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Defining corporate social responsibility in the South African agricultural sector

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Although corporate social responsibility (CSR) is an established research field worldwide, to date there is no single definition that is universally accepted. For this article, generally accepted models, principles and definitions regarding CSR were combined with the view of the South African government on CSR in order to propose a number of normative criteria for CSR in South Africa. The agricultural sector in South Africa has a specific sector charter called AgriBEE that guides their CSR activities. A comparison of the above-mentioned criteria with the AgriBEE indicator for Corporate Social Investment (CSI) indicates that agricultural organisations will not live up to these theoretical criteria should they continue to adhere to AgriBEE CSI, since there is a discrepancy between what is expected from companies as part of CSI in AgriBEE and the normative criteria for CSR. On the other hand, the AgriBEE indicator for enterprise development (the indicator focused on an agricultural organisation's assistance to emerging black farmers) has much in common with the set normative CSR criteria. Through the case study of a company from the agricultural sector, it is concluded that although Senwes terms their approach enterprise development, the company applies the proposed normative criteria for CSR through their enterprise development activities.

Key words: Corporate social responsibility (CSR), corporate social investment (CSI), governance, AgriBEE, land reform, Senwes, enterprise development.

INTRODUCTION

Land reform in South Africa

Land reform in South Africa became a burning issue with the abolition of apartheid and the transformation into a democratic dispensation and was necessitated by the extreme unequal distribution of land (Lahiff, 2008). Through its inclusion in Section 25 of the Constitution of the Republic of South Africa (1996), land reform received a constitutional basis from which the reform agenda could

be driven (Miller and Pope, 2000). Section 25 of the Constitution established restitution, redistribution and tenure reform as the three land reform programmes. The restitution programme is facilitated through the Restitution of Land Rights Act (22/1994), an act aimed at enabling historically disadvantaged South Africans to claim redress for the disposition of land that they suffered because of past racially discriminatory laws and practices.

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Since the process of restitution has almost been completed¹ and tenure reform is focused on providing secure tenure for those whose tenure is insecure because of past discriminatory laws or practices [Section 25(6)], the scope of this article is limited to the redistribution programme. In terms of Section 25(5), the state is under a constitutional obligation to take reasonable legislative and other measures, within the scope of its resources, to create conditions that would enable historically disadvantaged citizens to gain access to land on an equitable basis. In this regard, Government set the target of transferring 30% of white-owned agricultural land to historically disadvantaged South Africans by 2014 (De Villiers, 2008; Lahiff, 2008).

The aim of this redistribution is to enable black people to enter into the economy through the use of agricultural land for agricultural activities.² The success of the redistribution programme is, however, in dispute as a large number of redistribution programmes have failed because they have not been able to facilitate sustainable livelihoods and consequently pose a threat to a sustainable economy (De Villiers, 2008; Lahiff, 2008). The reasons for the failure of these programmes include a lack of post-settlement support from Government, a lack of access to capital from financial institutions and a lack of skills to manage and maintain a farm as a productive agricultural unit (De Villiers, 2008; Lahiff, 2008). Those who intended to benefit from Government's redress programmes (particularly black emerging farmers in terms of the redistribution programme) often do not have the necessary skills to utilise the resources at their disposal. In the case of land reform, beneficiaries are often resettled on agricultural land and are expected to engage in agricultural activities, but do not have the necessary knowledge and farming skills to make a success thereof (De Villiers, 2008).

The role of agribusiness in the success of land reform

From these problems, it is evident that the situation needs to be addressed urgently in order to avert an economic crisis. In this regard, the agribusiness sector is strategically situated in order to contribute not only to the empowerment of those disadvantaged by the apartheid regime, but also to the overall success of the redistribution programme. There is a need for specialists in the field of agriculture to assist these emerging farmers to enable them to become commercial farmers who can create sustainable livelihoods for themselves and their families and eventually contribute to the national food basket.

¹ By 2008, approximately 95% of all land claims had been settled (De Villiers, 2008:4–5).

² Section 1 of the Black Economic Empowerment Act (53/2005) defines 'black' as a generic term that refers to Africans, Coloureds and Indians.

The idea of business sectors such as the agribusiness sector providing assistance to emerging farmers is supported by the King Report on Corporate Governance for South Africa 2002, which indicates that organisations need to invest in society in order to promote the greater well-being of society at large (IOD, 2002). This sentiment is also echoed by the King III report published in 2009, stating that organisations are corporate citizens who should respond to social challenges (IOD, 2009). One way in which an organisation could contribute to society is through the acceptance of its social responsibility and resulting corporate social responsibility (CSR) initiatives.

Corporate social responsibility

CSR has been practised and studied worldwide since the early 1950s (Carroll, 2008; De Bakker et al., 2005). Despite this, there is no universally accepted definition of CSR (Carroll, 2008; Cutlip et al., 1985; Crowter and Aras, 2008).

Over the last ten to fifteen years, CSR has become increasingly important in South Africa (SAGA, 2002; AICC, 2005; Fig, 2007). Although the term CSR is widely used amongst practitioners and academics, South African businesses prefer the term *corporate social investment* (CSI) (Fig, 2005). South African businesses appear to be uncomfortable with the term *responsibility*, arguing that this implies that they are responsible for the injustices of the past and have a responsibility to offer redress for the human rights violations under the apartheid regime (Fig, 2005). In this article, the term CSR is used unless otherwise specified in documents consulted.

Until recently, CSR was an entirely voluntary activity in South Africa (Trilogue, 2005). However, the introduction of the Broad-based Black Economic Empowerment Act, various industry transformation charters, the Codes of Good Practice by the Department of Trade and Industry, the King II and III report on Corporate Governance, the ISO 26 000 Guidance on Social Responsibility and the new Companies Act (effective from 2011) should compel South African companies to implement CSR.

The Broad-based Black Economic Empowerment Act forms one of the cornerstones of development in South Africa and was promulgated against the background of the history of apartheid in South Africa. The aim of the Act is to "promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution" (SA, 2005). It is clear from this, that deliberate action is to be taken if this is to be realised. Corporate social responsibility initiatives can be regarded as an instrument through which this can be achieved.

Within the South African context, the lack of a clear definition of CSR and lack of relevant literature focusing

on South Africa (or other developing countries) complicates the successful implementation of CSR. In practice, requirements specific to the business sector are being formulated that are often in conflict with universal normative requirements of CSR. As indicated, the agricultural sector is required by AgriBEE to engage in CSI activities. However, the definition of CSI in AgriBEE differs considerably from widely accepted definitions of CSR. This leaves the company with the dilemma of which guidelines to follow. Against this background, this article explores how CSR can be defined within the South African Agricultural sector, by examining generally accepted definitions, as well as the guidelines provided for in AgriBEE. Senwes and its CSR activities is used as a case study to illustrate the dilemma of companies in the agricultural sector trying to adhere to both AgriBEE and universal normative requirements for CSR.

RESEARCH METHOD

This article was approached in a qualitative way, in order to gain insight into a relative new field of study. A literature study was performed to identify the normative criteria for CSR in South Africa against the backdrop of land reform in the country. The empirical information was collected through a semi-structured interview with the *Manager: Agricultural Services* of Senwes, as well as through analysis of policy documents and other relevant documents from Senwes, including some of the company's annual reports, informational documents and presentations delivered relevant to the subject. All the gathered information was analysed through qualitative content analysis, using the normative criteria for CSR as the units of analysis.

RESULTS AND DISCUSSION

Corporate social responsibility in South Africa: Theoretical assumptions

As indicated in the introduction, South African companies are increasingly under pressure to engage in CSR activities because of the requirements set by the BEE framework. In this article, the, (1) three-domain model of Schwartz and Carroll (2003); (2) notion of strategic CSR as proposed by Lantos (2001); (3) Principles of CSR as identified by Crowter and Aras (2008); (4) European Union Commission's (2002) definition of CSR; (5) International Organisation for Standardization (2010) definition of CSR and (6) South African government's view on CSR in South Africa (2005) are being combined to formulate a number of normative criteria for CSR in South Africa.

The three-domain model of Schwartz and Carroll (2003), based on Carroll's four-domain model (1979), is widely recognised as a model for evaluating an organisation's CSR activities. This model proposes that organisations have an economic, legal and ethical responsibility towards society (Schwartz and Carroll, 2003). The economic aspect includes all the actions

aimed at a direct or indirect positive economic impact on the organisation. Lantos (2001) strongly supports this notion and stresses that CSR should be a *strategic function* of organisations. The legal aspect relates to the organisation's responsiveness to the legal expectations to which the organisation should adhere. The ethical aspect focuses on the ethical expectations of an organisation held by society and all relevant stakeholders (Schwartz and Carroll, 2003).

Although not a formal definition, Crowter and Aras (2008) propose three basic principles that underlie all CSR activity: *Sustainability*, *accountability* and *transparency*. It is argued that society should not use more resources than can be renewed (sustainability), that organisations should acknowledge their impact on the external environment and report the manner in which they are accepting their responsibility and fulfilling it with regard to stakeholders' expectations (accountability), and that the impact of an organisation's actions (positive and negative) should be evident from its reporting and not be disguised (transparency).

The European Union Commission (2002) definition is widely accepted and quoted and states that "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis". It is clear from this definition that organisations should consider social and environmental issues regarding all their actions. It thus supports the reasoning of Schwartz and Carroll (2003) as well as Crowter and Aras (2008).

In 2010 the International Organisation for Standardization (ISO, 26000:2010) published a document called *Guidance on social responsibility* in which CSR was defined as "the responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that: contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and it integrated throughout the company and practised in its relationships". This definition was approved and adopted by both the South African National Standard (2010) and the King III report (2009) which makes it a very relevant and important definition of CSR in South Africa.

In defining CSR in the South African context, the definition adopted in the Draft Codes of Good Practice on Broad-Based Black Economic Empowerment could be used as a further guideline. This definition states that social investment (as it was referred to in the document) is "an enterprise's contributions to society and community that are extraneous to its regular business activities" (Department of Trade and Industry, 2005). This definition furthermore emphasises development as the outcome of CSR and that local communities should be the main beneficiaries of these programmes.

Based upon consideration of the above-mentioned guidelines and principles, the following normative theoretical criteria for evaluating CSR programmes are proposed. CSR programmes in South Africa should be:

1. Reflecting the company's responsibility for its impacts and activities on society;
2. Extraneous to the company's regular business activities;
3. Focused on sustainable development and assist development initiatives;
4. Beneficial to local communities of companies as well as society at large;
5. considering the economic, legal and ethical responsibility of the organisation;
6. Strategically aligned with the goals of the organisation;
7. Addressing social and environmental concerns; and
8. Sustainable, transparent and demonstrate that the company is accountable.³

These criteria are informed by generally accepted definitions and principles of CSR. In the South African context, however, there are specific requirements regarding CSR (and by implication definitions of CSR) for specific sectors. Those requirements pertinent to the agricultural sector as discussed subsequently.

The agricultural sector and corporate social responsibility

The Broad-based Black Economic Empowerment Transformation Charter for Agriculture (AgriBEE; Department of Trade and Industry, 2008) is of relevance to the agricultural sector. The aims of AgriBEE are to "facilitate broad-based black economic empowerment in the agricultural sector by implementing initiatives to include Black South Africans at all levels of agricultural activity and enterprises along the entire agricultural value chain by:

1. Promoting equitable access and participation of Black people in the entire agricultural value chain;
2. De-racialising land and enterprise ownership, control, skilled occupations and management of existing and new agricultural enterprise;
3. Unlocking the full entrepreneurial skills and potential of Black people in the sector;
4. Facilitating structural changes in agricultural support systems and development initiatives to assist Black South Africans in owning, establishing, participating in

³ Although the principles of accountability and transparency are very useful and should be part of the normative criteria for CSR, they will not be addressed in this article. Since the scope of this article is only on what is being done and not much attention is given to how they are communicating about or reporting on CSR and do not focus on the outcomes and results of Senwes' CSR programmes, these principles can not be effectively measured.

- and running agricultural enterprises;
5. Socially uplifting and restoring the dignity of Black South Africans within the sector;
6. Increasing the extent to which communities, workers, co-operatives and other collective enterprises own and manage existing and new agricultural enterprises, increasing their access to economic activities, infrastructure and skills training;
7. Increasing the extent to which Black women, people living with disabilities and youth own and manage existing and new agricultural enterprises, increasing their access to economic activities, infrastructure and skills training
8. Empowering rural and local communities to have access to agricultural economic activities, land, agricultural infrastructure, ownership and skills."

According to AgriBEE, indicators of empowerment are ownership, management control, employment equity, skills development, preferential procurement, enterprise development and CSI (Department of Trade and Industry, 2008). An organisation's performance regarding these indicators is measured through a generic AgriBEE scorecard for which each of these indicators has the following weighting (Department of Trade and Industry, 2008):

1. Ownership: 20%
2. Management control: 10%
3. Employment equity: 10%
4. Skills development: 20%
5. Preferential procurement: 20%
6. Enterprise development: 10%
7. CSI: 10%

In order to highlight the complexity of defining CSR in the agricultural context, both the CSI and enterprise development indicators are discussed. Although the scorecard refers to CSI, the AgriBEE charter does not provide a definition for CSI. Instead, it provides a definition for social economic development – although this term is not used in the scorecard.

According to AgriBEE, the CSI indicator (Department of Trade and Industry, 2008) indicates an agricultural organisation's contribution to social development and industry specific initiatives, for example:

1. Community educational facilities and specifically educational programmes aimed at agriculture, as well as community training programmes focusing on skills development as well as adult basic education and training (ABET);
2. Development programmes for sport, arts and culture aimed at the youth; and
3. Programmes focusing on the environment;
4. Programmes focussing on the creation of jobs in agriculture external to the organisation.

In comparing the requirements of the CSI indicator to the

normative criteria set above for evaluating CSR, it is evident that there is a significant discrepancy between the two. In order to highlight this discrepancy, Senwes' CSI activities are evaluated against the AgriBEE indicator and the normative criteria for CSR.

The enterprise development indicator (Department of Trade and Industry, 2008) indicates an agricultural organisation's contributions to the core pillars of sustainable empowerment initiatives, for example:

1. The development of financial and operational capacity of black entrepreneurs;
2. The provision of mentoring, as well as access to inputs, credit, infrastructure, markets, technology and extensive services (mentoring refers to providing technical and/or general business assistance and support to black emerging farmers, the beneficiaries of land reform and black entrepreneurs);
3. The support of land reform beneficiaries and black persons through the transfer of specialised skills as part of mentorship programmes.⁴
4. Committing cumulative enterprise development contributions in order to assist and accelerate the development of black entrepreneurs, as a percentage of cumulative net profit after tax; and
5. Leasing agricultural land to black entrepreneurs.

In comparing the enterprise development indicator to the normative criteria set above for evaluating CSR, it would seem that the activities described under this indicator would actually fall within the realm of CSR. Therefore, for the purposes of this article, both Senwes' CSI and enterprise development activities were evaluated against the AgriBEE indicator under which the activities were reported on as well as the normative criteria for 'good' CSR.

Corporate social responsibility programmes at Senwes

Senwes is an agricultural organisation that celebrated its hundredth year of existence in 2009. Senwes is one of the leading agricultural service provider in South Africa and conducts business in the Free State, North West, Gauteng and Western Cape provinces (Senwes, 2011). The organisation conducts extensive activities in the agricultural sector, such as the grain industry, supply of farming inputs, the mechanisation market and providing financing focused on agriculture (Senwes, 2012a). The organisation's vision is to be the most admired agribusiness in South Africa (Senwes, 2012a) and its slogan *breaking new ground* highlights its vision of being an innovative company.

Senwes' strategy includes diversification within core

business, the unlocking of value, black economic empowerment (BEE) and financial performance (Senwes, 2012a). The inclusion of BEE in the organisational strategy emphasises the organisation's commitment to transformation and its support for the core objectives of the National Sector Plan for Agriculture, namely (Du Toit, 2009a):

1. Equitable access and participation;
2. Global competitiveness and profitability; and
3. Sustainable resource management.

According to the organisation's BEE policy (Senwes, 2012b), Senwes believes that black economic empowerment (BEE) and the implementation thereof is critical in addressing the injustices of the past and that it is a crucial driver of economic and social transformation in South Africa. The company pledge their support for BEE and are committed to aligning their business with the national transformation agenda.

With regard to the stakeholders of the organisation, Senwes claims that as a company that seeks to be the most admired agribusiness in South Africa, it focuses on creating value for all its stakeholders in accordance with their needs and expectations. The organisation lists its stakeholders as shareholders and investors, customers, employees, suppliers, the community and society, regulators and government. The company's approach to stakeholder engagement is based on the principles of transparency, and the purpose thereof is to broaden and deepen the company's understanding of their stakeholder's needs, expectations, concerns and perceptions relevant to the company (Senwes, 2011).

Senwes pledges to be a responsible corporate citizen and to contribute to the improvement and development of the quality of life of the community as well as to support sustainable community development initiatives in partnership with other role players (Senwes, 2012b). It thus appears that the company values its corporate responsibility. In the following section, Senwes' CSI activities are investigated.

Corporate social investment indicator

Senwes defines CSI as "a license for business to operate in the society in which it operates. It is an investment in the community, so as to create an environment that is safe, healthy, secure, and conducive to do business". The company stresses its commitment to its employees, the community, environment and the sustainable development of the country and all its people (Senwes, 2012b).

For the indicator CSI, Senwes (2011) reported that the company engaged in various CSI initiatives with a focus on promoting sport. The first initiative is the *Spinners rural schools cricket development programme*, of which the aim is the introduction of cricket to rural schools in the

⁴ This support should be quantified in Rand value.

Senwes area by training players and coaches and providing playing kits. Further initiatives include, the *Senwes schools soccer league* launched in Bothaville, aimed at developing soccer in rural communities as well as the *Rural schools athletics programme* involving 12 rural schools.

Senwes is also involved in Community and Educational programmes, where the organisation assists selected NGOs and charity organisations with fund raising and an annual Christmas party. The company is also working in partnership with academic institutions in different ways, including a sponsorship to the North-West University and bursaries granted to deserving students in the field of agriculture (Senwes, 2011).

It is evident from evaluating these activities against the set normative criteria for CSR that they fall short of complete classification as CSR, although some of the requirements are met. All these activities are extraneous to the company's regular business activities, benefiting the local communities of the organisation and, if the development of sport is viewed as a social concern, the programmes address social concerns. With regard to the legal responsibility of the organisation, complying with AgriBEE can be viewed as fulfilling this responsibility.

These activities however, fall short compared to the normative criteria for CSR formulated in this paper. The CSI activities do not reflect the company's responsibility for its impacts and activities on society, one of the most important criteria for CSR. Furthermore, these activities also fail to meet important requirements of CSR since they are not truly focused on sustainable development; at best, the projects are focused on short-term skills acquirement, which if not strategically managed would not contribute to development. At the time of the study, there was no indication that these activities were aligned to development goals. In addition, the activities were not strategically aligned with the goals of the organisation. Coinciding with the lack of strategic alignment of the activities, they also did not hold any direct or indirect economic gain for Senwes and could therefore not be classified under the economic domain.

Although the company is putting effort into reducing its impact on the environment, these initiatives were not classified as part of CSI initiatives, therefore, the CSR activities did not address environmental concerns; neither can it be classified as truly fulfilling the organisation's ethical responsibility.

In comparing Senwes' CSI activities with the normative criteria set, it appears that they do not comply with the criteria for CSR. Of particular concern is the lack of strategic alignment with company goals and lack of sustainable development, which could benefit the company. This raises the question: What led to the selection of these seemingly unrelated activities in Senwes' definition of CSI? The answer lies in the proposed AgriBEE CSI initiatives. Since no clear definition is provided for CSR, companies only have their

specific sector charters as a guide for their CSR initiatives. A comparison of Senwes' above-mentioned activities to the CSI indicator in AgriBEE demonstrates that the focus of these programmes is in accordance with what is expected from them. These activities focus on the youth, promotion of sport and, to a lesser extent, education.

As the definitions of CSR proposed by the literature and pertaining to the agricultural sector in particular differ so vastly, it would be incomplete to evaluate Senwes' programme without also analysing the enterprise development indicator, which is nearer to the definition of CSR as proposed in this article.

Enterprise development indicator

A strong and growing black entrepreneurship is vital to the success of BEE and Senwes is committed to assisting through facilitating the establishment and expansion of targeted sustainable and viable small and medium enterprises in the black community (Senwes, 2012b).

According to Du Toit (2009b), a commercial farmer is now required to be a production manager, a marketing manager, a financial manager and a personnel manager because commercial farming is a commercial business like any other. It is thus evident that emerging farmers are in need of assistance to empower them to become commercial farmers, particularly those farmers who do not have a background in agriculture, such as the majority of the farmers who received agricultural land through the land reform programme.

With regard to assistance to emerging farmers, Senwes claims to be committed to "making a positive contribution to the advancement and development of emerging commercial farmers who demonstrate commitment, integrity and have the aspiration to become fully fledged commercial producers within a reasonable space of time (three to five years)" (Du Toit, 2009a).

Senwes assists emerging farmers through "investments, facilitating access to capital, business resources, markets, linkages between big and small businesses, procurement, entrepreneurial and technical support and management development. Most specifically, Senwes is involved in the development of emerging black commercial farmers, through the provision of technical support, facilitation of access to capital, training, input supply and mentorship" (Senwes, 2012b).

Senwes' programme regarding assistance to emerging farmers is reported under the enterprise development indicator of AgriBEE. In the annual report for 2008 (Senwes, 2008), it is reported that Senwes focused their enterprise development efforts at emerging and developing farming enterprises, by rendering technical support to these farmers through the services of an agronomist, soil scientist, agricultural scientist and

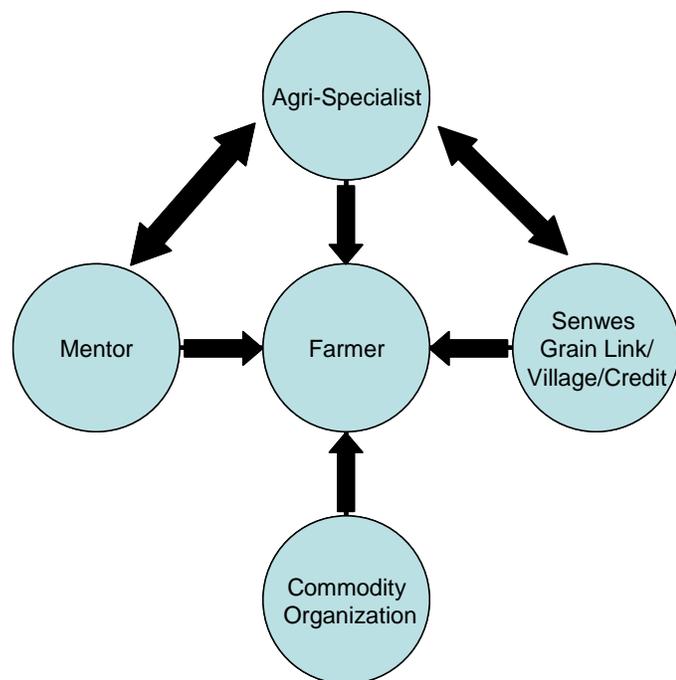


Figure 1. Model for assistance to emerging farmers. Source: Senwes presentation at Nampo, 2009 (Du Toit, 2009a).

livestock specialist. These farmers were provided with training programmes, production facilities and crop insurance. Furthermore, Senwes signed grain storage and off-take agreements with the farmers in order to ensure market access. Senwes also facilitates a mentor system through which experienced commercial farmers act as mentors by assisting emerging farmers. In the annual report for 2011 (Senwes, 2011), it is reported that Senwes focused their enterprise development efforts at “assisting farmers with technical support, production finance, training in order to ensure that the arable land in our area of operation is productive and that emerging farmers can run profitable farming enterprises through pursuing best farming practises”.

Senwes’ activities regarding support to emerging farmers are guided by several important principles (Du Toit, 2009a). Senwes aims to establish a mutually beneficial, long-term business relationship with emerging farmers, based on mutual respect, willingness, integrity and commitment. Senwes found that it was very difficult to provide comprehensive support to part-time farmers, owing to availability and commitment, and furthermore that farmers cannot commence on their own without a basic understanding or background of farming practices and entrepreneurial skills. It was also evident that experienced specialists in the field are needed to support emerging farmers effectively.

The goal of this programme is to provide support to farming units that have the potential to be viable and sustainable, and is predominantly based on the approach

of one farmer, one farm, since history has proved assistance to communities farming on a single farm as counterproductive. Skills transfer is based on practical assistance through the “learning by doing” principle and capacity building is based on the “continuous improvement” principle. Technical and financial support is based on comprehensive resources, competency and feasibility analysis, thus a multidisciplinary approach is adopted (Du Toit, 2009a).

Senwes adopts a hands-on approach in terms of monitoring progress and mitigation of risk through constant feedback from specialists to management, and mentoring is considered a key element to the success of the programme. A consultative buy-in approach is adopted, and the importance of constant communication and feedback is emphasised. In exchange for assistance, Senwes expects the emerging farmers to conduct business with Senwes, which includes the purchase of production inputs and marketing of grain (Du Toit, 2009a).

Even though they have experienced many challenges in this programme, Senwes views the commercialisation of developing farmers as a long-term process. The support of specialists who are dedicated to the process, have patience and perseverance and are equipped with exceptional communication and project management skills are crucial to the success of the programmes and land reform in general (Du Toit, 2009a).

According to Du Toit (2009a), it is important to ensure that every step in the process is followed in order to ensure a positive outcome. Firstly, it is crucial to determine the farmer’s financial objectives, resource potential and enterprise feasibility and it is thus important that the service provider (Senwes) be part of the initial selection of candidates. The importance of the selection of suitable candidates is of utmost importance. The remaining steps of the process consist of the analysis and planning of assistance, application for funding and ensuring that the emerging farmer has a committed mentor. Senwes realises that support following training is essential and has a system through which ongoing support is provided and the progress of the farmer is continuously monitored. Formative and summative evaluation is implemented in order to ensure that the programme is constantly improved.

Figure 1 outlines the model Senwes follows in providing comprehensive assistance to emerging farmers (Du Toit, 2009a). From this figure, it is clear that assistance to emerging farmers is very comprehensive and that Senwes strives to ensure that these farmers receive all the assistance they may need to become productive commercial farmers.

Other activities reported on as part of enterprise development is the *Senwes Entrepreneurship Competition* focused in encourage entrepreneurship and developing entrepreneurial skills at school level. Senwes also initiated the *Senwes Young Farmers Future Focus* event aimed at developing and encouraging interest in agriculture,

Table 1. Comparison of the CSI initiatives and the enterprise development initiatives of Senwes with regards to the normative criteria for CSR in South Africa.

| Normative criteria for CSR initiatives | Corporate Social Investment Initiatives | Enterprise development initiatives |
|---|---|------------------------------------|
| Reflecting the company's responsibility for its impacts and activities on society | No | To some extent |
| Extraneous to the company's regular business activities | Yes | Yes |
| Focused on sustainable development and assist development initiatives | No | Yes |
| Beneficial to local communities of companies as well as society at large | Benefits local community, but not society at large | Yes |
| Considering the economic, legal and ethical responsibility of the organisation | Considers legal responsibilities, but not economic and ethical responsibilities | Yes |
| Strategically aligned with the goals of the organisation | No | Yes |
| Addressing social and environmental concerns | To some extent | Yes |

as well as sharing new trends and developments in farm management with young and prospective farmers (Senwes, 2011).

In measuring the assistance to emerging farmers against the normative criteria for CSR, it is evident that these activities are extraneous to the organisation's regular business activities, focused on development, assisting development initiatives and for the benefit of some members of the organisation's local community. By undertaking these activities, from which the organisation will benefit economically in the long term, it is adhering to AgriBEE and thereby fulfilling its legal responsibility. By empowering farmers who were historically disadvantaged to provide for themselves and their families and eventually contribute to the economy, the organisation is acting ethically. Assistance to emerging farmers who may become commercial farmers who conduct business with Senwes is strategically aligned with the goals of the organisation. Furthermore, by empowering emerging black farmers, the organisation is addressing social concerns, such as poverty alleviation and empowerment.

In evaluating Senwes' enterprise development activities using the enterprise development indicator, it is clear that the company is contributing to the financial and operational capacity of black enterprises. Furthermore, the programme makes provision for mentoring, as well as access to credit, infrastructure, markets, technical support and other services. Senwes makes sizable financial contributions towards enterprise development.

It is thus clear that while the assistance to emerging farmers meets almost all the requirements of AgriBEE's enterprise development indicator, it also complies with the vast majority of normative criteria for CSR set in this article.

When comparing the results from the Senwes case study with the normative criteria for CSR in South Africa, one can see that Senwes' enterprise development initiatives are adhering to the criteria in almost all aspects, while the CSI initiatives adhere to the criteria in a much lesser extent (Table 1).

Since Senwes' CSI initiatives, as well as its enterprise development initiatives are in line with the guidelines prescribed in the AgriBEE documents, it can be concluded that with regard to the agricultural sector, the enterprise development indicator is much more in accordance with the general understanding of CSR than the CSI indicator.

Conclusion

It follows from the findings of this article that CSR is tremendously important in the agricultural sector, particularly regarding the support of emerging farmers. While the necessity of CSR is undisputed, the scope of CSR in South Africa is not clearly defined. AgriBEE, the charter that guides CSR in the agricultural sector, defines CSI in terms of programmes with a specific focus on youth, sport and job creation in the agricultural sector. Comparison of this view of CSR to the normative criteria as outlined in this article casts into doubt that the CSI indicator in AgriBEE relates to CSR, as there is no indication that the company should consider the development needs of its community or that the social concerns of the community should be addressed. The importance of sustainability is not mentioned and no attention is given to the transparency and accountability of the company. The company's economic, legal and

ethical responsibility is also not considered. Furthermore, the guidelines propose haphazard activities that are not strategically aligned with the goals of the company. However, from comparison of the definition of enterprise development as given in AgriBEE to the normative criteria for CSR, it appears that what is considered enterprise development indeed meets the majority of the criteria for CSR. Against this background, it is extremely difficult to evaluate the CSR activities of an agricultural company such as Senwes. When only its CSI programmes were evaluated, the sustainability of its CSR appeared questionable. However, when the enterprise development indicator was evaluated, it was evident that Senwes is managing a substantive CSR project supporting developing farmers. Senwes cannot be criticised regarding the content and aim of its CSR programme, since it is prescribed by AgriBEE.

Thus, this article advocates the revisiting of the AgriBEE's definition of CSR. Should there be no consensus regarding the definition of CSR, companies in the agricultural sector cannot be expected to practise normative CSR and contribute to development in general and land reform in particular optimally.

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