dugdedhera has become a model farm when that is fulfilled. As far as there is no electric light...it is not possible. But they have a solar electric for themselves. But for the people haven't got anything. (23<sup>rd</sup> of March 2014. 10:00 a.m. Conducted in Dugdedhera).

#### 4.8. The Roles, Responsibilities and Experiences of Stakeholders

##### 4.8.1. The community's roles, responsibilities and experiences

###### *4.8.1.1 The community's roles and responsibilities in the designing and implementation of the project.*

The community had been participating in different ways in the different stages of the project. Prior to the implementation of the project the community had tried to make themselves heard by participating in the meetings held between the four stakeholders of the community, the local government, the MNC and the CSO that implements the project. As presented in the previous section of this chapter, the community had used those meetings as an opportunity to express their problems, realities and expectations. By making explicit what their utmost needs are and what they want from the project, the community used those

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

meetings to influence the project to their own advantage. And in turn, as the participants of this research had confirmed, the MNC and the CSO which implements the project have used the meetings as an input to shape the provisions of project. Consequently they promised the community to address those desires and needs through the implementation of this multi-level community development project. Those meetings had been instrumental for both parties to reach a consensus regarding what should be the focus and provisions of the project.

The meetings had also been an arena where the issue of land that the project required was settled between the two parties and that, in its own way, had resulted in the community's involvement in the project. As stated by the chairman of the *Kebele* and the chairman of the '*Iddir*' and as already presented in the previous section, the MNC was unwilling to pay the compensation and the community had to pay the compensation fee for the households who gave up their land for the project. Even though the residents of the community were unhappy about paying the compensation, the prospect of getting water and other services forced them to pay the compensation fee. The chairman of the *Kebele* stated that the community gives a big value to their involvement in the project in such a way and as the project delays the activities it promised to accomplish they tend to suspect that they might have been deceived by the project into paying the compensation fee in exchange for nothing.

The community had also been participating in the implementation stage of the project. As already indicated in the second section of this chapter, the two major activities conducted by the project are the construction of the road infrastructure and the access to potable water. In both activities the residents of the community were involved. Their involvement was basically through the contribution of their labour power. The activities were firstly conducted by daily labourers that the CSO had brought from other places. But later on the community requested to participate in the activities for some amount of payment. Besides, the residents of

the community were participating in the activity where running water was being distributed and installed to five places within the community.

#### *4.8.1.2. The dissatisfactions of the community towards the project.*

The major dissatisfactions of the community regarding the project tend to emanate from and reflect the community's expectation for an efficient community development initiative. The first major dissatisfaction of the community towards the project has to do with the decline in the speed with which the activities were being implemented. There is a desire for quick change within the community. Even though the changes already brought by the project are seen as significant, the community's expectations surpass the changes already brought. The community considers the time remaining as not sufficient to carry out the activities proposed and demands the project to do things quicker. The community seems to be fed up with waiting for the realisation of the promises made by the Koreans. Tola expresses what is going on in this regard.

The Koreans told us that they come to develop our community and reduce problems. When they come,...they told us our life will be changed. But they never had given us trainings about anything. Now it has been a year since they come. But they haven't delivered their promise. They have gathered us once or twice after they start working, they gathered all of us but all they did was ask us about our problems and what we want. And we told them about our problems and what we need. And they left. They haven't done anything after the other gatherings as well. (25th of March 2014. 2:00 p.m. Conducted in Dugdedhera).

The dissatisfaction of the people who gave up their land had been higher than the other residents of the community. They were unhappy with the amount of compensation provided

from the beginning and when the Koreans so far haven't delivered their promise their dissatisfaction is growing. Belay forwarded his opinion as follow:

The amount of compensation they were given is small. Because of this they are very much unhappy. If they had still occupied the land they would have produced lots of things. They are sad for this. And when they see that the Koreans haven't kept their words their dissatisfaction and anger is growing. They are asking "why the Koreans occupied our land if they are not doing anything important for us with it?" this is making them angry. (21<sup>st</sup> of March 2014. 11:00 a.m. Conducted in Dugdedhera).

The other major dissatisfaction of the community emanated from the way the school assistance was provided for students discriminately. This had been a source of opposition to the project itself and a source of conflict among the residents of the community. It was generally seen as discrimination by the residents of the community, especially those who have not been given the assistances.

The issue of electric light has also been another source of frustration for the community members. The participants of this research claim that the community was promised to be given electric light. However, the participants claim, the MNC had later denied of making such a promise. The participants also asked if the community could become a model village without light as the MNC's general objective in implementing this CSR project is to make Dugdedhera a model village.

The compensation payment has also been another source of disappointment for the community. Even though they finally had agreed to pay the compensation fee they still felt that what had happened in that regard was wrong. They claim that they had paid the compensation fee because they were very much troubled with the problem of access to

potable water. Besides they agreed to pay the compensation fee in assuming that the project would also deliver all the other promises it made including providing electric light for the community.

#### **4.8.2. The roles, responsibilities and experiences of the local government.**

Documenting the participation as well as the role that the local government had played in this project had not been successful to the fullest since the interview arranged with the *Wereda* officials was not realised. The reason given from the *Woreda* administration not to participate in the interview was that the vice chairman of the *Wereda* administration who was responsible for the follow up of the project had resigned a month ago for another job in the CSO. The former vice chairman was responsible for the oversight of the project from the beginning and at the time of data collection there was no one in the administration who was willing to be interviewed. The reason given was that they do not have information regarding the implementation of the project.

On the other hand the interview conducted with the official from the kebele administration was informative of what the roles and involvement of the local government are. All in all the involvement of the local government were limited to organizing the meetings held among the stakeholders. That includes the meetings prior to the implementation of the project where the community came to a consensus with the MNC about the provisions of the project and agreed with the start the project.

Besides, from the interview conducted with the official of the *Kebele* administration it was evident that the *kebele* administration was much more aware and enthusiastic of the concerns and complaints that the community has of the project. One of the reasons for that might have been the proximity of the *kebele* administration to the community in that the

community can easily forward the complaint to the *Kebele* administration than to the *Wereda* administration.

One incidence that proves the importance of the involvement of the local government in the implementation of the project had been the call of the community for the local government to assign vehicle transportation to the community. Even though the project built the road and now vehicle transportation was possible for the community, the residents of the community are forced to walk for hours to get a bus that will get them to major market places in neighbouring towns.

### Chapter Five: Discussion

The major assertion of the emerging South Centred Critical Perspective of CSR regarding researches on CSR is that their focus should give a primary attention to how best CSR can be made to contribute to development instead of only focusing on how much it can contribute to development. The rationale is that such a focus would allow for conceptual specificity and illuminate the CSR-development nexus. Such an approach would help identify the strengths and weaknesses of CSR initiatives and their contributions to community development. In line with this the South Centred Critical Perspective of CSR strongly calls for CSR initiatives to base their contributions and projects on the needs and priorities of local communities in the developing nations. And the perspective criticizes the mainstream CSR initiatives that are so far being implemented for their adherence to western values and principles (Idemudia, 2011).

The CSR community development project that is the focus of this study strictly deviates from the mainstream CSR agenda in that it is finely tuned to the needs and realities of local communities in developing nations in general and the Dugdedhera community in particular. The review of the project profile and provisions confirm how much the project is aligned with the needs and realities of the community. Besides, from the interviews and the FGD conducted with the residents of the community the researcher has gathered evidences that prove the concern of the MNC for the context and need of the local community. Dugdedhera is a rural community where the basic infrastructures such as road and potable water were missing prior to the implementation of the project. The residents of the community are dependent on agriculture and they produce only once in a year and as a result they experience socio-economic problems and poverty. These were among the utmost problems and needs of the community. The MNC had assessed the needs and priorities of the community and had heard the needs of the community through a series of meetings held between the two parties. And the project was designed and was

being implemented in order to address these problems. However, it should be noted that when it comes to implementation there were serious concerns reflected by the participants of this study. The major concern reflected was that the project was slowing down its operation and the benefits provided were limited in number. That is mainly attributed to the fact that the local government, especially the *Wereda* administration, was not efficiently following up the implementation of the project.

According to the South Centred Critical Perspective of CSR, investigating the role of CSR initiatives to community development requires the assessment of three processes and phenomena that are also vital for the overall success of CSR initiatives in contributing to community development. The first one is ascertaining conceptual clarity in order to incorporate the multi faceted nature of CSR. In this regard the perspective calls to attention the need to investigate businesses' efforts to balance their affirmative duties and negative injunction duties (Idemudia, 2011). In this regard the MNC implementing this project is undertaking its affirmative duties of contributing to socio-economic development through designing and implementing multi dimensional community development project. Whether this affirmative duty of the MNC is properly performed requires the accomplishment of the project and all its activities in the remaining period of time. But the data collection for this study was conducted in the middle of the project implementation phase as a result the impact of the project on the community's development could not be fully presented here in this paper. On the other hand, due to the unwillingness of the MNC to participate in this research it was impossible to investigate whether and to what extent the MNC was carrying out its negative injunction duties which require the MNC to conduct its core business operation in a sustainable manner.

The second consideration in ascertaining the CSR-development relationship is investigating whether the CSR initiative is concerned with aspects of development such as poverty reduction, capacity building and empowerment that are qualitatively and quantitatively

measurable (Idemuudia, 2011). In this regard, the community development project under consideration deviates from the mainstream CSR agenda in that it set out to embark on these fundamental aspects of community development. The project considers itself “an all level capacity enhancement” community development initiative. The project in general targets to improve the welfare of the community and one of the ways it considers achieving that is through increasing the income of households. Improving agricultural productivity through a series of trainings is one other provision of the project that would help reduce poverty in the community and set the road to empowerment and capacity building in the community. As a mechanism of sustaining the development initiatives of the project, empowering and improving the technical capacity of the community through the provisions of training on skills improvement is also a strategy put in place by the project.

However, despite the high expectation of the community the project is slowing down on implementing activities in the areas of providing trainings and improving agricultural productivity and the income of households. Even though the project had good intent, the implementation is unchecked by the local government especially the Woreda administration.

The third aspect of the framework is evaluating the balance of the roles of various stakeholders of the CSR community development project. There are four stakeholders that are involved in the project that was being implemented in Dugdederhera. These include the community itself, the local government, the MNC, and the NGO that implements the project.

The finding indicates that the project suffers from an imbalance of participation especially because of the reluctance and inability of the ‘*Woreda*’ administration to follow up the progress of the project.

The participation of community can be categorised into two arenas. Firstly, the residents of the community had participated in several meetings that were held between the stakeholders.

Their participation in those meetings was instrumental in that they had made their needs explicit and the project was designed in line with those needs. For instance, the access to water was the biggest problem the community used to experience. After making it explicit to the MNC and the CSO, it had been the first problem addressed right after the project starts operation. Secondly, the community had also participated in the activities conducted by the project. Their participation was basically limited to contributing their labour power. In the construction of the road and the water well the community had participated.

The South Centred Critical Perspective of CSR also places a high emphasis on investigating contextual factors related to CSR. The perspective proposes that CSR initiatives recognise and take into consideration three aspects of contextual factors and requires researches that investigate the CSR-development nexus to analyse these three aspects of contextual factors. The underlying values of the CSR policy and practice, enabling environment or the role of government and the conceptualisation of the CSR initiative by the local community are the three constituents of the CSR contextual analysis.

The designing and provisions of the project reveal the underlying value of the CSR initiative in consideration. While the mainstream CSR agenda is being criticised for prioritising the business case, the CSR initiative that is being implemented in Dugdederhera proves to be a different innovation in that it shows a commitment to the empowerment of the community. In this regard the CSR initiative of LG Corporation can be considered an exemplary for the mainstream CSR agenda to shift its sole focus from the business case to incorporate the needs, realities and values of the community.

An enabling environment is the second aspect of the CSR contextual analysis. It focuses on the role that government can play to facilitate CSR initiatives. In this regard the local government in Dugdederhera was not active in influencing the CSR project to the community's

advantage and following up the implementation to see if the provisions were met. The *Woreda* administration's involvement in this regard was very much limited. While the residents of the community had been complaining about the progress of the project, the *Woreda* administration could not respond in any way.

One of the factors for the local government's inability to influence the CSR initiative, besides to the weakness of the local government to follow through the project, is that the CSR initiative is a voluntary initiative. That implies the local government's opportunity to leverage more benefits to the community is limited as the MNC has all the resources at its disposal. The evidence that illustrates this situation in the study is the issue of land taken by the project and the compensation fee paid for the households that gave up the land. The compensation fee was paid by the residents of the community as the MNC made it clear it is not willing to pay the compensation. Since the residents of the community were poor they had requested the local government and the MNC itself to pay the compensation fee. However, the MNC stood firm in its stand and claim they would take the project to another place and community if they could not get the land without paying the compensation. In order to keep the project in the community, the residents had no choice but to make contributions per household and pay the compensation fee.

The third aspect of the contextual analysis is considering the conceptualisation of the CSR initiative by the local community. Such an emphasis on the local communities' conceptualisation of CSR helps to respond to local communities' needs and expectations. In relation to this, to uncover the conceptualisation of the CSR project by the residents of the Dugdedhera community the research had analysed the perceptions and expectations of the community towards the project. The result implied that the community holds high expectations and that the general concept of a business corporation being responsible for local communities was strange to the community. The community expects an efficient community development project and as a result views the CSR initiative of LG as one of those community development

Running Head: CORPORATE SOCIAL RESPONSIBILITY . . .

projects. Even though the CSR project is a voluntary initiative, the community is strictly expecting an overall transformation as the project had promised to achieve that.

## Chapter Six: Conclusion, Implications and Recommendations

### 6.1. Conclusion

The first major conclusion that can be drawn from the study is that Corporate Social Responsibility can be used for the cause of community development in developing nations. The notion that businesses are assets in community development is not new in the discourse of community development however the concept and move towards Corporate Social Responsibility strengthens the notion. Given the financial power at their disposal and the nature and consequences of businesses' core operation on local communities, the notion of CSR ultimately facilitates the process of community development. The concept of CSR surpasses the traditional idea of businesses making philanthropic contributions to community development. It expands the ideal of sustainability and responsibility there by creating a harmonious society marked by fairness.

The project in consideration is an illustration that the community development projects of CSR initiative can be designed in line with the context and realities of developing nations. This project that is being implemented in Dugdedhera deviates from the mainstream CSR agenda which prioritizes the business case to CSR. Deviating from the mainstream CSR agenda, the project proves that the propositions of the South Centred Critical Perspective of CSR are both feasible and effective in addressing the disadvantages of local communities in developing nations.

The other conclusion is that Corporate Social Responsibility initiatives of businesses can be used to address the failure of governments in developing nations to satisfy the social governance needs of local communities. The case in point again is an example of such an assertion. Given its financial power, the MNC had solved the problem of access to potable water

that the local government could not address despite the suffering and the call of local the community for the problem to be solved for years.

## 6.2. Implications

Social work had been a profession with a long tradition of focusing on the disadvantaged population and working for social justice. The code of ethics of NASW (1999) puts the mission of social work profession as follows. "...to enhance human well-being and help to meet the basic human needs of all people, with particular attention given to the needs and empowerment of people who are vulnerable, oppressed, and living in poverty". Corporate social responsibility has been all about making businesses responsible to the rest of the society, particularly the disadvantaged population. It has been all about sustainability and as former General Secretary of UN Kofi Anan has put it, it has been about meeting the "needs of the disadvantaged and the requirements of the future generation" (William, 2004). This implies that this there is a common ground between CSR and the profession social work in that both of them set out to meet the needs of the disadvantaged and create a harmonious society. Social workers and community development planners, particularly in the developing world should realise that and actively engage in facilitating MNCs and businesses generally to play a crucial role in social and community development.

This research had demonstrated that Corporate Social Responsibility can be used to meet the socio-economic problems of people living in poverty and fulfil the basic needs of our communities that the social work profession advocates for. Particularly, CSR community development projects moulded by the South Centred Critical Perspective and as a result focus on the realities of developing nations can facilitate the road to social justice, empowerment, and poverty reduction.

The research, besides, illustrated that CSR initiatives can be made to attend the realities and context of local communities. The South Centred Critical Perspective criticizes the mainstream CSR agenda and calls for CSR initiatives like the one being implemented in Dugdedhera that lend themselves to the needs and realities of local communities.

Community development planners should try to harness business' contribution to community development. Besides they should also advocate for more responsible behaviour from businesses. Community development planners and Civil Society Organisations in Ethiopia should consider the fact that Ethiopia is attracting more businesses and industries as an opportunity and work to leverage business' contribution to further the cause of social justice and community development.

The role of economic capital is undisputable for community development even though it is not the only form of capital needed to bring about community development. Now that the notion of Corporate Social Responsibility is winning the attention of both activists and businesses themselves, CSOs and community development planners should use CSR as an opportunity to leverage the financial power and willingness of MNCs to participate in community development. Besides according to Chapple and Moon (2005) community development has come to be the most established form of CSR initiative. Therefore, community development planners should actively engage businesses in community development initiatives.

The other reason that requires social workers and community development planners to consider CSR as a valuable input to community development is the failure of governments in developing nations to meet the social governance needs of their local communities. As presented in this study the residents of Dugdedhera had been suffering from the lack of access to potable water, the biggest problem the community had been experiencing. The participants of this study had reflected that the community had been asking the local government to address the problem.

However, the local government was not capable to solve the problem at all. But the problem was addressed through the CSR initiative of LG Corporation in a relatively short period of time. This is a proof that community development planners should consider businesses as an ally in designing and implementing community development projects.

### 6.3. Recommendation

The MNC and the CSO that implement the CSR community development project should be more committed to attending the complaints as well as the expectations of the residents of Dugdedhera now that the project is in the implementation phase. The project is well designed and aligned with the needs and realities of the community. However, when it comes to implementation there is a set back and slowing down. Therefore to achieve its goals and become an exemplary CSR initiative the MNC and the CSO should exert more effort on the implementation of the project designed to benefit the local community.

The local government as well as the MNC should also create the necessary awareness to the community that the project is an aspect of Corporate Social Responsibility in order to foster a mutual relationship between business and society. The concept of CSR is unknown for the community. If the project is to be considered as a stepping stone to replicate CSR initiatives in the country it should help the people understand what CSR is all about. It would also help the community adjust its expectations towards the project capacity.

Even though government bodies, both the local and federal, are important stakeholders in the implementation of CSR initiatives, the CSR community development project as well as the target community suffers from a limited participation of the government and absence of an enabling environment. The South African government is perhaps the only African government that considers CSR as a force for development and has a legal frame work in place to facilitate the role of CSR to development (Arya and Bassi, 2011). In this regard the Ethiopian government

lags way behind. The government should work on laying the ground to initiate businesses to engage into CSR initiatives that can contribute to community and social development. This is significant now that Ethiopia has become a destination for multinational businesses and industries. Besides to the draft social protection policy that considers CSR as a source of fund to meet the social protection needs of the population, there is no other legal or policy framework in place to facilitate CSR to contribute to development in a systematic way. Establishing a systematic policy framework to facilitate CSR can help utilise businesses for community development and foster a healthy interaction between business and society.

### References

- Arora, B., and Kazmi, B.S. (2012). Performing citizenship: an innovative model of financial services for rural Poor in India. *Business & Society*, 51, 450-477. doi: 10.1177/0007650312446784
- Arya, B., and Bassi, B. (2011). Corporate social responsibility and broad based black economic empowerment legislation in South Africa: Codes of Good Practice. *Business & Society*, 50(4), 674-695. doi: 10.1177/0007650309332261
- Barcay, T. (2011). When business and community meet: a case study of Coca Cola. *Critical Sociology*, 39(2), 277-293. DOI: 10.1177/0896920511423112.
- Chapple, W, and Moon, J. (2005). Corporate social responsibility (CSR) in Asia: A seven country study of CSR website reporting. *Business & Society*, 44(4), 415-441. doi: 10.1177/0007650305281658
- De Winter, R. (2001). The anti-sweatshop movement: constructing corporate moral agency in the global apparel industry. *Ethics and International Affairs*, 15 (2), 99-115.
- Ezzy, D. (2002). *Qualitative Analysis*. Crows Nest NSW. Allen & Unwin.
- Eweje, G. (2006). The role of MNEs in community development initiatives in developing countries: corporate social responsibility in Nigeria and South Africa. *Business & Society*, 45(2), 93-129. doi: 10.1177/0007650305285394
- FDRE. (2002). Investment Proclamation: Proclamation NO. 280/2002. Federal Negarit Gazzeta.
- Ganuza, J. (2012). *Corporate Social Responsibility and Social Welfare*. Barcelona. CREI.
- Idemudia, U. (2009). Assessing corporate–community involvement strategies in the Nigerian oil industry: An empirical analysis. *Resources Policies*, 34, 133-141. doi:10.1016/j.resourpol.2009.01.002

- Idemudia, U. (2011). Corporate social responsibility and developing countries: moving the critical CSR research agenda in Africa forward. *Progress in Development Studie, 11(1)*, 1-18. doi:10.1177/146499341001100101
- Idowu, O.S., Capaldi, N., Zu, L., & Gupta, D. A. (ED) (2013). *Encyclopaedia of Corporate Social Responsibility*. New York. Springer-Verlag.
- Jacoby, M.S. (1997). *Modern Manors: Welfare Capitalism Since the new Deal*. Princeton, N.J. Princeton University Press.
- Muthuri, N.J., Cahpple, W, and Moon, J. (2009). An integrated approach to implementing 'community participation' in corporate community involvement: lessons from magadi soda company in Kenya. *Journal of Business Ethics, 85*, 431-444. doi:10.1007/s10551-008-9739-7
- Muthuri, N.J., Moon, J, and Idemudia, U. (2012). Corporate Innovation and sustainable community development in developing countries. *Business & Society, 51(3)*, 355-381. doi:10.1177/0007650312446441
- OECD. (2009). *Annual Report on the OECD Guidelines for Multinational Enterprises*. Employment and Industrial Relations.
- Porter, E.M, and Kramer, R.M. 2006. *Harvard Business Review: Society and strategy, the Link between Competitive Advantage and Social Responsibility*.
- Ritchie, J, and Lewis, J. (2003). *Qualitative Research Practice*. London. Sage Publications.
- Schecher, G.A., Baumann-Pauli, D & Schneider, A. (2013). Democratising corporate governance: compensating for the democratic deficit of corporate political activity and corporate citizenship. *Business & Society, 52(3)*, 473-514. doi: 10.1177/0007650312446931
- United Nations Global Compact. (2013). *Global Corporate Sustainability Report*. New York. UN Global Compact Office.

- Williams, F. W. (2004). *Business Ethics Quarterly: The UN Global Compact: The Challenge and the Promise*.
- William, J. (2002) *Community development: Community Based Alternatives in an Age of Globalisation*. Pearson Education Australia Pty Limited.
- Wood, et.al. (2002). Corporate involvement in community economic development: the role of US business education. *Business and Society*. doi: 10.1177/0007650302041002004
- Yin, K. R. (2003) *Case Study Research: Design and Methods*. Sage Publication. California

## Appendices

## Appendix A- Informed Consent

Addis Ababa University

School of Graduate Studies

School of Social Work

Dear Sir/Madam you are being asked to take part in a study to analyse the prospects of Corporate Social Responsibility to community development. This study is being conducted by Bruk Degie, a Masters student at the school of Social Work at Addis Ababa University. I am asking you to participate in this interview that would take not more than an hour.

Before you decide to participate in this study I would like to first explain some issues that you must know. This study's major objective is to uncover the impacts of Corporate Social Responsibility on community development. More specifically it will try to assess whether the CSR community development project of LG in Dugdedera Village is genuinely aimed at changing the community's over all socio-economic condition. And the interview to be conducted with you is expected to contribute to achieve the objectives of the research.

If you opted to participate in this study I can assure you that the information you provide will be kept anonymously because I will not ask you your name or any other identifiable information. Therefore there will be no kind of apparent risk related to participating in this study. However, if there is any question or issue that you don't want to address you can pass. And if you feel uncomfortable at any stage of the interview you have the right to withdraw yourself from the interview.

If you have any sort of question or need more information you can always contact the researcher through his cell phone (251-091-268-98-54) or via his email address ([bruksosa@gmail.com](mailto:bruksosa@gmail.com)).

I, the research participant, have read the information provided above. I have been given the opportunity to ask questions and my questions have been answered to my satisfaction. I have agreed to participate in this research. I will be given a copy of this signed and dated form.

---

Name and Signature of the Participant

---

Date

---

Name and Signature of the researcher

---

Date

Appendix B- In-depth Interview Guide for the Fourteen Participants

Addis Ababa University

School of Graduate Studies

School of Social Work

Masters' Thesis Project

Topic of the Study: Corporate Social Responsibility

1. Age
2. Sex
3. How long have you participated in this project?
4. How do you see the LG community development project?
5. What kind of benefits and assistances have you gained so far? Probe: financial, in-kind, skills, knowledge, amount, for how long.
6. Have you gained any kind of training from this project? Probe: what type, on what issue, for how long, changes brought to life as a result of trainings...
7. What changes have you observed in your life and house hold's wellbeing as a result of the assistances you gained from the project? Probe: regarding poverty reduction, income generation, improved farming production, children's education,
8. How do you evaluate the changes that are brought in your life and in your household by the contributions of the project? Probe: significance (most significant, less significant),
9. What is your overall take on the strengths and limitations of the project? Are you satisfied with the impacts brought to your life as a result of the project? Why?

Appendix C- Key Informant Interview Guide for the chairman of the '*Iddir*' in the community

1. Had the community involved in the designing of the project in any way? If yes, in what way?
2. What were the changes brought to the community and the members of the community as a result of the assistances gained from the project? Probe: poverty reduction, income generation, improved farming production, children's education, infrastructures within the community,
3. How do you describe the relationship between the community and the MNC (LG Electronics)? Probe: any instances of conflicting interests, any discontent from the members of the community,
4. How does the community perceive the CSR community development project? Probe: Expectations of the members, any feeling of dependency,

Appendix D- Key Informant Interview Guide for the '*Kebele*' Chairman

1. How long has the project been going on?
2. Does the local government involve in the project? Probe: in what ways, for how long, any assistance provided or gained,
3. Were there any instances of negotiations between the MNC and the local government? Probe: what does the process looked like? What were the results of the negotiations?
4. Were there any form of conflict between the project and the local government? Probe: what kind, conflicting interests, if there were conflicts how were they addressed,..
5. What kinds of changes were observed in the community as a result of the contributions of the project?
6. What are the strengths and weaknesses of the project?

## Appendix M- A Checklist for Focus Group Discussion

1. When was the project started? How did the Koreans approach you?
2. Were there meetings held between the community and the Koreans or the local government? When was the meetings held? What were the meetings about, what issues were discussed?
3. What are the benefits and assistances you gained from participating in this project?
4. How does the community participate in the project?
5. Are you satisfied with the assistances you are getting from this project?
6. What are the changes that you see in your life as a result of participating in this project?
7. How do you think the project be modified and improved to make it more successful and bring better changes in your lives?
8. How does the local government (*kebele and wereda* administrations) participate in the implementation of the project? Are they willing to listen to your complaints?

## Appendix N- Observation Checklist

NO	Things to be observed	Type and Description	Remark
1	Dominant Economic Activity		
2	Farms and farming practices		
3	Road		
4	Schools and their facilities		
5	Housing conditions		
6	Toilets and Sewerage facilities		

**Declaration Letter**

I, Bruk Degie, confirm by my signature that this thesis is my original work and has not been presented for a degree in any other university, and that all sources of material used for the thesis have duly acknowledged.

Name of Student: Bruk Degie

Signature: \_\_\_\_\_



የአዲስ አበባ ዩኒቨርሲቲ  
የሥነ-ጥናት ቤት  
Addis Ababa University  
Libraries