

Corporate Social Responsibility Practices of Local Large Firms in the Developing Economies: The Case of the East Africa Region

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Abstract : This study aims to examine Corporate Social Responsibility (CSR) practices of local large firms of East Africa region. In this study CSR is defined as all actions that go beyond obeying minimum legal requirements as espoused by other authors. Despite the increase of CSR literature empirical evidence clearly demonstrate an imbalance of CSR studies in the developing countries . Moreover, it is evident that most of the research on CSR in developing economies emerges from large fast-growing economies or BRICS members (i.e. Brazil, India, China and South Africa), and Indonesia and Malaysia and a further call for more research in Africa is particularly advocated. Taking Africa as an example, there are scanty researches on CSR practices, and the few available studies are mainly from Nigeria and South Africa leaving other parts of Africa for example East Africa underrepresented. Furthermore, in the face of globalization, experience shows that literature has focused mostly on multinational companies (MNCs) operating in either North-North or North-South and less on South-South indigenous local firms. Thus the existing literature in Africa shows more studies of MNCs and little is known about CSR of local indigenous firms operating in the South particularly in the East Africa region. Accordingly, this paper explores CSR practices of indigenous local large firms of East Africa region particularly Kenya and Tanzania with the aim of testing the hypothesis that do local firms of East Africa region engage in similar CSR practices as firms in other parts of the world?. To answer this question only listed local large firms were considered based on the assumption that they are large enough to engage. Newspapers were the main source of data and information collected was supplemented by business Annual Reports for the period 2010-2012. The research finding revealed that local firms of East Africa engage in CSR practices. However, there are some differences in the set of activities these firms prefers to engage in compared to findings from previous studies. As such some CSR that were given priority by firms in East Africa were less prioritized in the other part of the world including Indonesia. This paper will add knowledge to the body of CSR and experience of CSR practices of South-South indigenous firms where is evidenced to have a relative dearth of literature on CSR. Finally, the paper concludes that local firms of East Africa region engage in similar activities like other firms globally. But firms give more priority to some activities such education and health related activities. Finally, the study intends to assist policy makers at firm's levels to plan for long lasting projects related to CSR for their stakeholders.

Keywords : Africa, corporate social responsibility, developing countries, indigenous firms, Kenya, Tanzania

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