

Advancing 4IR through CSI

By [Vino Govender](#)

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With enormous potential to better human lives, the dawn of the connected technological age has placed telecommunications companies at the foreground of advancement of society. The onus is on companies within the 4IR value chain to take the lead in ensuring that the economic benefits are shared amongst all South Africans.



Image source: Gallo/Getty

One of the ways in which they can achieve this is corporate social investment. Indeed, CSI has become increasingly integral to business strategy; however, only robust, well-designed programmes are likely to bring us closer to achieving the increased economic equality that 4IR potentially holds.

One of the key intended outcomes of CSI in South Africa is securing the economic benefits for previously disadvantaged sections of our population. It achieves this through a mix of non-voluntary or compliance-driven activities, such as those needed for B-BBEE, and voluntary CSI programmes initiated by the organisations themselves. Because of the legislation around B-BBEE, activities in these areas are usually regarded as an attempt to fulfil requirements to be able to do business. Depending on the level of compliance, it can have either legal implications or implications in terms of being excluded from economic opportunities where potential partners can decline to do business because they perceive that there is a lack of commitment to transformation.

Voluntary CSI

On the other end of the spectrum we have voluntary CSI with its own set of benefits. Unfortunately, there is no real way to measure how well the industry is doing this. A number of CSI reports have aimed to quantify the benefit in real money terms. For example, a report from IO Sustainability and Babson College's Lewis Institute for Social Innovation determined that CSI activities could increase a company's market value by 4–6% and reduce staff turnover by as much as 50%.

Whether the motivation is purely philanthropic or just aimed at enhancing reputation or gaining acceptance in communities and societies, the potential benefits to business have pushed it far beyond being a perfunctory exercise. The amount of money that has been directed into CSI by South Africa's corporates was in excess of R10bn in 2019, according to the Trialogue CSI Handbook. But what impact are these investments making?

A McKinsey report on CSI found that, to a great extent, companies tended to formulate their CSI efforts based on their own superficial research, raising the concern that it is unlikely that these activities would be sufficient to tackle real challenges. Identifying the need is, therefore, an important first step in designing a programme that will best serve the intended beneficiaries and be more sustainable.

One of the key benefits of voluntary CSI remains the fact that companies are able to focus on sector-related issues when identifying the societal interventions that will feature in its CSI strategy.

For the telecommunications industry this has tended to include issues such as the low meaningful participation of women in the sector, the use of technology to address challenges in education and health, and ICT skills development.

Of these, arguably the most critical is skills development for a number of reasons.



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Skills development

Shortage of ICT skills has been one of the factors behind continued exclusion of women and previously disadvantaged groups from opportunities in the R229bn local ICT industry. These are opportunities that require a high level of specialized technical knowledge. The limited availability of these skills hamper technological progress, putting South Africa far behind other countries in exploiting the many benefits that the era of 4IR promises.

According to the Wits University's JCSE Skills Survey of 2019, the areas where skills are scarcest are particularly those required for advanced technologies, such as programming or coding, automation, and artificial intelligence. The report highlighted what it described as an 'alarming trend' where a growing number of employers have been forced to recruit talent from outside the country in an attempt to meet their skills requirements. This at a time where South Africa unemployment rate is at its highest in over 16 years.

This is of concern to both the private and public sectors, and the South African government has placed closing the ever-widening ICT-skills gap very high on the national agenda, with a number of corrective measures that, in many cases, see it joining efforts with the private sector.

As they roll out their CSI initiatives, companies across the industry have come up with programmes to address the shortage. These range from simply funding existing initiatives to fully fledged programmes aimed at tackling the issue at the root through initiatives that cover deficiencies in STEM education for women in particular.



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Substantiality of CSI initiatives

Some have even gone as far establishing training institutions either fully run by the company or in partnership with specialist training providers. While some would argue that the motive behind CSI activities isn't important as long as there are beneficiaries, it can influence the impact and substantiality of CSI initiatives.

In addressing the challenges as an industry through our various CSI efforts, we should reach a point of convergence where both beneficiaries and benefactors gain considerably. This should keep us focused on the common objective and ensure that we are in it for the long run. I have no doubt that the sum of our efforts will take us that much closer to closing the gap and realising both the known and hidden benefits of the new era.

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