



# GAINING THROUGH GIVING?

There is much philosophising today about what it means to be African and a good citizen. **Bongani Mgyai** finds out that views on charity and social engagement are as wide as the African horizons.

## THE AFRICAN CALL

Former South African President, Thabo Mbeki, argued at length in his address to the BMF Young Professionals Development Summit in Cape Town on August 19, 2010, that professionals in Africa need to be involved in the communities around them.

“As young professionals,” said Mbeki, “you occupy an important place in all the countries of our region and have the possibility to choose whether you focus exclusively on your personal advancement or do so as you use your training and considerable talents to help change our societies and Africa for the better. You constitute an important echelon of the leadership of our region. You have a task to help elaborate a vision of where our countries and peoples should aim to be 20 or 30 years from today, and certainly by the end of the 21st century.

“The masses, who are your mothers and fathers, sacrificed everything to ensure that you become the professionals you are, and you must commit to serve [them] selflessly. As professionals, capable of marketing your skills everywhere in the world during this age of globalisation, you have the possibility to detach yourselves from these masses who are your mothers and fathers and constitute the country of your birth.

“You can, consciously, decide to set yourselves apart from these ordinary Africans, concentrate on earning the incomes that will be and are your due, pursue the corresponding lifestyles, and therefore join those whose predatory and selfish actions impose on you a feeling of dissatisfaction, shame and despair. I am sug-

gesting that rather than take this demeaning and humiliating route, you should make an oath of affirmation – I am an African, and I am proudly African! In this context you would therefore have to answer for yourselves the question – what does it mean to be an African?

“I would like to suggest that for an answer to that question, please listen to the words and pleas of the ordinary Africans who constitute your people and mine – the wretched of the earth, to whom you owe the obligation to help end their misery!”

Thando Mjebeza, the thirty-something founder and CEO of Zimele Technologies, a 100% black-owned company that supplies IT- and business-consulting services echoes the words of the wise statesman.

“Firstly, as an individual and business we pay taxes to government. Government in turn is to use the taxes to provide services and relief to society. Moreover, as a business we provide employment, which is a contribution over and above taxes and that which others make. Secondly, however, each person should assist at least one or two people in your private capacity. You should share with the poor. As an organisation, you should have a fund available to develop the community.

Mjebeza adds: “In my individual capacity I help kids with their school fees and studies, and with train fare. This is ‘silent giving’, which goes straight to the need with no announcements or noise being made about it. You feel you don’t even need to claim it for tax purposes or to record it on a scorecard.”

## PHILANTHROPY – A DATED APPROACH OR CURRENT NECESSITY?

Do the wealthy, the powerful and those who “have” in a material sense have a responsibility to make the lives of others better?

## CRITICAL STATEMENTS ON SOCIAL ENGAGEMENT

- Is social engagement just a CSR or do-gooder project? Or is it part of an economic activity?
- We should aim to create a socially responsible development-oriented market economy, instead of the traditional “free enterprise capitalism” that we have.
- Corporations should realise that they increase their profits in mid- to long-term by developing their markets, for instance working with informal markets at the township level.
- If you do not address the problems of the poor, you will continually have to deal with the consequences of their frustration.
- Social engagement should be built into the curriculum and be taught in class. Students should write dissertations on “social market economics” and other challenging issues.

“We share the view that those to whom much is given, much is expected. We do not believe our assets are ours, but rather we try to be responsible stewards of those resources.” –Jean and Steve Case

Bill Gates and his friend Warren Buffet seem to think so. They have initiated a campaign, The Giving Pledge, in an effort to enlist like-minded wealthy American individuals to pledge to give away most of their wealth. Though popular (so far, 69 people have signed up), some criticise this campaign and the current models of philanthropy.

An American comedian noted during his 20-minute delivery on the Comedy Central channel: “We Americans like everybody to know about our anonymous giving.”

In his book, *Strategic Giving: the art and science of philanthropy*, Peter Frumkin lays out the underlying principles of philanthropy. He explains that the main characteristic of philanthropy is that the philanthropist gives to causes that inspire him personally and by extension benefits society. The philanthropist decides what causes to champion and what approach to take to fix a social ill.

Frumkin warns that philanthropy exposes the differences between people and groups in terms of how they think society should be organised and what pub-

lic needs should take priority. Furthermore, he censures the fact that individual philanthropists have no accountability to the communities in which they operate. This means they can be extremely helpful or terribly destructive in society. They can support their favourite cause even if it may cause harm or imbalance in society.

Jean and Steve Case, in their letter of commitment to The Giving Pledge, explain their reasons for giving: “We share the view that those to whom much is given, much is expected. We do not believe our assets are ours, but rather we try to be responsible stewards of those resources – and we recognize we have an obligation to reinvest them in a positive, constructive and flexible manner.” Steve Case, is the co-founder and former chairman and CEO of America Online (AOL); and chairman of The Case Foundation.

Edelman, a global PR firm, noted in its March 2008 paper, *Social Engagement: The Changing Nature of CSR in Asia Pacific*, that “Not so long ago, companies in Asia Pacific that wanted to be seen as socially responsible could literally buy a good reputation.



### USB AND USB-ED PROGRAMMES DEALING WITH SOCIETY, ENVIRONMENT AND GOVERNANCE

Corporate governance research

**Business in Society programme**

Conflict resolution programmes

**Sustainability topics in leadership courses**

Base of the Pyramid Learning Lab

**Centre for Applied Entrepreneurship**

Management Programme for NPOs

**Small Business Academy (to be launched)**

Interaction with township businesses through mentorship

A well-placed gift with a leading politician's favourite charity, a contribution to a disaster relief fund or the sponsorship of a new hospital would give a company the social license it needed to operate. Often, though, these acts of philanthropy were not necessarily related to a company's core business and sometimes were part of a thinly-disguised marketing program or public compensation for questionable behaviour. This approach to corporate responsibility is increasingly out of step with stakeholders in Asia Pacific."

**SOCIAL ENGAGEMENT - CHANGING THE LANDSCAPE**

Edelman argues for a different approach to the traditional 'CSR-is-charity' model and presents social engagement as the better way.

"Social Engagement means taking an integrated approach to addressing social issues and aligning them with corporate strategy. By making a comprehensive effort to align the interests of business with the issues of the local community, forward-looking companies can adjust to meet the rapidly-evolving expectations of influential stakeholders in Asia Pacific. More importantly, 'Socially Engaged' companies are better able to sustain enduring relationships with stakeholders, identify new sources of competitive advantage and build stronger businesses."

"There is a gap between what you want to do and what you can do. You have a duty to others – yes. But, you must be honest about the capacity that you have." –Prof John Powell

As an example, Edelman lists its client The Coca-Cola Company, which announced a global commitment to replace every drop of water it uses. As a result of this commitment Coca-Cola, in partnership with WWF, has undertaken water conservation projects in seven key river basins across the world. These projects include a multi-faceted approach to water management, such as water use efficiency, rain water harvesting and water pollution alleviation. Water management is both a core component of the company's business and an important social issue in Asia.

"At Transnet we have a responsibility not only to our staff, but to the communities in which we operate. We, as Transnet, believe our responsibility is to ensure that those who are impacted by our operations benefit from our success. This is not only our duty, but is a business imperative," says Mboniso Sigonyela, general manager of Corporate and Public Affairs at Transnet Limited.

"Through the Transnet Foundation, we are positioned to provide services and programmes to better the lives of those who are not able to do so themselves. These programmes include the Transnet School of Excellence; sports development; academic development focusing on Mathematics and Science; and the Phelophepa Health Train. We will soon have a second train to double our efforts. The train

not only visits areas in which we have direct operations, but will now go to outlying rural communities such as Mthatha and Mdantsane."

Dr Arnold Smit, executive: Centre for Business in Society at USB-ED, says we must acknowledge that our expression of social engagement comes from our understanding of 'social' and 'engagement'. "Therefore," he contends, "according to this definition, we could be 'socially engaged' because we are involved in activities which target the less capacitated or less privileged."

He insists that, for a business school, the ultimate test is whether it produces leaders and decision-makers who will transform society and tackle social ills. He uses the analogy of a church which has a soup kitchen, and asks whether the soup kitchen solves society's problem of poverty.

According to Wolfgang Thomas, professor in Development Economics at USB, a lot of social engagement projects are being delivered by the business school through existing centres at the USB and USB-ED. He stresses that public-private partnerships are necessary and that it will demand clear commitment and management to expand the range of activities – but "social engagement is now high on the agenda of the business school".

Marietjie Wepener, deputy director, responsible for



Thando Mjebeza



Mboniso Sigonyela



Dr Arnold Smit



Prof Wolfgang Thomas



Prof John Powell



Marietjie Wepener

social engagement in the external non-academic domain of the business school, says a number of social initiatives, which are joint projects of the school and its alumni and business partners, are well established. One example is the Programme for Non-profit Organisations, managed by the Alumni of the school. A few new initiatives like the Small Business Academy will give more visibility to the social engagement of the USB.

Professor John Powell, the director of USB, admits: "There is a gap between what you want to do and what you can do. You have a duty to others – yes. But, you must be honest about the capacity that you have. The things that you can do, you must do; and the things you cannot do, you must not do. At the moment the business school is doing the best it can, given its challenges. There are a few things that we do, but we do realise they are not sufficiently integrated or connected," he confesses.

Powell puts the question: "Is a series of superficial, symptomatic gestures in a community the equivalent of social engagement?" <sup>a</sup>

**COMMENT**  
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