



CSI Investment Trends in South Africa

The most recent trends seen in CSI spending according to a 2016 Triologue show;

- There is an increase in Non-cash donations, with an average increase to 13% from 6% in 2006
- Education is still the main benefactor of CSI expenditure, followed by community development initiatives and finally healthcare initiatives
- NPO's/PBO's are still the predominant channels through which CSI expenditure is facilitated, however, there has been a decrease in the proportion of CSI funding for these.
 - There has been a slight decrease in overall support for NGO's from 100% to only 82% in the last decade
 - Corporate support for Government-based institutions has also increased within the last decade, with 80% reporting donation
- Corporate volunteerism has increased in popularity, with 70% of corporate institutions introducing formal volunteering policies, and 82% facilitating volunteer initiatives in 2016
- CSI spending is still largely concentrated nationally, with high proportions localised in the provinces deemed economic hubs. The exact figures are indicated in Figure 1 further in the text.

The overarching trend reported by the 2016 Triologue study shows that overall CSI expenditure has increased steadily over the last decade. The nominal CSI expenditure, however, at an estimated R9 bn, was much higher than the real expenditure reported. The real expenditure actually decreased after two years of stagnation (See Figure 2).

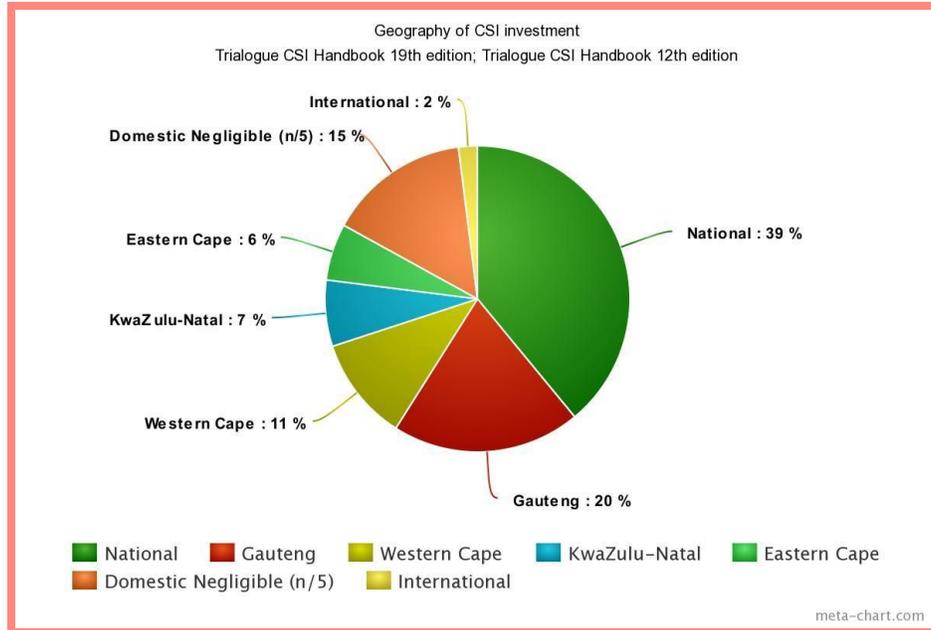


Figure 1. Pie Chart showing the geography of CSI investment (*Triologue, 2017*)



Figure 2. Bar chart showing CSI expenditure fluctuation. (*Triologue, 2017*)

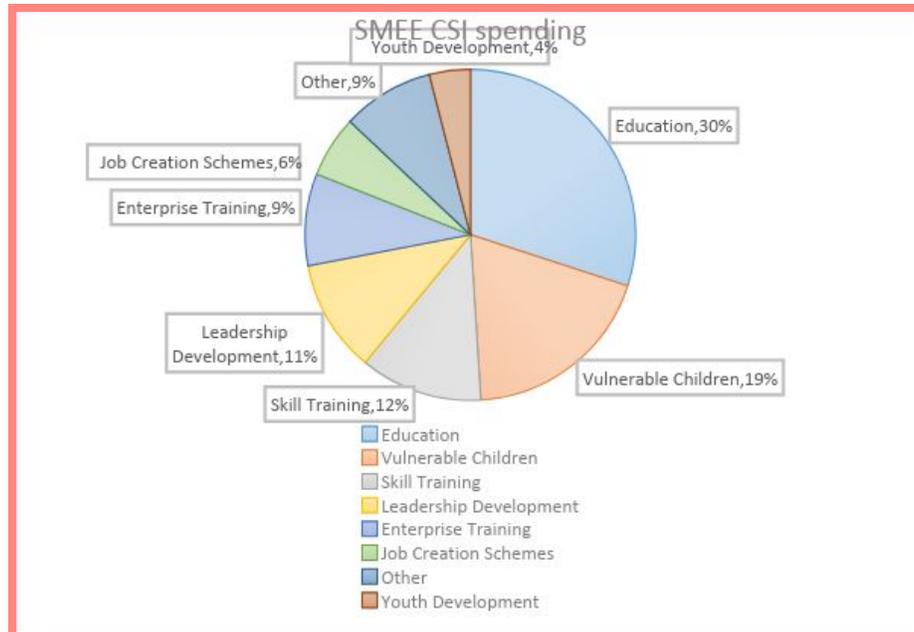


Figure 3. Pie chart depicting CSI spending of Small/Micro Economic Enterprises
(*Dialogue, 2017*)

Education comprises the largest proportion of CSI investment for both large corporate entities and small/microeconomic enterprises;

- 57% of this overall expenditure is concentrated on Tertiary Education (Colleges, Universities & Technikons) and FET phase (Gr. 10 – 12).
- 39% is focused on General Education (Gr. 1 – 9) and Early Childhood Development
- The smallest proportion goes to Adult Basic Education & Training (ABET)



45% of Corporate CSI expenditure is channelled through NPO's, the first time it's reported lower than 50%:

- 34% goes to education, healthcare & governmental facilities
- 7% and 4% go to for-profit organisations and industry initiatives respectively
- Governmental programs and community trusts only account for 3% of expenditure respectively.

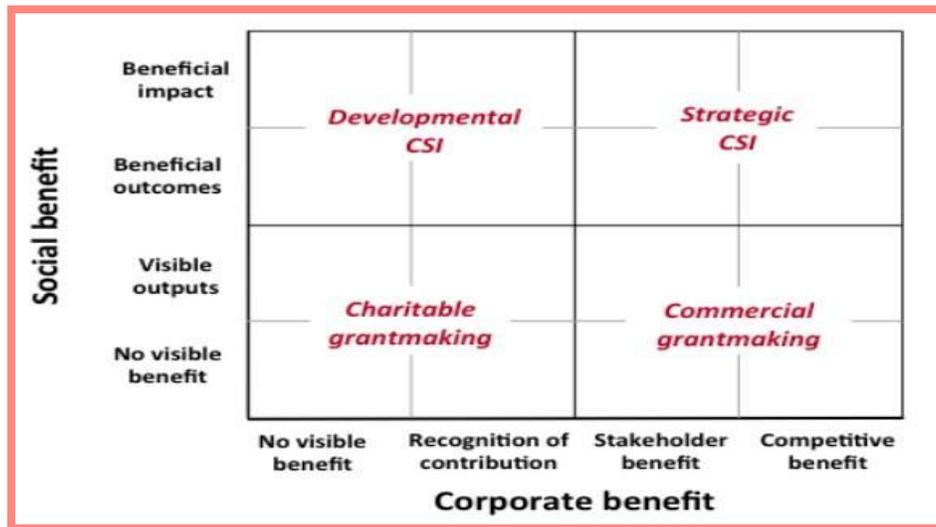


Figure 4. It is important to note that the overall trend in CSI expenditure has become more strategic with a greater emphasis on initiatives and organisations that have a beneficial impact while providing a greater competitive benefit. (Triologue, 2017)



As previously mentioned 70% of corporate bodies surveyed reported the introduction of formal volunteer policies. The most popular forms of corporate volunteerism in these bodies are;

- Corporate volunteer initiatives and fundraising/collection drives (reported by 84% and 78% respectively).
- Giving employees leave specifically for volunteer initiatives (reported by 58%).
- Employee and volunteer matched funding (reported by 48% and 28% respectively).

TABLE 1. LIST OF TOP 10 CORPORATE CSI INVESTORS (Dialogue, 2017)

Corporate's CSI ranking	Corporate	Mentions in Survey
1	Anglo-American	18
2	Nedbank	16
3	Woolworths	15
4	MTN	11
5	Old Mutual	10
6		
7	SAB Miller	9
8	First Rand FNB	6
9		
10	MultiChoice Telkom Transnet	5



PREDICTED CSI TRENDS FOR NEXT 8 YEARS

1. Increasing the integration of CSI with a growing budget
2. CSI is likely to become more specialised and focused on certain initiatives
3. More focus on advocacy groups that aide disadvantaged demographics
4. Increased employee engagement and corporate volunteerism
5. Increased consumer buy-in and support
6. Increased CSI collaborative efforts
7. More focus on innovative financing
8. Greater significance on technological and data innovation
9. Increased transparency in CSI funding and programs
10. A greater focus on increasing professionalism in CSI management and facilitation.

CITATIONS

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