

2016/2017 sees over R9bn invested in CSI in SA

During the 2016/2017 financial year, South African companies are estimated to have invested over R9bn in corporate social investment, compared to R1.5bn 20 years ago. According to Trialogue, this represents a 105% real increase.

The most popular social cause is education (accounting for almost half of CSI spend) followed by social and community development, and health.

This was announced recently in Johannesburg at the launch of the CSI consultancy's 20th annual publication, *The Business in Society Handbook*. It profiles the current state of CSI in South Africa, and draws on two decades of insight to propose future trends.

CORPORATE RESPONDENTS BY INDUSTRY SECTOR



CORPORATE

2017 n=92

The mining, financial and retail sectors together accounted for just under two-thirds (62%) of the total CSI expenditure. Just 15 companies accounted for over half (62%) of the total amount spent by the top 100 companies. Median CSI spend increased from R19m in 2016 to R22m in 2017.

Trialogue MD Nick Rockey said the majority of CSI spend was allocated to the economic hubs of Gauteng, Western Cape and KwaZulu-Natal. This is in line with the economic footprint of the country which indicates a tendency for companies to invest in areas where they have operations.

PROPORTION OF CSI GOING TO RURAL VERSUS URBAN PROJECTS HAS BECOME MORE BALANCED



"The proportion of companies (45%) that reported non-cash giving this year was also significantly higher than last year

(35%), said Rockey. “Product and service donations accounted for the vast majority of this.”

He said companies mainly directed their CSI spending through non-profit organisations (NPOs) with the percentage of corporate giving to NPOs increasing from 82% in 2016 to 89% in 2017.

Corporate and NPO reputations

As part of its annual research, Trialogue asks corporates and NPOs to list three companies and three NPOs perceived to have the greatest developmental impact.

Companies ranked Vodacom, followed by Nedbank and then Woolworths, while the NPOs ranked Nedbank, followed by Old Mutual, then Vodacom. In a ranking of NPOs by companies, Gift of the Givers and Afrika Tikkun have alternated first and second positions since 2015.

Future of CSI



Trialogue MD Nick Rockey

Rockey said that future trends include increased integration of CSI with other divisions and functions in a company; companies will scale back on the number of initiatives that they support, to just one or a few flagship programmes; and companies will be expected to take a stand on current social and political issues.

Alternative and blended financing models for development will become commonplace. In addition to traditional grant funding, there will be combinations of social enterprise, impact bonds, loan financing and crowdfunding.

Technology and data-driven solutions will increasingly be harnessed to address social issues. Companies will also strongly engage with external stakeholders who are included in, or affected by, both business and developmental activities.

“Buy-in from critical stakeholders such as government, on whom long-term success depends, will be sought before and as a condition of funds being

committed to a project.”

The handbook is available for [free download or hardcopy purchase](#).

For more, visit: <https://www.bizcommunity.com>