Linking Corporate Social Responsibility and Social Policy in Zambia

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Introduction

Corporate social responsibility (CSR), with its emphasis on corporate self-regulation and voluntary initiatives, is often seen as an approach that is largely independent of the state and public policy. This chapter questions this claim by showing how the trajectory and substance of CSR in particular country contexts has been conditioned by social policy and development strategies. It does so by examining the evolution of CSR through different phases of development in Zambia. Thus, social investment by business as well as the social policy of different political administrations, spanning a period of almost 50 years, will be considered.

The chapter is organized as follows: the first section deals with historical and conceptual dimensions of CSR and social policy. The analysis then turns to variations in the nature of CSR and its links with public policy through different phases of development. The analysis considers both the colonial era and several post-independence periods. These include 1964–68, that is, prior to the nationalization of industries and when Zambia was a budding democratic state; 1969–72, when the commanding heights of the economy were beginning to be controlled by the state but in the context of a pluralistic political system; 1973–90, during the one-party state; 1991–2001, when Zambia reverted to multiparty democracy and vigorously liberalized the national economy in line with the prescriptions of the World Bank and International Monetary Fund (IMF), and recent years when development strategy has again changed direction. A concluding section considers various challenges and policy implications with regard to CSR in Zambia that flow from the analysis.

Historical and conceptual dimensions of CSR

Various authors have referred to the ascendancy of a ‘CSR movement’ in recent decades, while others consider it a more recent phenomenon
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(Crowther and Rayman-Bacchus 2004). It can, however, also be argued that CSR has been in existence for several centuries, from when corporations were first established. Contextually, CSR draws much of its meaning from the West that is also the birthplace of capitalism. Over the last three hundred years or so, the corporation has evolved from being an instrument of government chartered for a specific purpose, to being an entity granted a statutory life independent of government, with the right to carry out any (lawful) activity. During this time the close relationship between the state and corporation has not dissolved but rather evolved (Rayman-Bacchus 2004). Arguably, this relationship was initially hatched during the mercantile and slave trade eras when both parties benefited in the mutual exploitation of resources of ‘the new world’. The European corporation was created by governments in the seventeenth and eighteenth centuries for a range of specific purposes: as an instrument of colonial expansion or to finance and manage public projects and works. ‘At one end of the spectrum of influence, charters were granted to explore and exploit new territories (for example, Casa de San Giorgio of Genoa and the East India Company of Britain)’ (Rayman-Bacchus 2004: 23).

The European corporations that eventually spread their tentacles to the developing world were intimately linked to the development of capitalism, even though the two were not always mutually inclusive. In some other parts of the world, corporations took on a different persona altogether. For instance, in Japan, firms have long been associated with the community and also regarded as a fundamental part of the society to which individual employees belonged. In contrast to an Anglo-American model of community, in Japan both individuals and companies are members of society and hence responsible to it (Tange 2001, cited in Fukukawa and Moon 2004). In this setting corporations have conventionally been regarded as comparatively ‘society-friendly’ because of such features as corporate governance, close coordination with government economic policy and life-long employment (Fukukawa and Moon 2004). Important in this context is the notion that Japanese companies were ‘organic’ or ‘embedded’ and responded to local needs before transcending national boundaries. In the case of Africa in general, and Zambia in particular, mining corporations were foreign and represented the interests of outsiders. Furthermore, big businesses in least developed countries (LDCs) like Zambia usually acted as agents of capitalist expansion and continue to do so to the detriment of national development. Key features of this expansion were profit maximization and repatriation, exploitative social relations and enclave structures that had relatively few linkages with the local economy.

In the main, such enterprises were not particularly bothered with the needs of host countries. They not only cultivated exploitative relations with local labour and territories but also displaced commercial activities that had thrived in pre-colonial societies. The trans-Sahara trade that covered West and North Africa between the fourth and seventeenth centuries, or commercial