

# Corporate Social Investment - a business necessity

 By [Miranda Lusiba](#)

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This column is a follow-up to the [PR column](#) I wrote last week, which touched on this topic a bit. Again, we will start by defining the two concepts: Trialogue defines Corporate Social Responsibility (CSR) as an overarching value-based framework that encompasses all social aspects of business operations, ensuring that a company manufactures its products and conducts its business responsibly and ethically.



Source: [Unsplash](#)

Corporate Social Investment (CSI), which forms part of CSR, refers to a company's financial and non-cash contributions - beyond its commercial operations - to disadvantaged communities and individuals for social upliftment and welfare.

CSI tends to have a more strategic philanthropic focus and emphasises partnerships to achieve specific, measurable outcomes that benefit society. It is also mandated by law: in terms of the Codes of Good Practice of the Broad-Based Black Economic Empowerment Act of 2007, that CSI contribution should be at least 1% of net profit after taxes (NPAT).

## CSI in SMEs

As part of large and medium-sized organisations' CSI strategies, businesses can identify challenges faced by their customers in the communities where they are not only operating, but also where they are making money.

Once the community challenges affecting customers are identified, it is essential for companies to then try and find solutions. When a company responds to community issues by giving back, it puts its money where its mouth is. This is a clear indication to the community that that particular company cares about issues affecting them.

Looking at socio-economic issues facing my community in Komani, these include lack/inconsistent delivery of basic services like the provision of water and electricity, bad roads with potholes and just how dirty this small town has become.



### The importance of collaboration in the social impact space

Ivan Swartz 30 Mar 2022



Komani - a small town that used to be beautiful - has unfortunately been deteriorating over the years, and it is unfortunate to watch. The amount of corruption and mismanagement causes some, if not most, of the issues.

However, the high levels of unemployment and poverty have also been exacerbated by the advent of the Covid-19 pandemic. This is precisely where CSR and CSI initiatives would come in. Our small town is not experiencing issues that are unique only to this community; many areas in the country face the same if not similar issues.

I always say that as much as the government needs to do its part in servicing communities, it is not only its responsibility to find solutions. Large, medium and even small businesses also need to assist in finding solutions.

Companies making a lot of money in communities where they operate cannot sit back and watch while their customers are suffering. I commend those that are already doing their part. What most businesses do not understand is how much their good deeds in the communities where they are operating tell a story on their behalf.



### Corporates urged to extend support to rural NGOs

17 Mar 2022



## Giving is a "perfect PR tool"

Giving back to poor communities is a perfect PR tool that can help to build a company's brand. This is because customers are loyal to companies that care about their communities' socio-economic issues. A company's good deed can easily become an authentic story told from the perspective of the customers, who would be the primary beneficiaries.

Customers who are beneficiaries of a company's good deeds can tell their brand stories on behalf of companies. Testifying how a company has helped make a difference in their lives gives credibility to the company's story and its CSI initiatives done on the ground.

However, as mentioned in my previous PR column - giving back to customers - needs to be done because it is the right thing to do, not just as a PR exercise. It is important to make sure that the community projects do not have only consequences and a positive impact on the lives of ordinary South Africans, but companies also need to make sure that these are sustainable.

Sustainability is very important in CSI because, as Tata Nelson Mandela said: "If you give a man fish, he will be hungry tomorrow. If you teach a man to fish, he will be richer forever".



## Old Mutual Insure's CSI spend hits R8m

10 Mar 2022



I am pleading with big or medium-sized businesses that are operating and thriving in communities that are struggling on a daily basis; to not look the other way but rather make sure that they have an ongoing CSI strategy aimed at uplifting their underprivileged customers.

If there's anything that companies take away from this column, CSI is not only the right thing to do – but it is also very good for the reputation of a company's brand - in the eyes of both existing and potential customers.

### ABOUT MIRANDA LUSIBA

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