

**CORPORATE SOCIAL INVESTMENT PRACTITIONERS'
VIEWS REGARDING ESKOM'S CONTRIBUTION
TOWARDS INTEGRATED COMMUNITY ECONOMIC
DEVELOPMENT**

BY

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DECLARATION

I hereby declare that the content in this dissertation was prepared by me and all the sources used were acknowledged in the references.

Student signature: _____

Date: December 2011

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ABSTRACT

CORPORATE SOCIAL INVESTMENT PRACTITIONERS' VIEWS REGARDING ESKOM'S CONTRIBUTION TOWARDS INTEGRATED COMMUNITY ECONOMIC DEVELOPMENT.

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Eskom makes a significant contribution to social and economic development in South Africa, which is realised through its corporate social investment policy. Eskom could reinforce its contribution by adopting Integrated Community Economic Development (ICED), which addresses issues of poverty in a holistic way. Nthomang and Rankopo (1997:209) regard (ICED) as "...a holistic approach that seeks to address socio-political constraints preventing marginalised communities from attaining humane standards of living".

The goal of the study was to explore the views held by corporate social investment practitioners' on Eskom's contribution to socio-economic projects within a sustainable framework to alleviate poverty and unemployment. The research followed a qualitative approach, and data was gathered by means of semi-structured interviews. Participants in the study came from four regions, the Central, Southern, Northern regions and part of the North Western region of Eskom's terrain.

From the key findings, it was evident that Eskom contributes to the social and economic development of communities, but its contribution could be more effective and meaningful if funding policies, partnership involvement, the role played by corporate social investment practitioners' and community economic development strategies were more closely aligned with an Integrated Community Economic Development approach.

The study concluded that the Solertia Institute Model Program for the advancement of capable communities provided a relevant framework that could be adapted as a viable strategy whereby Eskom could contribute to sustainable Integrated Social and Economic Development. The researcher recommends that the Eskom management adopt the proposed strategy as part of Eskom's corporate social investment policy. Further, the implementation of the respective projects should be aligned with the phases of the Solertia Institute Model Program. Projects should therefore be continuously monitored to assess and evaluate Eskom's contribution to sustainable Integrated Community Economic Development.

KEY WORDS

Socio- economic development

Community Economic Development

Integrated Community Economic Development

Sustainable Development

Community participation

Corporate Social Investment

Eskom and Eskom Development Foundation

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CHAPTER ONE

GENERAL INTRODUCTION AND ORIENTATION TO THE STUDY

1.1 Introduction

The state of unemployment and poverty in South Africa, exacerbated by the apartheid era, resulted after the 1994 elections in organisations and government initiating new approaches and policies to address the needs and development of disadvantaged communities. New approaches and policies have not been an exclusively South African attempt, but a global issue necessitating the involvement of other developing countries. The United Nations World Summit for Social Development, which took place in Copenhagen during March 1995, is a typical example of global involvement. It has, in fact, been marked as a historic event that prompted leaders from different countries to commit themselves and put forward programmes of action as a contribution to integrated and sustainable development.

The delegated national leaders agreed that economic policies should always be discussed within the context of economic and social issues. The International Council on Social Welfare (2004:4) concurs: “The Summit leaders emphasised, in particular, that social issues should be given full and informed consideration in the development of economic policies ...”. In considering social issues around the globe, it is therefore important for leaders to devise workable strategies that link social development with economic development.

There are many challenges affecting progress in addressing poverty and unemployment. Schoeman (2001) as cited in Fox and Van Rooyen (2004:13) highlights the following global challenges:

During the past few years, the economies of Africa have been exposed to the powerful process of globalisation and African economic policies have shown weaknesses that have in turn caused governments to seriously rethink their strategies ... [T]he basic contention is that higher and sustainable growth and development rates will be difficult to achieve should the twin problems of poverty (linked to unemployment) and socioeconomic inequities not be addressed simultaneously, speedily and effectively.

This reality challenges all role players in the social and economic development arena to construct and implement strategies in communities that will integrate the human, social and economic factors, because, without ownership of change and process by the community affected, no sustainability is guaranteed. Since adopting the Reconstruction and Development Programme (RDP), South Africa has progressed in introducing strategies like the Growth Employment and Redistribution Strategy (GEAR) and the Accelerated and Shared Growth Initiative (ASGISA) to address social and economic issues.

The introduction of the RDP in 1994 was one of the initiatives by the South African government to address social and economic problems caused by the apartheid regime, and was regarded as an integrated approach (African National Congress, 1994). Knight (2004:1) indicates that "... the RDP recognized that all the problems (lack of housing, a shortage of jobs, inadequate education and health care, a failing economy) are connected". Integration is therefore an important element in addressing social issues.

The RDP proposal on job creation through public works, which resulted in the Expanded Public Works Programme (EPWP), was also aimed at the integration of social and economic development in addressing the issues of unemployment facing South Africa. The key programmes stipulated in the White Paper on RDP (RSA, 1994:9) were a clear reflection of promoting economic growth and the standard of living in disadvantaged communities, namely: meeting basic needs, developing human resources, building the economy, democratising the state and society, and implementing the RDP.

Seventeen years into South African democracy, these five key programmes continue to pose a challenge to government, private and non-governmental organisations in realising partnerships as an important component in integrating programmes and in ensuring meaningful contributions to social and economic development. The Reconstruction and Development Programme (RDP) of the ANC (1994) therefore demonstrated the good intentions of improving the lives of disadvantaged people in terms of poverty eradication, but it encountered difficulties in the implementation stage.

Although the government remained committed to the RDP, the White Paper on Reconstruction and Development (RSA, 1994) scaled down its implementation goals for the programme because of its economic policy and goals. As Sewpaul (2001:315) points out, “the RDP White Paper altered the role of fiscal caution from a means to achieve RDP objectives to an objective of the RDP”. The change in focus clearly affected government’s role in economic issues, posing an enormous challenge for Integrated Social and Economic Development. The Growth and Employment and Redistribution strategy (GEAR) reduced government’s involvement, which amounted to questioning its seriousness in alleviating poverty.

Adelzadeh (1996) (in Sewpaul, 2001:315) concurs that:

[t]he goal of redistribution was dropped as an objective and the role of government in economic affairs was reduced... Since then there has been acceptance of the tenets of the neo-liberal economic framework, with the release of the Growth, Employment and Redistribution (GEAR) strategy in June 1996.

The RDP’s intention to address poverty and unemployment was affected to the extent that the economy somehow controlled the implementation of the policy and the needs of the poor were compromised. Besides the introduction of GEAR, the researcher regards the integration of RDP programmes as significant for economic progress and therefore relevant for consideration by corporate social investment practitioners’ when dealing with socio-economic projects. Comparing the RDP goals to those of GEAR, the researcher sees GEAR as a setback, because the government had to cut spending on services for promoting the quality of people’s lives.

Sokalzi (1992) (in Sewpaul, 2001:311) emphasised the importance of an economic and social basis when he said that “[s]ustained economic growth and political stability are hardly likely without sound social bases”. Linking economic growth with social development through the distribution of wealth is therefore crucial for sustainable growth and development. Because of its focus on socio-economic integration, the researcher regards the RDP as vital to the South African government’s intention to halve poverty by 2015.

With the failure of the GEAR strategy to deliver on socio-economic development, the government initiated ASGISA. The former deputy president, Phumzile Mlambo-Ngcuka (RSA, 2006a:2), sees the strategy as important "... to ensure that the fruits of growth are shared in such a way that poverty comes as close as possible to being eliminated, and that the severe inequalities that still plague our country are considerably reduced".

The strategies of both the RDP and ASGISA strived for the elimination of poverty so that there can be social and economic development. The researcher sees the need for Eskom's corporate social investment practitioners' responsible for Eskom's contribution to socio-economic development to align their approach with government strategies and adopt one that includes human, social and economic development for sustainability and prosperity. Given the importance of the social aspect, corporate social investment practitioners' are also faced with the challenge of updating their knowledge of economic development so that they can better facilitate integrated social and economic development.

Former President Thabo Mbeki, in the State of the Nation address (RSA, 2006b:6), indicated that: "... we should move faster to address the challenges of poverty, underdevelopment and marginalising those caught within the second economy, to ensure that the poor in our country share in our growing prosperity". Mbeki's speech emphasised the need for government, the private sector, civil society organisations and development agencies to take ownership and accept responsibility and accountability when it comes to poverty reduction, and to realise that innovation and new initiatives like social development are crucial in reducing the country's poverty levels. If the role players are to effectively address issues of poverty, it is imperative for the nature and scope of the concept to be clearly understood.

This study views poverty in an integrated light rather than in isolation. The European Community's Development Policy (2000:2) confirms as follows:

[p]overty is defined not simply as the lack of income and financial resources but as also encompassing the notion of vulnerability and such factors as no access to adequate food, education and health, natural resources and drinking water, land, employment and credit facilities, information and political involvement.

It is thus important for poverty to be addressed in an integrated manner to ensure that all developmental factors are addressed and are not compromised. The above definition of poverty suggests that it is absolutely vital for service providers to understand the dynamics of poverty if they are to determine the basis of handling socio-economic projects. The Congress of South African Trade Union (COSATU) Socio-Economic Development Report (2006:4) concurs:

In order to design appropriate socio-economic interventions to improve the well-being of people currently living in poverty, and to support their initiatives to escape out of poverty, it is vital that policy makers understand the dynamics of poverty and its causes and effects, and not just view poverty as a static statistics.

It is thus an indication that poverty can be addressed in an integrated manner through Integrated Community Economic Development. Nthomang and Rankopo (1997:209) regard (ICED) as "...a holistic approach that seeks to address socio-political constraints preventing marginalised communities from attaining humane standards of living". The objective of ICED is therefore social, economic, political, personal and educational. The community development approach requires service providers to collaborate in offering all their skills to achieve their goals. Gray (1996:12) acknowledges the increasing recognition that training, skills development and income generation are crucial to economic empowerment. Integration of Social and Economic Development could be possible if human development were to be a priority area for sustainable development.

Corporate social investment practitioners' who are the focus of this study are Eskom employees playing an advisory role to ensure effective implementation of socio-economic projects in terms of Eskom's policies and procedures. A community advisory role is becoming increasingly essential to Integrated Community Economic Development. This indicates the need for further training and development, as well as an understanding of all the aspects contributing to Integrated Community Economic Development. Modisa Phakedi, a corporate social investment manager and an expert employed by Eskom, confirmed during a personal interview that Integrated Community Economic Development is crucial to the sustainability of projects (Phakedi, 2007).

He stated further that certain projects fail owing to lack of integration. Naume Mamogobo, former socio economic practitioner in the socio-economic environment, confirmed Phakedi's view on sustainability and concurred that the failure of some of the projects is due to the lack of sustainable elements (Mamogobo, 2007).

The researcher, an Eskom employee, provided human resources support to corporate social investment practitioners' from 2003 to 2007, and, in her capacity as a human resources practitioner, engaged with corporate social investment practitioners' in terms of issues that related to their job description. The job description provides a broader view of corporate social investment practitioners' key performance areas and the responsibilities attached to the job. Furthermore, the job description is viewed as comprehensive as far as rendering service to communities is concerned. However, the lack of integrated service delivery and sustainable socio-economic development and failure of projects were matters of concern to the researcher and therefore needed further exploration.

Against the above background, Eskom is faced with the challenge of ensuring that its contribution to corporate social investment leads to sustainable development. According to the researcher, it was necessary to revisit the skills and knowledge of corporate social investment practitioners' to see if they contributed meaningfully to the country's economic development in relation to the integrated approach. It was also necessary to explore the job descriptions of corporate social investment practitioners' to see if they had been updated in accordance with the current trends in supporting Integrated Community Economic Development. COSATU Socio-Economic Development Report (2006:3) cited six objectives that the researcher regards as supporting Integrated Community Economic Development:

- Promoting self-reliance in development and build capacity for self-sustaining development;
- accelerating socio-economic development to achieve sustainable development and poverty eradication;
- strengthening policies, delivery mechanisms and outcomes in key social areas, including education and combating HIV/AIDS and other communicable diseases;

- ensuring affordable access to water, sanitation, energy, finance (including micro finance, markets and information communication technology..., shelter and land to all citizens, especially the rural people;
- progressing towards gender equality in all critical areas of concern;
- encouraging broad-based participation in development by all stakeholders at all levels.

These objectives provide guidelines for corporate social investment practitioners' to have a broader, more holistic understanding of Integrated Community Economic Development as a premise for developing communities and to scrutinise the current strategies of economic projects to see if they are aligned with the theoretical framework of Integrated Community Economic Development.

That serves to indicate that, if poverty is tackled in an integrated manner, the desired results can be achieved. Gray (1992) cited in Gray (1996:9) concurs:

Internationally, development is conceptualised as a comprehensive attack against poverty based on social, political, economic and cultural goals. It is concerned with constant improvement, involves the participation of ordinary people and leads to a fair distribution of benefits and development.

Midgley (1995:25-27) sees social development as “a process inextricably linked to economic development”. In addressing issues of poverty and unemployment, the active participation of corporate social investment practitioners' and participants in need will play a greater role in contributing to the success of Eskom's socio-economic projects.

With this study, the research aimed at revealing to the Eskom management, corporate social investment practitioners', community workers and Eskom employees the importance of Integrated Community Economic Development in dealing with community projects and in integrating theoretical and practical knowledge for a sustainable outcome of development.

1.2 Problem statement

Eskom¹ as South Africa's major leading electricity public enterprise was selected as the unit of analysis for this study. According to Vogt (1999:299), a unit of analysis can be described as "the persons or things being studied". Mouton(2001) cited in Fouché (2002:107), states that the unit of analysis refers to the "what" of the study - what object or phenomenon, entity, process or event forms part of the study. The research focused on Eskom and its corporate social investment practitioners', and views on Eskom's contribution to Integrated Community Economic Development were obtained. Eskom aligns its business and its social responsibilities through its corporate social investment arm, the Eskom Development Foundation.

Eskom aligns itself with the approach of Integrated Community Economic Development and strives to. "...promote skills development and encourage entrepreneurship by contracting with BEE [Black Economic Empowerment], SME [Small Medium Enterprise] and BWO [Black Women Owned] organisations" (*Eskom Annual Report 2007:85*). The Eskom Development Foundation invested R43,7million in programmes that focused particularly on support for women, youth and people with disabilities (*Eskom Annual Report 2007:89*).

Clearly Eskom is contributing to the socio-economic development of the country. It is thus one of the South African role players who aspire to contributing to social and economic development in addressing issues of poverty and unemployment. Of concern, however, was the implementation of an integrated approach and in particular the advisory role played by corporate social investment practitioners' in Eskom's Northern Region, in planning and implementing integrated socio-economic development. Through general observation and experience as a human resources practitioner, the researcher has dealt with a number of projects at Eskom focusing on meeting targets for year-end appraisals rather than on sustainable development. This has a negative effect on sustainability.

¹ This view is currently not shared by the country, as Eskom is currently faced with challenges of ensuring a continuous (uninterrupted) supply of electricity. Debate on this issue is beyond the scope of this study. For purposes of this study the premise is that Eskom currently has an action and recovery plan in place to address challenges facing the industry.

The researcher's view is that it is critical for planners and implementers to ensure that socio-economic projects reflect integration and sustainability for the alleviation of poverty and unemployment in the country. The researcher's exploration of the process and procedure implemented by Eskom in its contribution to socio-economic development was necessary for establishing whether there is integration.

Conceptualisation of Integrated Community Economic Development is important if there is to be a broader understanding of the reasons why problems of poverty and unemployment are escalating, despite the many socio-economic projects initiated and implemented by enterprises and corporate companies like Eskom, civil society organizations and government. The policies, processes and procedures governing Eskom in its contribution to socio-economic projects were also identified as an area meriting investigation.

According to the *Eskom Annual Report* (2003:14): "Sustainability and growth can only be achieved when corporate grant makers work together, pool resources for joint-venture programmes and ensure that poverty alleviation is converted to wealth creation. Then we will be noted as a dynamic investment environment globally".

In summary, it is not known how integrated Eskom's socio-economic development projects are in addressing poverty and unemployment. Corporate social investment practitioners should ensure that corporate social responsibility addresses the needs of disadvantaged communities by alleviating poverty and unemployment in an integrated manner rather than only counting the number of projects initiated and targets achieved.

The study explored corporate social investment practitioners' views on Eskom's contribution towards Integrated Community Economic Development with a view to assisting Eskom's management and corporate social investment practitioners' revisit Eskom's contribution and impact on social and economic progress in the country within the context of a long-term strategy.

1.3 Research goal and objectives

The goal and objectives of the study were as follows:

1.3.1 Goal of the study

The study aimed to explore the views of corporate social investment practitioners' on Eskom's contribution to socio-economic projects within a sustainable framework to alleviate poverty and unemployment.

1.3.2 Objectives

In order to achieve the goal of the study, the objectives were as follows:

- To conceptualise the role of corporate social investment practitioners' in relation to Integrated Community Economic Development;
- To analyse Eskom's policies, processes, procedures and approaches in funding corporate social investment programmes and projects to inter alia address issues of poverty and unemployment within an Integrated Community Economic Development framework;
- To explore corporate social investment practitioners' views on Eskom's contribution to Integrated Community Economic Development with regard to empowerment and sustainability;
- Based on the research findings, draw conclusions and make recommendations to Eskom's management concerning the realignment of current funding strategies, and to propose a viable strategy for implementation.

1.4 Research questions for the study

In a qualitative study, a research question is important in guiding the researcher. According to Leedy (1997:60), "[r]esearch questions provide another means for guiding and directing the researcher's thinking and are more common in non-quantitative studies". Vogt (1999:247) defines a research question as the problem to be investigated in a study, stated in the form of a question.

In view of the qualitative nature of the study, the researcher used research questions when searching for relevant data. The following question guided the study:

- What are the views of corporate social investment practitioners' on Eskom's contribution to Integrated Community Economic Development?

The following research sub-questions supported the main research question:

- What are the views of corporate social investment practitioners' on the levels of empowerment and sustainability of Eskom's socio-economic projects?
- What are the views of corporate social investment practitioners' on current funding strategies for addressing issues of poverty and unemployment by means of integrated community economic development?
- What are the views of corporate social investment practitioners' concerning a viable strategy for Integrated Community Economic Development?

1.5 Research approach

The researcher regarded the qualitative approach as appropriate for exploration on the views of corporate social investment practitioners' on their experiences in the work environment. Qualitative research implies a study of human action from the perspective of the social actors themselves (Babbie & Mouton, 2001:270). The qualitative approach enabled the researcher to interpret and make sense of personal stories told by corporate social investment practitioners' in understanding Eskom in relation to Integrated Community Economic Development.

1.6 Type of research

According to Fouché (2002:108-09), applied research "...is aimed at helping practitioners accomplish tasks ... [and that] most applied research findings have applications for knowledge development".

The researcher's aim was to present possible solutions and recommendations that could be applied by Eskom corporate social investment practitioners' in contributing to sustainable community economic development projects for the alleviation of poverty and unemployment.

1.7 Research design and methodology

Within a qualitative framework, the researcher identified the case study as appropriate for use in this study. Creswell (1994:12) cited in Leedy (1997:157) sees case studies as:

... a type of qualitative research in which the researcher explores a single entity or phenomenon (the case) bounded by time and activity (a programme, event, process, institution, or social group) and collects detailed information by using a variety of data collection procedures during a sustained period of time.

In this study, the researcher explored the views of corporate social investment practitioners' on Eskom's contribution to the phenomenon of Integrated Community Economic Development as it relates to the alleviation of poverty and unemployment. The researcher used one-on-one interviews as a data collection method. One-on-one interviewing was chosen because it enabled the researcher to gather rich and raw information and to interact with corporate social investment practitioners' (Greeff, 2002:302)

The researcher adopted a text data analyses by organising data into categories on the bases of themes, concepts or similar features (Neuman, 1997:421). Pilot study was used to determine the relevance of the topic and the semi structured interview schedule. (Strydom, 2002a:215). The study was feasible because the researcher, as an Eskom employee had access to the required infrastructure and participants. The researcher also obtained permission from Eskom to conduct the study. The Sales and Marketing department of Eskom was identified in choosing a sample. It consists of different sections which included Trading, Sales, Forecasting, Marketing Services and the Corporate Social Investment (Socio-Economic) sections.

Corporate Social Investment section was relevant to this study and constituted a population of six people. Strydom and Venter (2002:200) state that the size of the sample will be influenced by the relative homogeneity or heterogeneity of the population.

In this research, the aim was to include the total population, which consisted of five corporate social investment practitioners' and one corporate social investment manager of the Northern region. However, the sample changed to include corporate social investment practitioners' from other regions.

1.8 Definition of key concepts

The key concepts in the study are:

1.8.1 Socio-economic development

Ribero and Warner (2007) state that “economic development is typically measured in terms of jobs and income... [I]t also includes improvements in human development, education, health, choice and environmental sustainability”. Midgley’s (1995:25) definition of social development, “... a process of planned social change designed to promote people’s welfare in conjunction with a comprehension process of economic development”, emphasises the link between social and economic development.

Liou (2004:1) defines socio-economic development as “... planned efforts to build assets that increase the capacity of communities”. For this research, socio-economic development is aimed at empowering individuals and communities to participate and take a leading role in productive economy to improve their standard of living. The definition adopted as relevant for this research is that socio-economic development “...is the ability of ...organisations to mobilise and organise local resources and capacities, and to effectively improve the community socioeconomic and political conditions” (Nthomang & Rankopo, 1997:227). The researcher views socio-economic development as integrated development concerned with the engagement of communities in productive employment for social and economic investment.

1.8.2 Integrated Community Economic Development (ICED)

Nthomang and Rankopo (1997:208) define Integrated Community Economic Development as “...the comprehensive and empowerment dimension to community economic development and [the] interactive nature of social development”. They further define ICED as “the comprehensive nature of social development [that] adopts a holistic approach that seeks to address in an integrated manner social, economic, political, and personal factors that militate against efforts towards positive social development of marginalized communities” (1997:205). For the purposes of this study, Integrated Community Economic Development implies development that links social and economic development embedded in a holistic approach seeking to address, in an integrated manner, social and economic factors for sustainable development.

1.8.3 Sustainable Development

According to McKinlay (2004:50), sustainable development is to be regarded “[as] a process of holistic transformation of the society for self-reliance and the well-being of all”. In this research, sustainable development is defined as development that is socially and economically integrated in nature and aimed at sustainable job creation to alleviate poverty and unemployment. Sustainable development is a long-term investment that involves partnership and active participation by government, the private sector, non-governmental organisations, individuals and communities, and encourages integrated development for social and economic progress

1.8.4 Community participation

Integrated Community Economic Development requires community participation. According to Fox and Meyer (1995), as cited in Fox and Van Rooyen (2004:118), “community participation is defined as the way in which communities and stakeholders are involved in the development processes which include policy formulations, budgeting, identification, implementation and monitoring of projects and strategy formulation”. This definition emphasises active involvement of the community in the development process rather than being the sole responsibility of the planners.

Barberton, Blake and Kotze (1998:111) state:

Community participation seeks to address the unequal distribution of power. Therefore the main goal ... is to transfer power to disadvantaged groups that have been excluded from economic and political influence. From this rationale for fostering community participation it follows that any participation fostering unit ... needs to serve as a change-agent that seeks to remove power from politicians and bureaucrats and place it in the hands of the people.

Community participation therefore has an empowerment dimension. It seeks to engage communities in their development. Community engagement is therefore crucial to social and economic development. For purposes of this research study, community participation entails the active involvement of the community in planning and implementing activities aimed at improving the quality of life and in ensuring sustainable growth and development. In the light of this, Integrated Community Economic Development cannot be achieved without community participation. Corporate social investment practitioners' success in implementing socio-economic projects therefore depends on community participation.

1.8.5 Corporate social investment practitioners

According to Eskom Job profile (2007), corporate social investment practitioners'(socio-economic practitioners) are responsible for the development and implementation of effective social and economic development plans aimed at funding economic projects for poverty alleviation. These practitioners are therefore regarded as a link between Eskom and communities, and are responsible for identifying, assessing, monitoring and evaluating projects that can be implemented for sustainable socio-economic development as guided by Eskom's policies and procedures. The premises for this research is that Integrated Community Economic Development can only be realised if corporate social investment practitioners use viable strategies and processes that link social and economic development.

1.8.6 Eskom and the Eskom Development Foundation

Eskom is an electricity company responsible for the generation, transmission and distribution of electricity. It is also concerned with the designing, building and refurbishment of Eskom's electricity asset. According to the *Eskom Annual Report* (2005:66), Eskom is an electricity utility, "...that generates, transmits and distributes electricity to industrial, mining, agricultural, redistributors and residential customers, as well as the purchase and sale of electricity from and to Southern African Development Community (SADC) countries".

Eskom also provides consultation services on social and economic projects through corporate social investment practitioners. According to the Eskom Development Foundation (*Eskom Annual Report*, 2005:53) Eskom "... engage[s] in projects geared towards eradicating poverty and other social ills...[and] has [thus] been able to maintain or increase employment". The Eskom Development Foundation aims at evaluating sustainable projects for funding social and economic projects identified by corporate social investment practitioners'.

1.9 Content of the research report

The research report will consists of the following chapters:

Chapter One provided a problem statement, the goals and objectives of the study, the research question, research methodology, the key concepts used in the study and the limitations of the study.

Chapter Two focussed on the conceptualisation of integrated community economic development in alleviating poverty and unemployment and the importance of the link between social and economic development. It also provided the broader framework of Eskom's involvement in socio-economic programmes for the purposes of alleviation of poverty and unemployment and corporate social investment practitioners' role and responsibilities.

Chapter Three reported on the research methodology, ethical aspects of the study and the empirical study. The findings were presented, interpreted and discussed.

Chapter Four provided the key findings, conclusions and recommendations of the study.

CHAPTER TWO

INTEGRATED COMMUNITY ECONOMIC DEVELOPMENT WITHIN THE CONTEXT OF ESKOM

2.1 Introduction

Eskom's development objective is to improve individual and community life in an integrated and sustainable way. According to Gray (1996:11), "development is not simply an economic issue since it places people at the centre of planning and is concerned with the overall quality of their lives". In addressing poverty and unemployment in South Africa and in meeting universal developmental goals, social and economic integration is important for sustainable growth.

Economic growth does not lead automatically to social growth. Gray (1992), cited in Gray (1996:11), asserts that there are numerous examples of economic growth failing to lead to an improvement in the quality of lives. The Integrated Community Economic Development approach makes social and economic integration possible and provides a perspective for meeting social and economic goals without overlooking the empowerment function. Nthomang and Rankopo (1997:209) indicate that the objectives of ICED are social, economic, political, personal and educational. The approach is thus relevant to addressing issues of development in an integrated manner.

As a contributor to social and economic development, Eskom has a responsibility to create an environment in which communities are empowered to develop themselves holistically. At a Harvard Business School conference on global poverty, Natsiok cited in Rangan, Quelch, Herrero and Barton (2007:5) states:

By creating a positive business environment, providing the right tools for entrepreneurship and trade, and offering private sector partnerships, you open the door to people to pursue their own development. There is no development approach which is more edifying to a person, and in turn, more durable in results, than this.

The application of Integrated Community Economic Development can be armoured if areas that include community involvement, coordination of resources, partnership, approval and distribution of funds are revisited and structured from time to time based on internal and external factors that could positively affect the business environment as far as social and economic growth is concerned. The recessionary conditions experienced during 2009, with the resultant economic slowdown and unemployment, illustrate some of the external factors that affected social and economic growth at that time. Nkomo (1993), cited by Sewpaul (2001:319), states the importance of understanding the poverty-generating structures of society and identifying what has to be done to reduce poverty.

It is therefore imperative that Eskom be aware of poverty-generating structures in supporting communities in development as well as in measuring productive activities for social and economic impact. Continuous and critical monitoring and evaluation of projects and programmes could contribute positively to projecting sustainability. Rangan *et al.* (2007:307) cite measuring business impact as a challenge to poverty eradication:

Perhaps the most challenging aspects of assessing business models aimed at the base of the pyramid is the question of how to measure social impact. How does a firm know that it is reducing poverty? It can certainly measure revenues and profits gained. It can also measure the number of products and services delivered to a community. But moving beyond these simple indicators to real measures of impact - to income increased, lives changed and societies transformed - is not [an] easy task.

In principle, Eskom is applying Integrated Community Economic Development, however, the level and areas of practice in integration have not yet been established, which consequently forms the basis of this research. In this chapter, Integrated Community Economic Development will be contextualised as a theoretical framework for the integration of social and economic development. Firstly, the relevance of Integrated Community Economic Development in addressing poverty and unemployment will be outlined within the context of community, community development and community economic development. The next section will outline Eskom's relevance to Integrated Community Economic Development.

The implementation of Integrated Community Economic Development will be highlighted throughout the discussion.

2.2 Conceptualisation of Integrated Community Economic Development

The researcher views Integrated Community Economic Development as an approach that builds on work developed in the field of community economic development, reflecting the way in which issues of poverty have been addressed and strengthened to meet social and economic demands for sustainable growth. Nthomang and Rankopo (1997: 223) highlight the following:

There is now sufficient evidence from research to support the view that recent trends in CED recognise the importance of wider structural socioeconomic and political factors in their interventions with marginalized communities and the central roles played by empowerment in such practice.

In supporting the need for Integrated Community Economic Development, the associated work is concerned with social and economic development. Integrated Community Economic Development takes the approach further and holistically addresses the social, economic, political, educational and personal factors relating to disadvantaged communities. Nthomang and Rankopo (1997:205) cited the holistic approach of Integrated Community Economic Development, which will be discussed in this chapter (see 2.24). The concepts community, community development and community economic development are fundamental to Integrated Community Economic Development and will be briefly covered in the discussion as aspects of conceptualising Integrated Community Economic Development.

2.2.1 The concept of community

It is not easy to define a community, since people are now moving from one location to another, which often weakens their belief system and cultures. The Network Glossary (2009:1) defines community as “a place where people live and share things in common. A community [is] recognised as having a local economy...”.

MaQueen, McLellan, Metzger, Kegeles, Strauss, Scotti, Blanchard and Trotter (2001:1929-1938) define community “...as a group of people with diverse characteristics who are linked by social ties, share common perspectives, and engage in joint action in geographic locations and settings”. The two definitions indicate sharing and location as distinct community components of social and economic development. Shared growth within a community thus plays an important role in successful Integrated Community Economic Development. It is therefore necessary for corporate social investment practitioners’ to understand the elements in the community with which they are involved if they are to facilitate and promote Integrated Community Economic Development.

2.2.2 Community development

According to Gray (1996:11), “[c]ommunity development is an intervention strategy, a way in which services are rendered... [It] emphasises the participation and involvement of local people, the importance of empowerment through education...capacity building and community organising”.

Prompted by the above definition of community development, the researcher deduced that involvement, empowerment and participation are the drivers of community development. Ife (1995:131) highlights the importance of integrating a community with its economic base when it comes to community development programmes, and maintains that the failure of these programmes is attributable to the fact that the community’s economic base is ignored.

The Combat Health Agency (2005:3) stresses the key aspects of a community development approach:

- Empowering and enabling people to work together to identify their needs and exert control over issues that affect their lives, to the collective benefit of the community;
- Building sustainable resources, structures and processes within communities;

- Promoting collective action and participation in addressing community issues;
- Recognising and sharing experience, resources and skills to the benefit of the community;
- Addressing power inequalities through power-sharing;
- Challenging institutional structures and public policies that create or perpetuate disadvantage;
- Using the experience and perspective of communities to effect change;
- Building on the sustainable social capital of communities, for example, networks based on trust, shared norms, values and understanding;
- Building the capacity of the community to identify, develop and manage the processes, structures and resources necessary to achieve community goals;
- Building partnerships with statutory agencies, private-sector bodies and local service providers.

The key aspects mentioned above indicate community development as the driver of change. Community development can therefore be utilised as a strategy to involve and encourage communities to participate in community projects and in turn to facilitate community economic development.

2.2.3 Community Economic Development

Community Economic Development provided the base from which Integrated Community Economic Development evolved. Nthomang and Rankopo (1997:208) point out that there is no consensus on a single definition of Community Economic Development. Community Economic Development is regarded as “: [a]ction by people locally to create economic opportunities and enhance the social and environmental conditions of their communities, particularly with those most marginalised, on a sustainable and inclusive basis (Community Economic Development, n.d.: 6).

Nthomang and Rankopo (1997:208) perceive Community Economic Development as “...an alternative to conventional economic development approaches ...emphasizes community ownership and control of local economic development programs”.

Community Economic Development is further regarded as “ a multi-faceted approach, conceived and directed locally, for revitalising and renewing community economies by managing and strengthening community resources for community benefit” (Community Economic Development n.d.:7). Hahnel (1991) (in Ife 1995:143) concurs with the idea of local development and defines the intention of Community Economic Development as follows: “[C]ommunity Economic Development involves attempting to establish an alternative, locally-based economy”. The local development mentioned is possible through the deployment of local community. Ife (1995:143) commented on community dependence on community resources as follows:

[Community Economic Development] ...requires a community to be more dependent on its own resources and suggests that conventional economic wisdom often results in these resources being unrecognised and under-utilised. It also ensures that the surplus value from local productivity remains in the community where it was created, rather than being exported.

Community Economic Development offers social and economic benefits to the community. Loewen and LePage (2003:2) indicate the benefits of developing local resources as follows:

Organisations are improving run-down housing stock, assisting low income people to move into home ownership, creating community-based businesses that employ local people, developing micro enterprise programs that empower low-income people to create their own jobs, develop safety programs that counter-act city violence, bringing together local leadership to take a greater level of control over local economies assisting local recipients to make the transition from welfare to work.

The perspective of community economic development indicates that the approach is central to social and economic development. The Integrated Community Economic Development approach has an added advantage because of an empowerment dimension that contributes positively to sustainable development.

2.2.4 Integrated Community Economic Development approach.

The researcher views the Integrated Community Development approach as one that demonstrates economic growth in a broader perspective rather than looking only at social and economic development.

The term ICED [Integrated Community Economic Development] is used to connote the comprehensive nature of social development and adopts a holistic approach that seeks to address in an integrated manner social, economic, political and personal factors (Nthomang & Rankopo, 1997:193). The holistic approach of Integrated Community Economic development is an outstanding way of empowering local communities in their development. The researcher is of the opinion that Integrated Community Economic Development as a transformation approach is capable of assisting governmental and other organisations interested in social and economic development.

ICED is important in tackling poverty at the grassroots level and also in affording poor people opportunities to proactively take control of their poverty-life through empowerment. This analysis is linked to the view of the then Minister of Social Development Dr Skweyiya (2007:1), in his address at the opening of the Anti-poverty conference, when he emphasised self-reliance and job creation as a way to go for sustainable social and economic development.

The implementation of Integrated Community Economic Development as a sustainable approach could provide benefit and lift the burden on the social grants system. The researcher has observed that social grants are not sustainable and cannot therefore be relied on as a long-term alternative in the creation of wealth and sustainable livelihood in comparison with the Integrated Community Economic Development approach, which promotes it. The issue of sustainability is important in addressing poverty and unemployment from a sustainability point of departure; Integrated Community Economic Development is thus significant. Lombard (2003:225) questions the long-term sustainability of the social grant system and comments as follows:

Although the social grant system protects vulnerable individuals and families, its long-term sustainability needs to be questioned. Social grants cannot be a permanent option for unemployed families, neither from an economic burden viewpoint, nor from the perspectives of beneficiaries' self-esteem. In fact, long-term receipt of social grants will only contribute to the further exclusion of the poor.

The researcher supports Integrated Community Economic Development as an approach that encourages self-reliance, but still values social grants as a temporary measure for community survival. Raheim (1996:79) maintains that major policy changes are needed if welfare recipients are to pursue self-employment as a route to economic independence. Programmes must be accessible to provide individuals with the knowledge, skills and capital necessary for starting small businesses. Midgley (1996: 6) emphasises social and economic integration and highlights the changes in policies necessary for supporting self-employment as follows:

“...[S]ocial development cannot take place without economic development, and ...economic development is meaningless unless it is accompanied by improvements in social welfare for the whole population”.

Nthomang and Rankopo (1997:205) outline the differences between Community Economic Development and Integrated Community Economic Development as follows: “While traditionally CED strategies focussed mainly on social and economic objectives, IECD incorporates an empowerment dimension to social development”.

Integrated Community Economic Development emphasises the perspective of strength and recognises the empowerment of communities as important. Empowerment is defined as:

... the discovery of community's strengths, the attainment of participatory competence, an element of claiming resources from the state, and in the process, the removal of structural constraints that serve to promote the marginalisation of poor people (Nthomang & Rankopo, 1997:208-209).

Communities need support if they are to realise their strengths for succeeding with Integrated Community Economic Development. The following section will focus on Eskom's contribution to Integrated Community Economic Development.

The relationship between Eskom and the public sector will be discussed and an explanation provided as to why integration of the two entities is critical for the alignment of Eskom and government initiatives in social and economic development. The role of corporate social investment practitioners' will also be emphasised, as well as their contribution to Integrated Community Economic Development.

2.3 Eskom's contribution to Integrated Community Economic Development

Eskom is a state-owned enterprise or parastatal. State-owned enterprises are managed by a board of directors accountable to the state. Davids, Theron and Mapunye (2005:57) define state-owned enterprises as follows:

State owned enterprises (SOEs), also known as parastatals or public enterprises, are commercialised organisations created by the state...headed by [a] board of directors, their financial affairs are not subject to the direct supervision of the National Treasury and their personnel affairs are not subject to the direct control of the Department of Public Service and Administration and the Public Service Commission.

The situation of poverty and unemployment in South Africa can be addressed through partnership with government and other stakeholders involved in social and economic development programmes and projects. Eskom is directed by government priorities for meeting the social and economic needs of communities. Eskom therefore has a mandate, which is carried through the Eskom Development Foundation, to engage in social and economic projects and programmes aimed at addressing the needs of previously disadvantaged communities. Eskom is involved in different initiatives introduced by government, such as ASGISA, a government initiative programme aimed at accelerating shared growth and development by 2015. The *Eskom Annual Report* (2008:228) sets out Eskom's contribution to social and economic development as follows:

Eskom's contribution to accelerated and shared growth is centrally coordinated and facilitated through the office of the Chief Executive. Eskom's most significant contribution to ASGISA is through its core business of supplying reliable electricity. Eskom also leverages associated activities, including its corporate social investment (CSI) programmes, for the development of the disadvantaged.

The role of the public sector is crucial in designing and implementing policies and programmes to meet government goals for contributing to social and economic development. Eskom's involvement as a parastatal organisation in programmes and projects aligns well with the mandate of the public sector. Davids *et al.* (2005:53) indicate the role of the public sector as follows:

- Formulates social and economic policies;
- Designs and implements public programmes;
- Raises revenue;
- Manages accountability.

Eskom has a relationship with the government and ensures alignment with the public sector. Eskom's partnership with government is critical in addressing issues of poverty and unemployment. In the next discussion, a brief background of Eskom will be presented, including the power of alignment, its vision, values and strategic objectives; analysis of corporate social investment projects; partnership in development and the role of corporate social investment practitioners'.

Eskom's initiatives in contributing to social and economic development; and the criteria and process used by Eskom in funding projects will also be discussed. This will be followed by a discussion on Eskom's contribution to social and economic projects.

2.3.1 Power of alignment

Eskom does not operate in a vacuum, but is guided by its vision and value drivers in uplifting communities for social and economic growth. Eskom's vision is "...together building the powerbase for sustainable growth and development" (*Eskom Sustainability Review*, 2006:4). The vision indicates that Eskom has the sole responsibility for ensuring sustainability in its business endeavours. It therefore plays a major role in ensuring that the social and economic contribution to communities is sustainable by always aligning corporate social investment initiatives with the organisation's vision, values and strategic objectives.

Corporate Social Investment Handbook (2007:47) comments on positive social and business return as follows:

It is now widely recognised that CSI programmes are more likely to achieve a balanced social and corporate return if they are aligned with the company's normal business operations. While the type of alignment will vary depending on the nature of the business, this can be achieved in any one of three areas: the geographic area, the core business or the economic sector.

Eskom is measured on sustainability and therefore ensures that its business strategy is sustainable. Its social and economic development strategy therefore forms part of its business strategy. According to the Eskom Sustainability Review (2006:4), its strategy is based on the following factors for sustainability:

- Focusing on the core business electricity supply to maximise shareholder value in economic, social and environmental returns;
- Keeping the lights burning through optimal use and operation of its assets, resources and skills;
- Ensuring the sustainability of the business through balanced financial, social and environmental decision-making;
- Managing assets and future capital investment to ensure adequate electricity supply to meet the needs of South Africa;
- Development Community (SADC) countries connected to the grid to ensure security of supply in South Africa;
- Balancing supply and demand to ensure security of supply in South Africa.

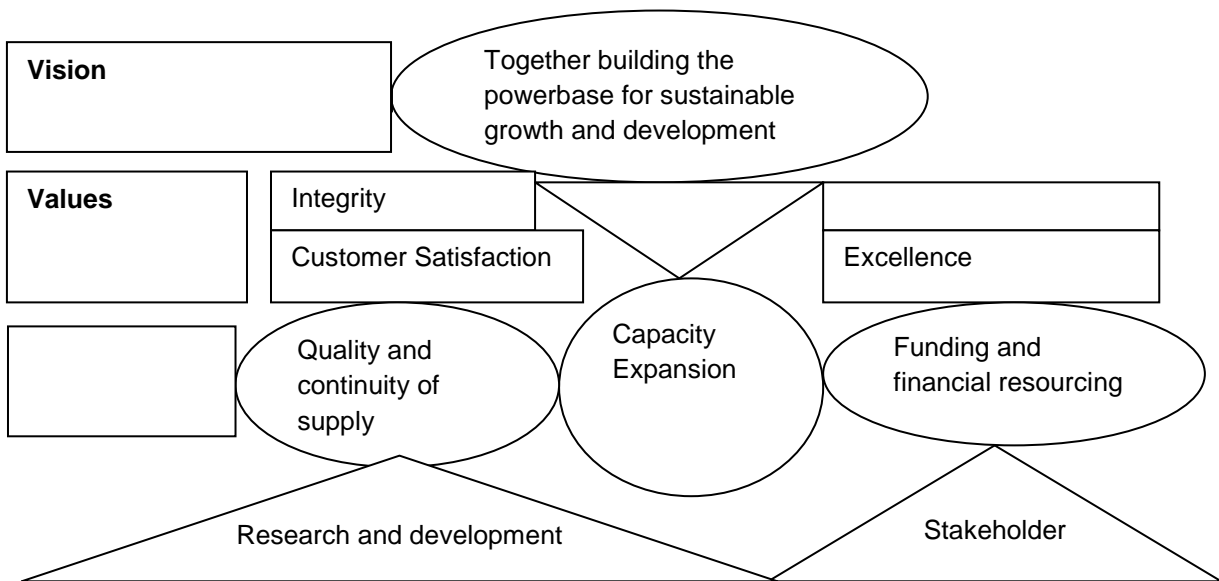
Eskom's core strategy indicates an integrated approach that encompasses its core business and integration of social, economic, political and environmental conditions. This is achieved through its vision, values and strategic objectives.

2.3.2 Vision, values and strategic objectives

Eskom's vision directs the organisation in terms of meeting its organisational objectives and goals. Figure 1 below demonstrates the link between Eskom's vision, values, customers and stakeholder engagement.

Eskom has developed a set of values that are aligned with its vision. Eskom employees are expected to adhere to the values of integrity, customer satisfaction, innovation and excellence. Employees who are involved with internal and external customers have the responsibility of ensuring that they portray Eskom’s image through its values. Corporate social investment practitioners’ are therefore challenged to live Eskom’s values, since they are involved with the external environment on a daily basis.

Figure 1: Eskom vision, values and strategic objectives



Source: Eskom Sustainability Review (2006:4)

Eskom is committed to its customers and ensures that electricity is supplied to rural, urban, commercial and industrial customers. Because of the high demand for electricity, Eskom has embarked on capacity expansion programmes for continuous electricity supply. For corporate social investment programmes and projects to positively impact on social and economic development, the researcher supports the notion that developmental goals should be linked to business goals.

An individual or community who is an intended beneficiary should be involved in the developmental process and hence be at the centre of goal-setting at the commencement of programmes and projects. Ownership by individuals, groups and communities is crucial for social and economic development.

It is essential for Eskom to contribute to Integrated Community Economic Development programmes that are entrenched in business values and goals. Furthermore, community development has to be felt and seen by outsiders rather than only meeting set organisational targets for performance incentives and publicity. The economic development empowerment dimension could positively enhance Eskom's contribution to social and economic programmes and projects. According to the *Eskom Annual Report* (2008:34), "[C]orporate Social Investment (CSI) forms an integral part of the way Eskom does business".

Eskom is therefore aligned with governmental goals in supporting developmental programmes and projects aimed at addressing poverty and unemployment. The success of developmental programmes and projects depends to a great extent on Integrated Community Economic Development, which considers stakeholder engagement to be a positive contributor to development. In this case, stakeholders include social and economic partners from different organisations and communities.

It is important for Eskom to simultaneously include all the various partners in development, such as environmental, educational, social, economic and political partners, in addressing development holistically rather than concentrating only on social and economic issues. Stakeholder engagement matters for Eskom in the business sense. It should therefore be noted that it is imperative for such engagement to be aligned with Eskom's vision, which was set out as follows in the *Eskom Annual Report* (2007:2): "Together building the powerbase for sustainable development".

Eskom is therefore responsible for ensuring that its involvement with stakeholders is at all times guided by that vision. An analysis of Eskom's corporate social investment is important in determining its involvement in corporate social investment initiatives.

2.3.3 Analysis of Eskom Corporate Social Investment

Public and private sectors have an active and influential role to play in social and economic development. Eskom, as a global electricity supplier, has demonstrated an active role in funding social and economic projects.

This is evident in the actual and target analysis from the year 2006 -2007 as published in the Eskom Annual Report (2007:89). The analysis is schematically presented as follows:

Table 1: Analysis of Eskom’s corporate social investment

	Target 2007 Rm	Actual 2007 Rm	Target 2006 Rm
Eskom Small Business Expo	1,80	1,60	1,50
Economic development	26,70	2,00	11,70
Social development	10,80	2,00	12,10
Eskom maths and science education programme	-	-	3,90
Donations(Including Chairman’s fund)	5,20	2,10	6,90
Legacy projects’			
- South African Aids vaccine initiative	15,00	30,00	-
- Business Trust (Business against crime)	4,00	6,00	6,00
- (Business Against crime)	-	-	1,00
- Other			
Total Eskom Development Foundation	63,50	43,70	43,10
Rural Development	20,00	11,40 ²	13,60
Schools Programme	8,20	10,20	11, 60
University Support	9,10	9,10	15,00
National Science and Technology forum awards	0,30	0,30	0,30
Total	101,10	74,70	83,6

Source: Eskom Annual Report (2007:89)

The table above indicates Eskom's investment of R74, 70 million in corporate social investment projects during the period 2006-2007. The focus areas include skills development, job creation, poverty alleviation and health. Eskom's funding therefore adheres to an integrated social and economic approach, ensuring that health, social and economic projects are included.

2.3.4 Eskom as a partner in development

Integrated Community Economic Development is about different sectors working together in empowering communities. De Beer and Swanepoel (2000:72) indicate: "If we agree that development is there to break down poverty, we must also agree that development cannot be sectoralised". It is therefore imperative that different sectors should work in partnership to contribute positively to poverty alleviation.

The researcher considers partnerships for corporate social responsibility to be vital in reducing unnecessary replication and integrating social, economic, political, environmental, personal and educational factors. Eskom is involved in partnership with the government to contribute positively to social and economic development. According to the *Eskom Annual Report* (2005:53), "Eskom actively pursues national projects independently and with partners to find solutions to endemic challenges of poverty and underdevelopment".

An integrated, supportive role from government, non-governmental organisations, communities and civil society organisations is considered crucial for coordination and collaboration in achieving social and economic development. Civil society is undeniably well-positioned to ensure that social and economic programmes and projects receive the necessary consideration in implementation. Partnerships among different entities should be acknowledged for their achievements in social and economic development initiatives. Partnership is also important in corporate social investment initiatives to close delivery gaps due to the shortage of social service and development professionals, which affects development.

Corporate Social Investment Handbook (2007:22) states the importance of alliances and indicates the following: “Increasingly, companies have become partners in development, often augmenting government initiatives and in many instances, filling in the delivery gaps through innovative alliances with other service providers”. An Integrated Community Economic Development approach is therefore important in meeting the social and economic objectives of those involved in corporate social investment programmes.

Eskom seeks to take ownership of the projects in which it is involved, but also realises that partnership is crucial in achieving targets for social and economic projects. In order for Eskom to attain its goal in electricity expansion programmes to meet electricity demands, it has partnerships with institutions that include government and the National Electricity Regulator of South Africa. The latter is responsible for regulating Eskom electricity in accordance with government regulations and legislation. Eskom is also involved with other stakeholders in social and economic projects. However, the researcher has not established the extent of collaboration and involvement in project planning and implementation in view of the limited scope of this study.

Eskom’s involvement with stakeholders in contributing to social and economic development is crucial to its business. However, Eskom’s primary objective is to provide electricity for its customers. Stakeholders’ engagement and collaboration are needed in social and economic development. It is important for the stakeholders involved to see each other as partners rather than as a threat, and to realise that it does not matter whether development emanates from government or from civil societies, including non-governmental organisations, communities, or private organisations.

Collaboration ultimately aims at integrated social and economic development that focuses on strengthening project-planning and implementation. In the researcher’s opinion, the silo mentality is an impediment to social and economic development. In fact, the extent of Eskom’s involvement with other organisations in development has not been practically recognised, which will be explored further in this research.

Balfour, as cited in the CSI Handbook (2007:36), points out that, while collaboration is important, it is a matter for concern for companies that would still like to work alone. It is therefore important for them to cooperate if they are to contribute meaningfully to sustainable projects. De Beer and Swanepoel (2000:75) indicate that companies should not regard collaboration as a loss of company identity:

The solution lies in a total systems approach. However the total systems approach does not mean that all sectoral dividing lines between institutions must be wiped out entirely. It simply means that institutions come together in one effort - an integrated effort to address the various aspects or dimensions of poverty together.

Partnership in social and economic development is therefore important in realising community needs and utilising resources in an integrated manner.

2.3.5 Eskom initiatives in contributing to social and economic development

Eskom corporate social investment initiatives form part of its business plan. The Eskom Development Foundation is responsible for driving the initiatives in social and economic development; however, the projects are led with Eskom's strategic direction. Within this context Eskom Development Foundation revised its grant-making and donations strategies, policies, and procedures to align them with Eskom's strategic direction (*Eskom Annual Report, 2007: 90*). Eskom has introduced a number of programmes aimed at contributing to social and economic development. These include Competitive Supplier Development and Broad Based Black Economic Empowerment. The Siyanda Growth and Development strategy (2008:6) defines Broad Based Black Economic Empowerment (BBBEE) as follows:

- It is a strategy aimed at substantially increasing black participation at all levels of the economy;
- It redresses the imbalances of the past by transferring more ownership, management and control of South Africa's financial and economic resources to the majority of its citizens;
- It also aims to ensure broader and more meaningful participation in the economy.

The Competitive Supplier Development Programme, on the other hand, is aimed at increasing the competitiveness, capacity and capability of South Africa's local suppliers rather than concentrating solely on international suppliers. The Competitive Supplier Development Programme is therefore focussed on contributing to social and economic development in ensuring that local suppliers are equipped with the skills and knowledge necessary for creating businesses that are viable and sustainable in contributing to the local market.

The empowerment of local suppliers must therefore be emphasised for sustainable development. The Competitive Supplier Development Programme is still new, and challenges are being experienced in terms of aligning the programme for social and economic strategies with government strategy. Eskom supports the development of local suppliers by encouraging the manufacture of equipment in South Africa to increase local suppliers' competitiveness, which in turn successfully contributes to ASGISA's aim of accelerating shared growth by 2015.

The *Eskom Annual Report* (2008:40) articulates this contribution as "...employment creation, poverty reduction, skills development and Broad-Based Black Economic Empowerment (BBBEE) ...". The researcher views Eskom's role in promoting Integrated Community Economic Development in communities as a challenge in terms of reaching out to those communities that are poor and in desperate need of funding. In the researcher's opinion, the Eskom Development Foundation's requirements as stated on its application form for funding are a delimiting factor when it comes to accommodating self-starters in their development. As stipulated in the Eskom application form for corporate social investment grant (see Appendix F), an application that involves an economic project must meet the following requirements:

- A business plan;
- Copies of partnership/joint venture (if applicable);
- Copy of latest audited financial statement;
- Copies of 3 months' financial statements.

These requirements indicate that there is still a gap in terms of empowering communities at the grassroots level. The researcher acknowledges that Eskom supports Black Economic Empowerment, but the level of this support and the group of communities supported remain a question for further exploration in measuring Eskom's contribution to Integrated Community Economic Development. According to the *Eskom Annual Report* (2008:46), Eskom "spent 25, 447 million and exceeded a target of 18 955 million on Black Economic Empowerment".

Women empowerment is also one of Eskom's priorities in ensuring that women are involved and participating in the economy. Eskom therefore strives to "...continue to empower black women owned businesses to accelerate their participation in the mainstream economy" (*Eskom Annual Report*, 2008:40). In terms of rand value, it is apparent that Eskom contributes to social and economic development. However; Eskom's contribution to communities that are illiterate, poor and marginalised deep in the rural areas requires further exploration that will not be part of this research. Social and economic development at Eskom is facilitated by corporate social investment practitioners' who are directly involved with individuals and communities for social and economic growth.

2.3.6 The role of corporate social investment practitioners' in Integrated Community Economic Development

The role of Eskom corporate social investment practitioners' is directed by the strategic goals of the organisation and the job description, which is holistic and is an attempt to address social and economic issues. The role of corporate social investment practitioners' is therefore more challenging than ever before, because of both the strategic role that has to be played in contributing to Integrated Community Economic Development and the way in which projects are run for corporate social investment.

Network glossary on *Enterprise and Economic Development* (2009:1) emphasises that there are basic definitions and skills that the economic developer should know if the job is to be done, namely, the frame of reference of their job description, marketing, networking and political involvement.

These are also relevant to the role of corporate social investment practitioners'. The next section will outline the requirements, tasks and key performance areas for Eskom corporate social investment practitioners' according to the approach of Integrated Community Economic Development.

2.4 Approaches to Integrated Community Economic Development

Chris Bornman, the community manager employed by the Eskom Development Foundation, as cited in the CSI Handbook (2007:36), states his argument on the welfarist versus business approach as follows:

Grantmaking over the past decade has moved from a philanthropic and welfarist approach to a strategic business-aligned approach....and the high unemployment rate and low skills base in South Africa make it imperative that grantmakers respond to Integrated Development Programmes (IDP) in geographic regions. This will avoid duplication of funding while helping to meet economic growth objectives.

In responding to challenges of poverty, corporate social investment practitioners' ought to move forward and avoid the setbacks that could influence them to revert to the traditional ways of doing things, i.e. the welfarist approach to a more strategic and sustainable approach in their endeavours with communities. The social and economic sphere therefore encourages corporate social investment practitioners' to reposition themselves at the strategic level and influence policies and procedures that have to do with social and economic development. Meaningful social and economic development objectives could therefore be established if practitioners played a strategic role in influencing business plans for the inclusion of sound and sustainable social and economic programmes.

The involvement of corporate social investment practitioners' in communities places them in a better position to influence and provide the company with viable information and direction to ensure that the projects implemented are socially and economically viable. They therefore face the challenge of striking a balance between operational and strategic roles in community endeavours. Maserumule, CSI Manager at Cell C, as cited in the CSI Handbook (2007:36), adds his support to a strategic approach in corporate social investment programmes and emphasises the following:

[Corporate Social Investment] (CSI) has moved from being just a PR exercise, in many instances, to becoming a business imperative. It is now aligned to business plans and strategies and makes a valuable contribution to corporate reputation, 'licence to operate' and sustainable development. As a result, many Corporates now have clearer frameworks, policies and dedicated budgets to effectively invest in sustainable social development.

Maserumule's comments suggest that corporate social investment practitioners' are faced with a situation where they need to understand where business is going in terms of its strategic intent and its impact on social and economic initiatives. Accountability and responsibility on the part of corporate social investment practitioners' is therefore becoming more critical where proper feedback aligned to business plans is expected.

2.5 Requirements for corporate social investment practitioners

The requirements stipulated in the job description of Eskom corporate social investment practitioners' (Eskom Internal System, 2009:2) in performing their role are as follows:

- **Minimum Qualification**

B Degree (Economics or Business Management);

Degrees in humanities, such as Social Work, which emphasise knowledge and skills in social and community development, are also considered by Eskom.

- **Related experience**

- 2 years

- **Skills or competencies required**

- Strong entrepreneurial flair, talent for motivating [people] ;
- Co-ordinating and networking;
- Communication (the knowledge of a local black African language will be a definite advantage);
- Ability to function with minimum supervision;
- Ability to establish networks with key role players in the social and economic development arena;

- Basic knowledge of electricity.

The requirements stipulated in the job description reinforce the importance for Eskom corporate social investment practitioners' of having knowledge of social and economic development in order to render integrated community economic development services to communities. Corporate social investment practitioners' are therefore expected to be in a position to effectively address social and economic issues in a holistic and sustainable manner and are regarded as social and economic specialists.

2.5.1 Tasks for corporate social investment practitioners

Corporate social investment practitioners' ought to be proactive rather than reactive, and should identify meaningful projects in time for a thorough needs analysis, project planning and implementation. It is critical for them to familiarise themselves with social and economic trends in influencing choices for socio-economic projects. Issues of recession, for example, should be viewed not only in economic terms but also in terms of opportunities for a global perspective in addressing social and economic issues. An Eskom corporate investment practitioner's role is to identify and support communities in ensuring that all necessary documents are prepared and submitted for funding and form part of their job description.

According to the Eskom Internal System (2009:1), the responsibilities included in the job description for corporate investment practitioners are as follows:

- **Preparing project proposals for official funding process by**
 - Completing applications;
 - Sourcing quotations;
 - Developing and preparing motivations for funding;
 - Developing project implementation plan;
 - Ensuring the acquiring and updating of non-governmental organisations [NGOs]/supplier profiles.

- **Presenting proposals for meetings by**

- Implementing approved/funded projects;
- Facilitating and supporting the establishment of meaningful projects;
- Facilitating, educating, and guiding communities in the development of projects and project proposals;
- Facilitating and guiding communities in identifying service providers;
- Identifying potential entrepreneurs and business partners within communities;
- Facilitating the process of identifying other potential funders;
- Providing on-going advice to communities;
- Facilitating business management skills;
- Co-ordinating the total implementation in different phases of the project;
- Ensuring the effective monthly reporting for the region on all social and economic development in line with related Eskom Development Foundation (ESDEF) commitments;
- Co-ordinating all relevant regional information;
- Preparing required reports;
- Presenting reports to relevant stakeholders.

The above responsibilities suggest that a coordination and facilitation role is critical for project funding, which is a step forward in addressing issues of poverty and unemployment. It is, however, impossible for corporate investment practitioners to lead if relevant skills and knowledge in social and economic development are not transferred to them. MacPherson (1996:65) regards skills development as important for projects as reflected in the following statement:

....Skills will need to be developed in identifying problems, prioritizing issues and formulating strategies, as well as in assisting and motivating people to organize them to assess and prioritize needs... [they] will have to be taught how to select the type of projects suitable for implementation, conduct feasibility study, write a project proposal and set up a management system for monitoring project implementation.

Blakely (1989:292) identifies the following tasks for economic practitioners, which the researcher regards as crucial for the success of Integrated Social and Economic Development initiatives:

- Building development organisations;
- Inventory of area resources – keeping track of community or area resources goes well beyond its physical assets inventories;
- Selecting strategies for intervention;
- Marketing the area.

To ensure that communities benefit from the involvement of corporate social investment practitioners', it is important for them to be involved from the planning stage throughout all the phases in order to achieve project objectives. Integrated Community Economic Development requires corporate social investment practitioners' to be enablers, consultants, facilitators and community organisers, incorporating also key performance areas.

2.5.2 Key performance areas of corporate social investment practitioners

The job profile of corporate social investment, as cited in the Eskom Internal System (2009:1), consists of key performance areas which the researcher views as comprehensive in terms of activities requiring multi-skilling, including:

- Developing and implementing effective social and economic development plans for the region in line with corporate guidelines;
- Enhancing the internal and external awareness of social and economic development and the Eskom brand;
- Preparing projects proposals for official funding process;
- Implementing approved/ funded projects;
- Monitoring implemented projects.

To deliver on the above key performance areas, the Eskom Internal System (2009:1) captured the following key performance indicators for corporate social investment practitioners':

- Identifying opportunities for social and economic development interventions within the historically disadvantaged communities;
- Identifying and participating in relevant local structures and forums;
- Conducting local needs analysis;

- Prioritising relevant categories for development;
- Identifying and evaluating viable projects for funding;
- Implementing measures to ensure sustainability for implemented projects;
- Identifying and evaluating viable projects for funding.

The key performance indicators strengthen the importance of social and economic skills and knowledge in social and economic development. Corporate social investment practitioners' play an important role in influencing approval for funding for social and economic projects, since they are the first line contact between the community and Eskom. Their role and task in this regard will therefore be specifically outlined in the following discussion on Eskom's criteria for and approval of funding.

2.6 Eskom's funding of social and economic projects

Eskom's approval of funding for social and economic projects is carried out at specific levels against specific criteria and categories and using specifically designed application forms and procedures and impact assessments, which will be discussed next.

2.6.1 Levels of funding

Approval of funding for the external audience follows a standardised procedure at various levels, as outlined by the Eskom Development Foundation presentation (2007:19-20):

- All applications for grants and donations have to be evaluated at the regional level and recommended by the Regional Donations and Grants Committee (RDGC).
- The Project Evaluation Committee (PEC) verifies compliance with policy [and] refines the scope of work and recommends the application.
- The Investment Committee (IC) approves and recommends applications to the Board of Directors.

- The Philanthropic Donations Committee (PDC) approves donations to welfare organisations after recommendation by the Regional Donations and Grants Committee (RDGC).
- The Strategic Donations Committee (SDC) approves donations that are of strategic importance to Eskom after recommendation by the Regional Donations and Grants Committee RDGC/Executive committee (Exco).

The stipulated procedure indicates Eskom's responsibility for and commitment to ensuring that the correct procedure is followed in administering applications for funding.

2.6.2 Criteria and categories for funding

Corporate social investment practitioners' play a critical role in analysing all applications for funding submitted by individuals and communities against the following criteria (Eskom Internal System, 2009:1).

- Economic projects (formally constituted/ registered SMMEs);
- Social projects (formally constituted/registered non-profit, welfare, voluntary, community-based organisations);
- Economic projects that subscribe primarily to the objectives of ASGISA;
- Skills development;
- Job creation;
- Poverty alleviation;
- Social projects that create a conducive environment for the success, growth and sustainability of economic projects;
- The support and promotion of Eskom business to harmonise its activities in local communities;
- The support and promotion of Eskom business to harmonise its activities in local communities.

The criteria indicate Eskom’s stance on the funding of projects for corporate social responsibility. Eskom has two categories for funding, namely economic development projects and social development projects. The sectors within the respective categories are indicated in Table 2 below.

Table 2: Categories for funding applications

Official use (Not to be completed by the applicant)	
Mark either Economic or Social development project and appropriate sector with X	
ECONOMIC DEVELOPMENT PROJECT	SOCIAL DEVELOPMENT PROJECT
SECTORS	SECTORS
Agriculture	Education
Manufacturing	Health
Services	Health – HIV/AIDS
Other: specify	Food security, portable water, sanitation

Source: Application for a Corporate Social Investment Grant: (see Appendix F)

The researcher perceives a gap in Eskom’s categories for funding application; it does not display an integrated approach that considers projects holistically. As indicated in the above table, funding is located in either a social or an economic development category. The Integrated Community Economic Development approach integrates all elements including the social, economic, educational, environmental and political empowerment, as indicated in chapter two (see 2.21), of this study.

In view of the relevance of ICED, as discussed in this chapter, it can be concluded that it is important for Eskom to consider the Integrated Community Economic Development approach when setting out its criteria for funding. The Eskom application form makes provision for applicants to state whether they have previously been funded by other organisations. The integrated approach to community economic development opens the way for Eskom and other organisations involved in developmental projects to develop a national data base that could be used as a reference point for determining and coordinating the funding of projects in an integrated manner. The researcher therefore views external stakeholder integration as favourable to the sustainability of community economic development projects.

Eskom stresses stakeholder engagement, as indicated in the Eskom sustainability review document (2006:6), which states that Eskom values constructive dialogue and relationships with stakeholders. The Eskom procedure for funding projects is however silent in terms of external stakeholder relationships.

The researcher considers external stakeholder engagement to be critical to social and economic projects. Eskom could benefit from stakeholder relationships during the initial phase of projects for which financial resources could be contributed by different stakeholders in social and economic development. The aim would be that of integrating projects, as opposed to Eskom's working in silos and being visible and involved in projects only when they are already in operation.

An integrated approach must, however, be reflected and incorporated into all aspects of the funding process and procedure, which starts with the application form and procedures.

2.6.3 Application form and procedure

The Eskom corporate social investment application for corporate social investment grant (see Appendix F) requires the following important information:

- Background of the project;
- Administration of the project;
- Previous grants;
- Corporate governance;
- Skills profile;
- Beneficiaries;
- Audit and accountability;
- Description of the projects/ Business;
- Activities of the project;
- Market;
- Financial;
- Infrastructure;

- Breakdown of funding request (training, equipment, material);
- Feasibility and sustainability of projects;
- SWOT analysis [strengths , weaknesses, opportunities and threats].

The abovementioned requirements are comprehensive. However, the researcher views the application form as too tedious and complicated to cater for illiterate, disadvantaged communities. It therefore disqualifies applicants who may be in dire need of funding. From the ICED perspective, the form should include key information to determine how the community can holistically benefit from funding. It is therefore imperative for Eskom to review its application form and create an appropriate, user-friendly version allowing corporate social investment practitioners' to gather information relevant to decision-making on integrated community economic development. This revision should also ensure the means of including all possible applicants. This inclusiveness refers not only to accessibility in terms of level of understanding of the application form, but also to the various funding levels of projects.

When applications are submitted to the relevant Eskom funding committees, a checklist is used for verification and assurance that all information as required has been obtained (Eskom Procedure for Funding, 2010:77-86). From the Integrated Community Economic Development perspective, the checklist has limiting factors that could disqualify potential social and economic projects.

Document analysis of projects funded in the past shows that Eskom is, for reasons of sustainability, concerned more with projects that are already 'off the ground' and thus in operation. This is apparent also from items on the checklist, such as tax clearance certificates, business plans and beneficiaries. The procedure is therefore not clear on the accommodation of individuals and communities who might have excellent ideas that could be developed into successful and viable community economic development projects. It is of major importance to have a thorough impact assessment which could allow newly-initiated projects the chance of becoming sustainable.

2.6.4 Impact assessment

Eskom has a procedure in place to carry out impact assessments of the funded projects. This procedure on Eskom application for funding (2010:29) describes impact assessment as follows:

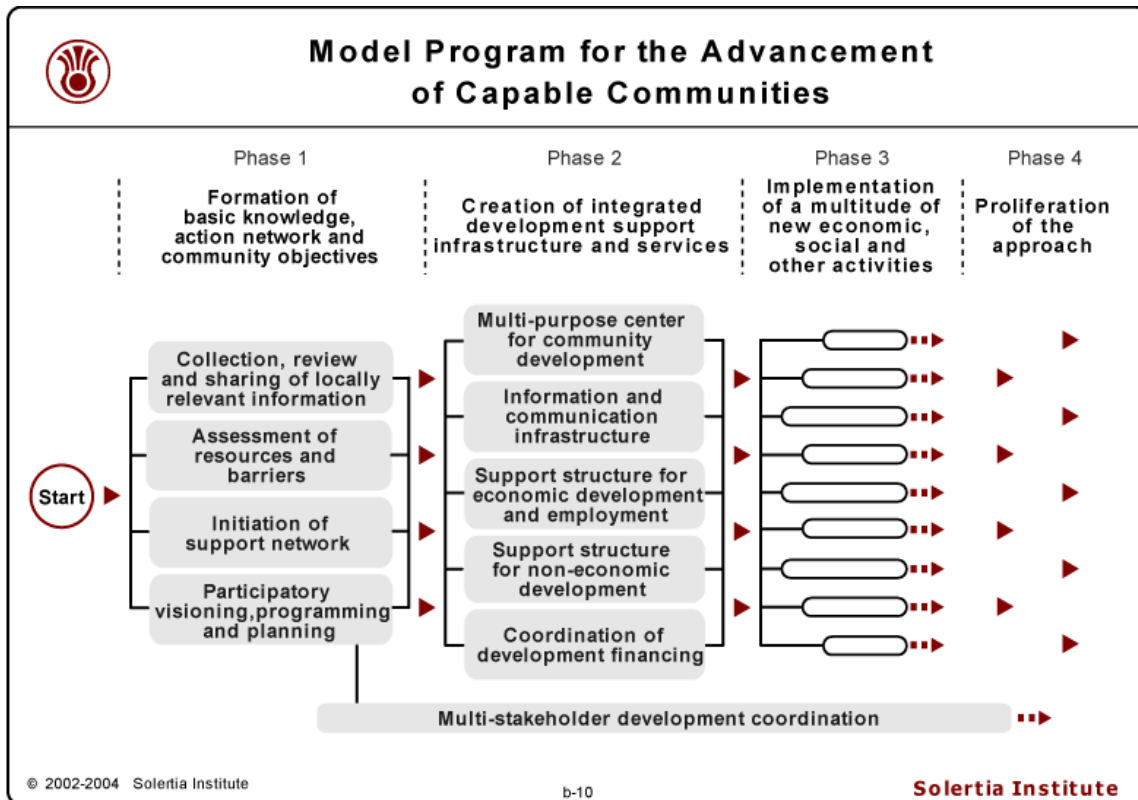
This function may be commissioned by the foundation's Chief Executive officer with a view to assessing whether the projects that received developmental grants [funding] have had any impact on the performance of projects in specific sectors with regard to skills development, job creation, increased participation in the economy and poverty alleviation, and also with a view to using the data collected by the project auditor to track development and sustainability trends aimed at enabling continuous business improvement and strategy formulation.

The impact assessment process does not, however, specify what interventions Eskom performs when monitoring and assessing the impact of projects in ensuring that the projects deliver sustainable results. In the discussion in this section, it has been indicated that the gaps identified in Eskom's funding application and procedure could be realised if Eskom were to consider the Integrated Community Economic Development approach, which takes into account all aspects of development from the initiation phase to the evaluation. Based on the gaps identified in the analysis of Eskom's documents, Eskom could benefit by adopting the Solertia Institute model as its Integrated Community Economic Development model.

2.7. Solertia model as Integrated Community Economic Development model

The Solertia Institute (2002-2004:1-3) has developed an integrated community model that the researcher views as robust to the theoretical framework of Integrated Community Economic Development. The Solertia model concentrates on local and regional levels. The model is holistic in its approach and is reminiscent of the characteristics of Integrated Community Economic Development, which emphasises the empowerment of local communities. The Solertia Model Program is intended for the advancement of communities. The model presented below is considered by the researcher to be integrated because it brings together all aspects that have to do with Integrated Community Economic Development.

Figure 2: Model Program for the advancement of capable communities



Source: Solertia Institute (2002; 2004)

The four phases of the Solertia Model Program for the Advancement of Capable Communities will be discussed within the context of relevance for Integrated Community Economic Development for Eskom.

Phase 1: Development of base knowledge, community objectives, and action network

The first phase is the development of basic knowledge, community objectives, and action network. The first phase indicates that it is essential to understand the community with which corporate social investment practitioners' intend to be involved. Document analysis performed by the researcher on project funding indicated that there is still a gap in community profiling and the process is performed after the application for funding has been received and analysed. This phase could be adopted by Eskom, seeing that corporate social investment practitioners' involvement with communities begins with a clear community profile as baseline data.

This includes knowing which resources are available in the community before they facilitate and create solutions for them. In the current corporate social investment practitioners' job descriptions, community analysis is captured as one of the key performance indicators. Community analysis is, however, carried out on potential projects and programmes only once the applications for funding have been submitted. The Solertia Institute model offers an opportunity to identify community initiatives and do community analysis at the initial planning-stage meeting initiated by the community, which could serve as an advantage to Eskom projects, rather than Eskom operating reactively by waiting for funding applications.

The following steps are considered critical to the first phase of the Solertia model (2002-2004:1-3):

- Collection, review and sharing of relevant information;
- Assessment of resources and barriers;
- Initiation of support network;
- Participatory visioning, programming and planning

The following items in the first phase of the Solertia Institute model (see figure 2) are important for corporate social investment practitioners' in relation to facilitating and promoting Integrated Community Economic Development.

- Community involvement;
- Community participation at the beginning of the project and then in the other phases;
- Joint planning;
- Community vision;
- Community resources.

Although the aspects indicated above are evident in Eskom social and economic development procedure, a gap remains in the partnership with beneficiaries.

Corporate social investment practitioners' should work with other organisations at the beginning of projects in order to create a common vision and do joint planning with the community. Nthomang and Rankopo (1997:226) indicate a wide belief that, if social development programmes are to achieve their desired outcomes, the community/beneficiaries must be involved from the planning right up to the evaluation stage. In other words ownership is equated with participation.

Phase 2: Creation of integrated operative support structure

The second phase indicated by the Solertia Institute model (2002-2004:1-3) is that of creating an integrated operative support structure. For Integrated Community Economic Development, financial partnership with other stakeholders' players is important. There is no indication in any of Eskom's procedures and processes that the company should work in financial partnership with other funders of common projects. Factors highlighted in the Solertia Institute model (2002-2004:1-3) include partnership in terms of support structure, coordination, financing, stakeholder involvement and non-economic development initiatives. These are comprehensive, and are supportive of Integrated Community Economic Development. Eskom could therefore benefit from this approach by being involved with other stakeholders for sustainable development.

The key elements of the Solertia Institute model (2002-2004:1-3), as stated below, support Integrated Community Economic Development.

- Information and communication infrastructure;
- Support structure for economic development and employment;
- Support structure for non-economic development ;
- Coordination of development financing.

In phase two of the Solertia Institute model (2002-2004:1-3), the focus is on funding. Corporate social investment practitioners' facilitate the approval of project funding according to the community's vision and objectives. Policy and procedures in funding projects and programmes are considered as crucial element in Eskom's funding.

However, that should not be used as a weapon with which to undermine the community vision and objectives. Eskom should therefore thoroughly explore phase two to avoid unnecessary setbacks from impinging on community vision and objectives. Previous community endeavours have shown the researcher that communities may compromise themselves when they accept projects because funding provided at a certain time does not necessarily accord with their vision. Lombard (2003:233) states the involvement of community when funding projects as follows:

In order to obtain resources and subsequently control them, it is necessary for the community to have a strong political voice. It is thus important that the community develop capacity to take a strong stand on what they believe should be the purpose of the funding and not what the funder dictates.

Corporate social investment practitioners' play a challenging role in empowering communities' holistically. That can be realised if phases one and two of the Solertia Institute model are fully taken into account. Areas for consideration and analysis include (2002; 2004:1-3):

- assessing barriers and obstacles that might hamper the project;
- establishment of structures for communication and infrastructure;
- support structure for economic development;
- unemployment and inclusion of support structure for non-economic development as indicated in the Solertia Institute model.

The above considerations have not been observed in the Eskom funding procedure; however they are important for integrated social and economic development.

Phase 3: Emphasis on social and economic integration

This phase of the Solertia Institute model emphasises social and economic integration. It also considers health, social, educational, economic and environmental factors as essential to the Solertia Institute model (2002-2004:1-3). Eskom looks at social and economic projects from an isolated viewpoint, as is evident in the funding application form for corporate social grant (see Appendix F).

Social and economic integration ought to be reinforced as far as Eskom funding is concerned, on the one hand for community projects and on the other hand for joint planning and collaboration of funders. In this phase, continuous monitoring and analysis of the initiated and implemented projects in operation is conducted. This phase is essential in order to assess successful projects that may be replicated to create more jobs and to promote the social, health, educational and cultural projects.

The Solertia Institute model (2002-2004:1-3) emphasises the fact that improvement and expansion of multitude of specific economic, job generation, health, social, cultural, educational, infrastructure, housing and environmental projects is carried out successfully. The Solertia Institute model therefore maintains that the replication of projects contributes to local economic growth. The replication emphasis is relevant to Eskom, where corporate social investment practitioners' who render service in different regions. The replication of projects could therefore contribute positively to disadvantaged communities on a larger scale.

Phase 4: Proliferation of the approach

The fourth phase could enhance Eskom's contribution to corporate social investment projects. Currently, document analysis of Eskom's procedure for funding conducted by the researcher does not portray a situation of replicated social and economic projects. In this phase of the Solertia Institute model (2002-2004:1-3), what has been planned and implemented is extended to other communities through community empowerment by community members themselves.

The uniqueness of communities in relation to their circumstances and environment should not be overlooked during the replication of projects. This phase could, however, increase service delivery in communities and local economic development through involvement of communities contributing to local economic development.

According to Nthomang and Rankopo (1997:215), "[r]etention and circulation of wealth by the local community is an essential ingredient of Integrated Community Economic Development".

The expectation could be linked to the basic objectives of the Maiteko Tshwaragano Development Trust (MTDT), as quoted by Nthomang and Rankopo (1997:195):

- To promote entrepreneurship among the settlement residents;
- To provide support in marketing and to explore new markets;
- To encourage and support other income generating initiatives;
- To assist in the establishment of management structure that will enable...production works to ultimately operate as a self-reliant, community-based organisation;
- To train members of the group in simple accounting, management and record-keeping in all areas of trust involvement with a view to proper running and sustainability of a trust.

Phase four also focuses on the creation of a similar approach to that of other communities for shared growth and development. During this phase, empowered communities act as trainers to extend training to other communities (Solertia Institute model, 2002-2004:1-3).

The ultimate goal of this phase is stated by the Solertia Institute model (2002-2004:1-3) and indicates the following: in the wider context, the communities will benefit from sharing resources and delegating responsibilities among themselves, as well as from being part of a shared, dynamic community development movement. It is evident in the above discussion that the Solertia Institute model is linked to Integrated Community Economic Development. The researcher considers that the model is viable in empowering local South African communities.

The Solertia model can thus be considered for adoption by Eskom to facilitate Integrated Community Economic Development, which includes environmental, social, economic, educational and political factors. Integrated Community Economic Development is important for the success of the corporate social investment approach. Continuous monitoring and evaluation in all the phases are important to promote Integrated Community Economic Development.

It is evident from the document analysis of Eskom's funding procedure that the projects are indeed monitored, but that continuous monitoring is not emphasised from the beginning until the end of the project. Improved monitoring could therefore serve as an indicator for the performance and sustainability of the projects.

The Integrated Community Economic Development approach needs commitment from community investment practitioners to provide a platform for communities to be involved in the monitoring of their development through creative and innovative thinking. Empowerment plays an important part for sustainable social and economic development. Nthomang and Rankopo (1997:228) stress the importance of empowerment in Integrated Community Economic Development, and comment that the greatest challenge for us today...is to learn more about community-based economic development initiatives with a view to establishing the degree to which successful experiments could be replicated in other parts of our societies.

2.8 Conclusion

In conclusion, the challenges Eskom face can be addressed by adopting an Integrated Community Economic Development model, which considers all aspects of development holistically for the success of social and economic projects. Integrated Community Economic Development has been identified as an approach that could assist Eskom in addressing poverty and unemployment. The roles and tasks in corporate social investment field can be enhanced through integration of social and economic development. It is therefore imperative for corporate social investment practitioners' to realise the benefits of Integrated Community Economic Development in order to meet the intended outcomes within their social responsibility.

Integrated Community Economic Development provides a platform for sustainable development. In analysing Eskom's current funding procedure in relation to that of Integrated Community Economic Development, it was concluded that there are gaps in Eskom's criteria. From a document analyses and literature perspective, the Solertia Institute model could play an instrumental role for Eskom in shifting their corporate social responsibility to promote Integrated Community Economic Development.

The model would also bring about a breakthrough for the company in closing up current project gaps in the development of disadvantaged communities. The researcher is of the opinion that the Solertia Institute model could fill these gaps, because it provides a key to local development for sustainable social and economic growth.

CHAPTER THREE

EMPIRICAL STUDY AND RESEARCH FINDINGS

3.1 Introduction

This chapter discusses the research methodology employed in the research study, the ethical aspects relating to the research, the trustworthiness and credibility of the research and the analysis, interpretation and presentation of the research findings. The empirical study and findings were guided by the main research question:

- What are corporate social investment practitioners' views on Eskom's contribution to Integrated Economic Community Development (ICED)?

The following research sub-questions supported the main research question:

- What are corporate social investment practitioners' views on the levels of empowerment and sustainability of Eskom's socio-economic projects?
- What are corporate social investment practitioners' views on current funding strategies for addressing issues of poverty and unemployment by means of ICED?
- What are corporate social investment practitioners' opinions on a viable strategy for ICED?

3.2 Research Approach

A qualitative approach was followed to explore corporate social investment practitioners' views. Babbie and Mouton (2001:27) describe qualitative research as a study of human action from the perspective of the social actors themselves. By following qualitative research, the researcher was able to gather participants' different views, as well as their understanding and experiences relating to ICED.

3.3 Type of research

The research study followed the applied research method and it was exploratory in nature. According to Fouché (2002:108-09), applied research “...is aimed at helping practitioners accomplish tasks ... [and] most applied research findings have applications for knowledge development”.

The intended outcome of the research was to indicate the need for Eskom to revisit its current funding policies and procedures, thereby enhancing its contribution to social and economic development. A further intention was to propose Integrated Community Economic Development as a viable strategy for consideration in social and economic development projects.

3.4 Research design and methods

In this section the research design and methods of the study are discussed.

3.4.1 Research design

Since the research study focused on Eskom’s contribution to Integrated Community Economic Development, corporate social investment practitioners were used as a single case study with reference to, inter alia, policies and procedures for funding, the sustainability of projects and the conceptualisation of ICED in the context of Eskom. Creswell (1994) cited in Leedy (1997:157) sees case studies as “... a type of qualitative research in which the researcher explores a single entity or phenomenon (the case) bounded by time and activity, a programme, event, process, institution, or social group...” Eskom was used as an area of focus in this research study and it was not compared with other organisations.

3.4.2 Research population, sampling and sampling method

This section presents an outline of the research population, sampling and sampling method used for the study.

3.4.2.1 Research population

McBurney(2001) cited in Strydom and Venter (2002:199) states that a population is the totality of persons, events, organisation units, case records or other sampling units with which the research problem is concerned. A population is thus “... the set of elements on which the research focuses and in which the results obtained should be generalised” (Bless & Higson-Smith, 2000:85).

Eskom is demarcated into six regions designated as Central, Eastern, North Western, Northern; Southern and Western (see Appendix 1 for map). At the time of the research, the initial population from the Northern region consisted of five corporate social investment practitioners and one corporate social investment manager. The researcher’s intention was to interview all six participants from the Northern region. Because some of the participants were unavailable, the researcher had to extend the research to other regions of Eskom’s area, that is, the North Western, Central, and Southern regions.

3.4.2.2 Research sampling and sampling method

Patton (2002:244) emphasises that “there are no rules for sample size in qualitative inquiry ... [It] depends on what you want to know, the purpose of the enquiry, what’s at stake, what will be useful... and what can be done with available time and resources”.

Seaberg (1988) as cited in Strydom and Venter (2002:199) defines a sample as “... a small proportion of the total set of objects, events or persons that together comprises[s] the subject of our study”. Sarantakos (2005:164) states that “...the important criterion of choice is the knowledge and expertise of the participants, and hence their suitability for the study. The Northern Region was purposively chosen as the focus of the study because it is an extensive region, stretching from Pretoria to Thohoyandou, and the researcher considered that the vast experience associated with these areas would be advantageous to this research.

According to Eskom's demarcation, the Northern region areas include Mpumalanga, the Northern Province, parts of Northwest and Northern Gauteng. Areas include: Thohoyandou, Polokwane, Phalaborwa, Pretoria, Witbank, Lephalale, Bela-Bela, Rustenburg and Nelspruit. Corporate social investment practitioners servicing the region were considered to be representative, as opposed to those in other regions of Eskom, which have a ratio of only one to two corporate social investment practitioners. The Northern region consists of the Engineering, Sales and Customer Service and Support departments, which is the same as for other regions.

The researcher's focus was on the Sales and Customer Service Department, which consists of Retail, the Contact Centre and the Sales and Marketing Departments. Within the Sales and Marketing Department of the Northern region, the corporate social investment section, also known as the Socio Economic Section, was the focal point of the study. As indicated above, the focus on the Northern region was on the population of six participants, inclusive of five corporate social investment practitioners and one corporate social investment manager, who all report to the project manager in terms of social and economic projects for the Northern region. However, the researcher experienced problems in conducting the interviews with three participants from the Northern region because of their work commitments and the transfer of another employee to the Contact Centre Department.

The researcher used her judgement and extended the sample to the project manager of the Northern region because of her direct involvement in managing and presenting corporate social investment projects for Eskom funding. To gain saturation of data, the researcher extended the sample to include four out of six regions (Northern, North Western, Central, and Southern), which were considered sufficiently relevant to obtain the views of corporate social investment practitioners in Eskom. The researcher used purposive sampling. Strydom and Venter (2002:207) refer to purposive sampling as follows:

This type of sample is based entirely on the judgment of the researcher, in that a sample is composed of elements that contain the most characteristics, representative or typical attributes of the population. The researcher may decide, for instance that...views... are representative...the judgement of the individual researcher is obviously too prominent a factor in this type of research.

In ensuring that the sample target as initially planned was not affected, the researcher included four participants from the Northern region, and one participant from each of the regions, the Central, Southern and North Western regions. The criteria for purposive sampling included a project manager and corporate social investment practitioners of Eskom's distribution business and were based on the following:

- All participants are working for Eskom in permanent positions;
- The participants are all guided by the Eskom policies, processes and procedures that govern participants in the Northern region;
- The participants' job descriptions include the roles and responsibilities of corporate social investment throughout Eskom;
- The participants are all involved in social and economic projects in South African communities;
- All social and economic projects are assessed via the regional committees and the Eskom Development Foundation.

The sample thus totalled seven participants representing four of the six regions, one participant from Central, one from Southern, four from Northern regions, and one from North Western region. With regard to the Northern region, four participants who were interviewed included corporate social investment practitioners and the project manager directly involved in managing and presenting corporate social investment projects for Eskom funding.

3.4.2.2 Data-collection method

The data-collection method for the study was that of three different types of interviewing: one-on-one, electronic and telephonic. The initial method chosen by the researcher was a one-on-one interview with each of the participants. However, in order to reach the initial target, the researcher had to adapt to other means of interviewing on account of the modified sample.

Creswell (2003:188) states: “In interviews, the researcher conducts face to face interviews with participants, interviews participants by telephone...”. The interviews were conducted by means of a semi-structured interview schedule (see Appendix B). With a semi-structured interview, the following statement by Smith et al (1995) in Greeff (2002:303) applies: “In this relationship, the participant can be perceived as the expert on the subject and should therefore be allowed maximum opportunity to tell his story.” The researcher used her communication skills to probe the participants, thereby eliciting more information and clarification.

Four one-on-one interviews were conducted, three of which took place in Eskom’s Polokwane offices. The participants from Thohoyandou and Tzaneen agreed to be interviewed in Polokwane and interview times were set for the interviews. The participant from the Southern region had work assignments in Eskom Megawatt situated at Sunninghill in Johannesburg, so it was easy for the researcher to make an appointment for the interview. The researcher used the electronic mail method for two participants with whom she could not manage to arrange for a personal interview on account of their work commitments and time constraints.

Sarantakos (2005:170) states that the “...approach is [for] researchers to attach the questionnaire [in the case of this study an interview schedule] to an e-mail...with an invitation to participate”. In this study, the researcher telephonically communicated with the two participants before the interview schedule was sent. The aim and objectives were shared, clarified and agreed on with the participants. The researcher requested the participants to formalise the process and fill in a consent form. The participants committed their time and answered the questions in the interview schedule.

However, the researcher concedes that the method was not highly effective in comparison with one-on-one and telephonic interviewing, which, according to Hoyle, Harris and Judd (2002:102) “...motivate the respondent to answer fully and accurately, again improving the quality of data”. Nonetheless, it did provide the researcher with richer data by including more regions in the study. The researcher interviewed one participant telephonically. Hoyle *et al.* (2002:103) state that “...telephonic interviewing is an effective mode of direct questioning...when the population of interest is scattered across a wide geographical area”.

In the context of quantitative research, when it comes to electronic and telephonic interviewing, the researcher cannot observe the participants' non-verbal communication. Nevertheless these methods are convenient in saving travelling costs and in extending the sample to other regions, as when the researcher had no option but to resort to these methods (Delpont, 2002:173).

The researcher was not in a position to tape record the one-on-one and the telephonic interviews because of the problems of finding equipment to coordinate with the continual postponements and changes in interview dates. For the purposes of consistency in capturing data, the researcher used hand-written notes on all the interviews she conducted. However, she acknowledges, as suggested by Patton (2002:381), that "...the interactive nature of in-depth interviewing can be seriously affected by an attempt to take verbatim notes".

Patton (2002:381) further points out that "When the interviewee has said something that seems particularly important or insightful, it may be necessary to say, "I'm afraid I need to stop you at this point so that I can get exactly what you said...". During the interviews, the researcher had to stop the participants from time to time to clarify and write down what was said. She exercised active listening to capture information and to reflect immediately on discussions with the participants. The interviewing process was therefore a fulfilling encounter for the researcher, as the participants were amenable to sharing their personal experiences. The electronic interview, however, provided the researcher with notes that were used as the direct voice of certain participants.

The interview schedule was pilot tested. Hoyle et al. (2002:256) define a pilot study as 'a small-scale replica and a rehearsal of the main study'. According to Teijlingen and Hundley (2001:1), "pilot studies refer to mini versions of a full-scale study as well as to the specific pre-testing of a particular research instrument, such as a questionnaire or an interview schedule. Singleton et al. (1998) as cited in Strydom (2002a:211) elaborate, saying that the pretesting of a measuring instrument consists of trying it out on a small number of individuals with characteristics similar to those of the target group. For this study, the researcher did a pilot study to determine the relevance and understanding of the questions in the interview schedule.

A semi-structured interview schedule was used to interview a former project manager and a project manager who works extensively with social and economic projects from the Eskom Development Foundation. These respondents were not included in the main study. No changes were made to the interview schedule except that the interview took an hour instead of the projected forty five minutes. However, the researcher told the participants that it could take between 45–60 minutes of their time to answer the questions.

3.4.2.4 Data analysis

According to De Vos (2002:354), “Data analysis away from the site commences with data management. This is a practical step that entails organising data into file folders, index and cards or computer files...”. The following steps set out by Creswell (1998) as cited in De Vos (2002:340) were useful in analysing the data.

- **Managing data**

Managing data involves a process whereby “...researchers organise their data into folders, an index or computer files” (De Vos, 2002:343). The researcher first noted all the responses in the notebooks and made sure that the questions and responses were numbered as set out in the interview schedule. The researcher read all the responses recorded in note books and those were captured electronically in a computer Word document. During data analysis, the researcher analysed each interview line by line, ensuring that the information collected was placed in the correct category. Should information be misplaced, it was directed to the relevant themes or categories as outlined in the coding process.

- **Reading and writing memos**

To realise an overview of the collected information, the researcher read the responses from the participants to achieve an understanding of the total picture. Marshall and Rossman (in De Vos, 2002:342) indicate that “reading... once more through the data forces the researcher to become familiar with these data in familiar words”. Reading and writing memos was appropriate to the study, as indicated by De Vos (2002:354).

Reading and writing memos “entails continuing analysis in that the researcher gets a sense of the whole database by reading the transcripts in their entirety several times. Data management is therefore important in ensuring effective data analysis”. When exploring the data, the researcher used a coding process.

- **Coding Process**

A coding process enabled the researcher to conceptualise data from the interview notes. De Vos (2002:346) explains the purpose of coding as follows: “Coding represents the operations by which data are broken down, conceptualised and put back in new ways”. The researcher analysed the responses from the seven participants, identified similar phenomena and developed themes and subthemes. Through this process, the researcher conceptualised the data, identified relevant themes and subthemes, and made a connection between the two.

Through conceptualisation, the researcher was able to think systematically, break down data, analyse and make sense of the phenomenon under study. The researcher was also able to reflect and compare ideas relevant to subthemes. De Vos (2002:349) states that one way to begin integrating is to write down in a few sentences the essence of one’s story. The researcher used the same approach to capture relevant information. In order to make sense of the data she described, classified and interpreted the areas that were striking and that recurred during data analysis (De Vos, 2002:350).

3.5 Feasibility of the study

Trochim (2001:26) emphasises several practical considerations when considering the feasibility of a study, and identifies two key aspects of a feasibility study: “First you have to think of how long the research will take to accomplish, second, you have to question important ethical constraints... whether you can acquire cooperation needed to take the project”. The study was feasible in terms of the researcher’s access to the required infrastructure and participants, even though the sample digressed from the original plan.

The researcher obtained permission to conduct the research through a letter approved by both Eskom's Development Foundation and the Human Resources Department (see Appendix B). Telephone costs were borne personally by the researcher and the interviews were conducted after hours.

3.6 Ethical aspects of the study

When carrying out any research, it is important to consider ethical issues. Du Plooy (1997:47) points out that a research project should conform to the moral, ethical and legal standards of scientific enquiry. It was therefore crucial that, from the outset, participants were fully informed, so as to understand and know what to expect. The researcher therefore considered ethical aspects throughout the process of dealing with the participants to ensure that honesty, fairness, respect, privacy and openness were exercised at all times. The following ethical issues were considered crucial to this study.

3.6.1 Harm to the participants

Dane (1990:44) claims that the researcher has an ethical obligation to protect subjects, within reasonable limits, against any form of physical discomfort that may occur during the research procedure. The researcher indicated that no harm or risk for the participants was intended during their participation in the study. Their views would be treated as confidential and their contributions would not be linked to them personally in the research report.

3.6.2 Informed consent

Informed consent implies that subjects are made adequately aware of the type of information a researcher wants from them, why the information is being sought, what purpose it will be put to, how they are expected to participate in the study, and how it will directly and indirectly affect them. Bailey (1978) cited in Kumar (2005:212) points out that, in every discipline, it is considered unethical to collect information without the knowledge of participants or without acquiring their express willingness and informed consent.

Strydom (2002b:65) concurs, stating that “emphasis must be placed on accurate and complete information so that subjects will fully comprehend their investigation about possible participation”. The researcher made sure that the participants understood in advance what the entire study entailed so that they could decide whether or not to continue with the interviews. Participants were contacted telephonically to inform them of the subject under investigation and to request their participation. There were telephonic follow-ups to confirm the appointments. The participants all signed the consent form to confirm their agreement to participate (see Appendix E).

3.6.3 Violation of confidentiality and anonymity

Babbie (2001:472) emphasises that “[c]onfidentiality implies that only the researcher and possibly a few members of his staff should be aware of the identity of participants and the latter should also have made a commitment with regard to confidentiality”. Kuman (2005: 214) concurs that the researcher needs to make sure that at least the information provided by respondents is kept anonymous. The researcher guaranteed that information obtained during the interview would be anonymous and that the participants’ identities and the region they represented would be protected. The researcher assured the participants that the summary of the findings would be released by Eskom management and would also be tabled for possible implementation of the recommendations.

3.6.4 Release of research finding

According to Strydom (2002b:72), making the research report available in simpler language is another way of rounding it off ethically, so that the subjects will know exactly what has happened to the information. For the purposes of this study, the research findings were documented in a research report, a copy of which will be available in the University of Pretoria’s library. With the permission of the Eskom management, a copy will also be available in the Eskom library as a source of reference. Where applicable, research findings will be extracted for use in strategic planning and the implementation of corporate social investment projects.

The research findings will be shared with the participants. The results of the study will also be published in a scientific journal.

3.7 Trustworthiness in research

According to Granheim and Lundman (2004:109), “research findings should be [as] trustworthy as possible and every research study must be evaluated in relation to the procedures used to generate findings”. The researcher’ strove to present trustworthy findings in that she abided by ethical procedures and did not undermine participants or experts in the field of integrated community economic development.

In assessing the trustworthiness of the research, the researcher considered credibility, dependability and confirmability to be important aspects.

3.7.1 Credibility

According to Polit and Hungler (1999) as cited in Granheim and Lundman (2004:109), “credibility deals with the focus of the research and refers to confidence in how well data and processes of analysis address the intended focus”. The credibility of this research exists in the fact that the intended objectives were met. Relevant literature related to the topic was collected and reviewed to support the research findings and sources were acknowledged. Data collected by means of a semi-structured interview schedule related directly to the research objectives. Data analysis was carried out by identifying relevant themes and sub-themes.

3.7.2 Dependability

Dependability is viewed as a process that addresses reliability issues. According to Shenton (2004:71), “[i]n order to address the dependability issue more directly, the processes within the study should be reported in detail”. The researcher set out the research process and report outline in Chapter One. This was followed by structured chapters presenting a literature review, the research methods, the empirical study and finally the conclusion and recommendations.

3.7.3 Confirmability

The concept of confirmability relates to objectivity. Shenton (2004:72) states:

“To this end, beliefs underpinning decisions made and methods adopted should be acknowledged within the research report [and] the reasons for favouring one approach...” To establish the objectivity of the research, the researcher indicated the changes as they unfolded during the research process. Even though the sample had to be changed, the researcher continued to be guided by the research questions in meeting the objectives.

3.8 Findings of the study

The biographical information will first be presented in both discussion and graphical format. That will be followed by the research themes and sub-themes that emerged from the research data. The findings are supported by the participants’ responses and, where applicable, integrated with literature.

3.8.1 Biographical information

The biographical data includes the age distribution, gender composition, years of employment and training attended by the participants.

3.8.1.1 Age distribution of the participants

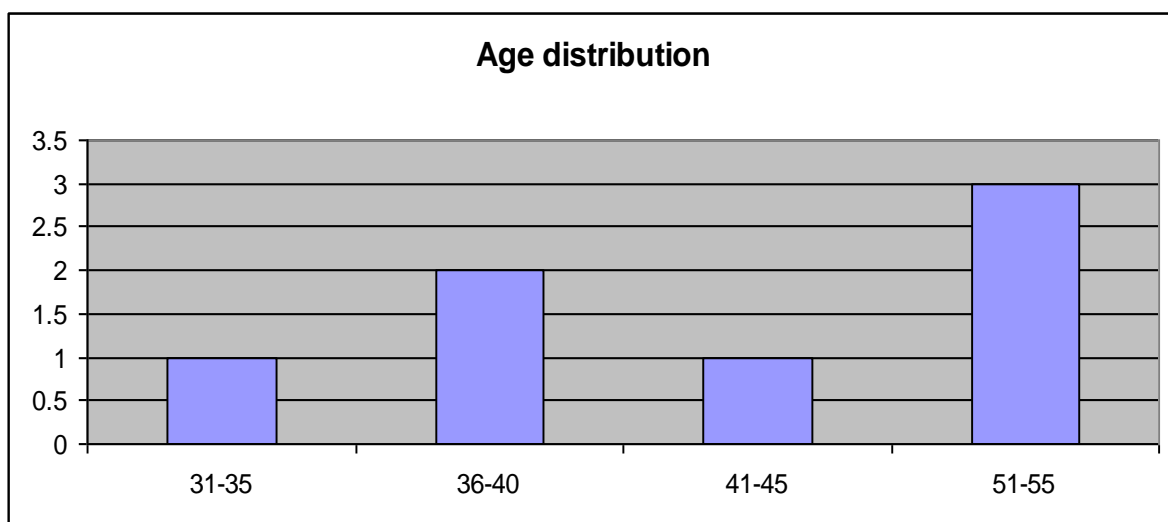


Figure 3 Age distribution of the participants

Figure 3 reflects the participants' ages, which range between 31-55 years. Three (43%) participants fall in the age group of 31-40 and four (57%) in the age group of 41-55.

3.8.1.2 Gender composition of the participants

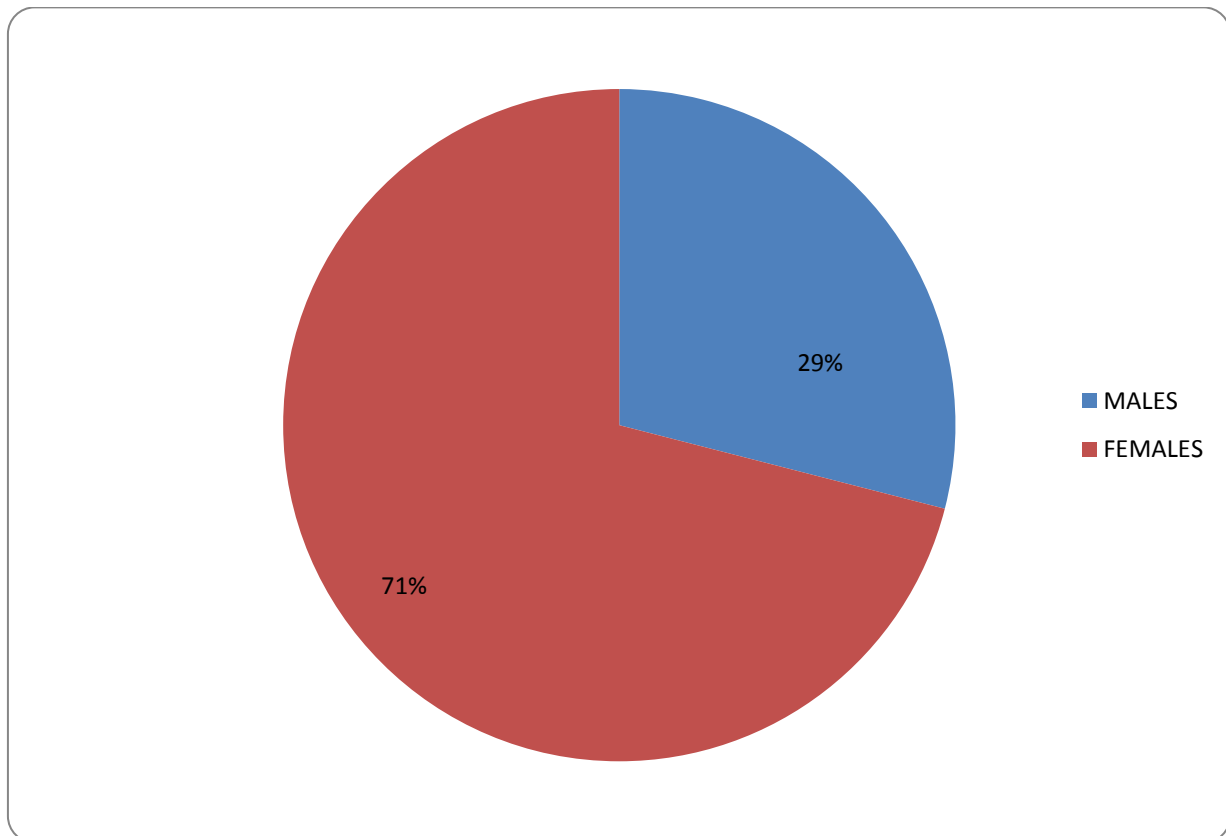


Figure 4 Gender of the participants

Figure 4 indicates that five (71%) of the participants were females and two (29%) were males. Regional corporate social investment departments are predominantly female, which supports Eskom's drive to meet employment equity targets.

When it comes to employment equity in the workplace, “[t]he challenge for employers with regard to promotions is to ensure better distribution between males and females and in particular and, in particular, black females” (*Commission for Employment Equity Annual Report, 2007-2008:5*). Eskom meets the employment equity target because the appointed corporate social investment practitioners are mostly black females.

3.8.1.3 Participants' years of employment

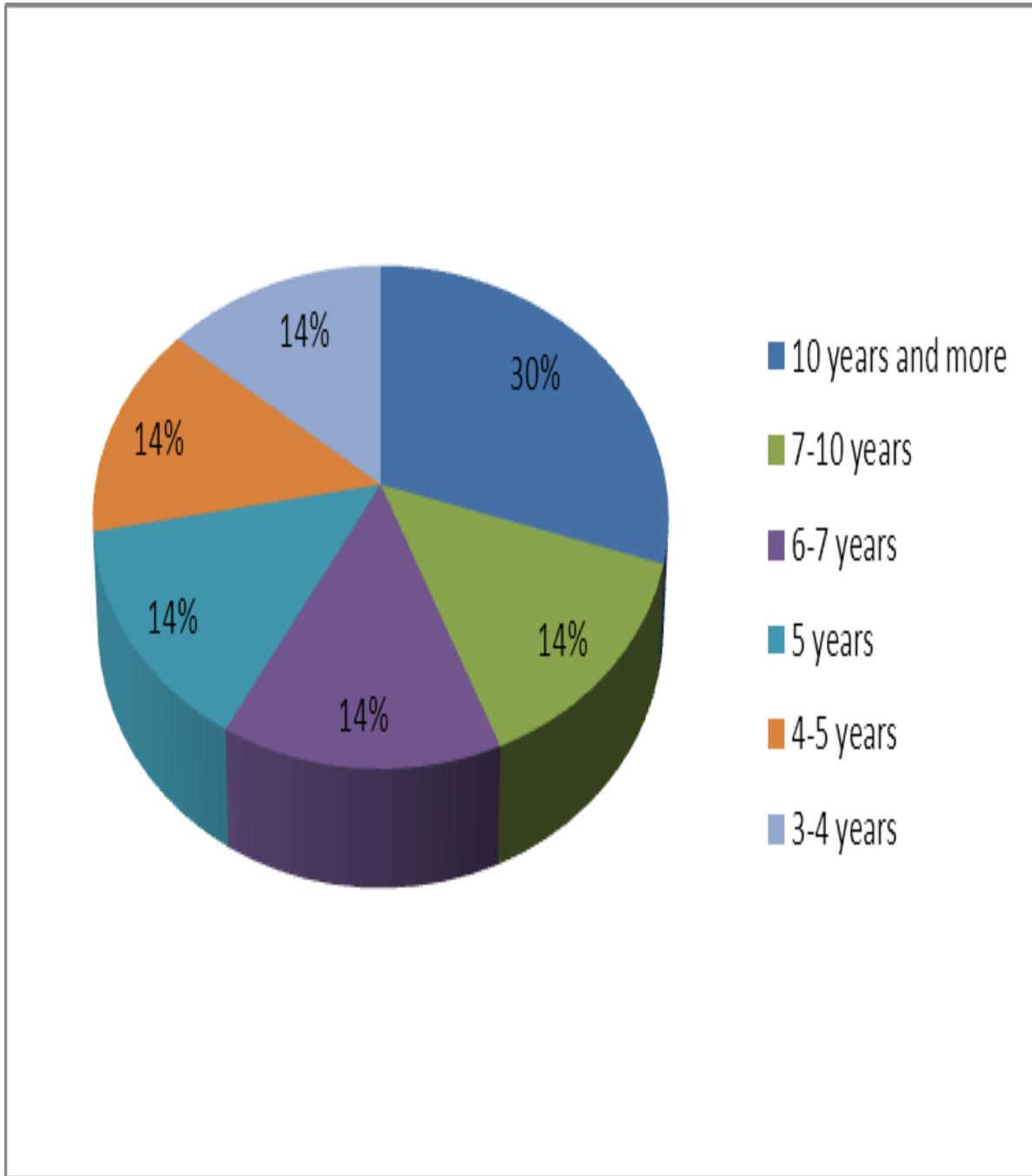


Figure 5: Years of employment in corporate social investment section of Eskom

The participants' years of employment, as indicated in figure 5, range from three to 10 years and more. Two (30%) of the participants had been employed for ten years and more, and five participants (70%) for between 3 to 10 years. The participants had experience in the field, which provided an opportunity for enriched data.

3.8.1.4 Internal and external training attended by the participants

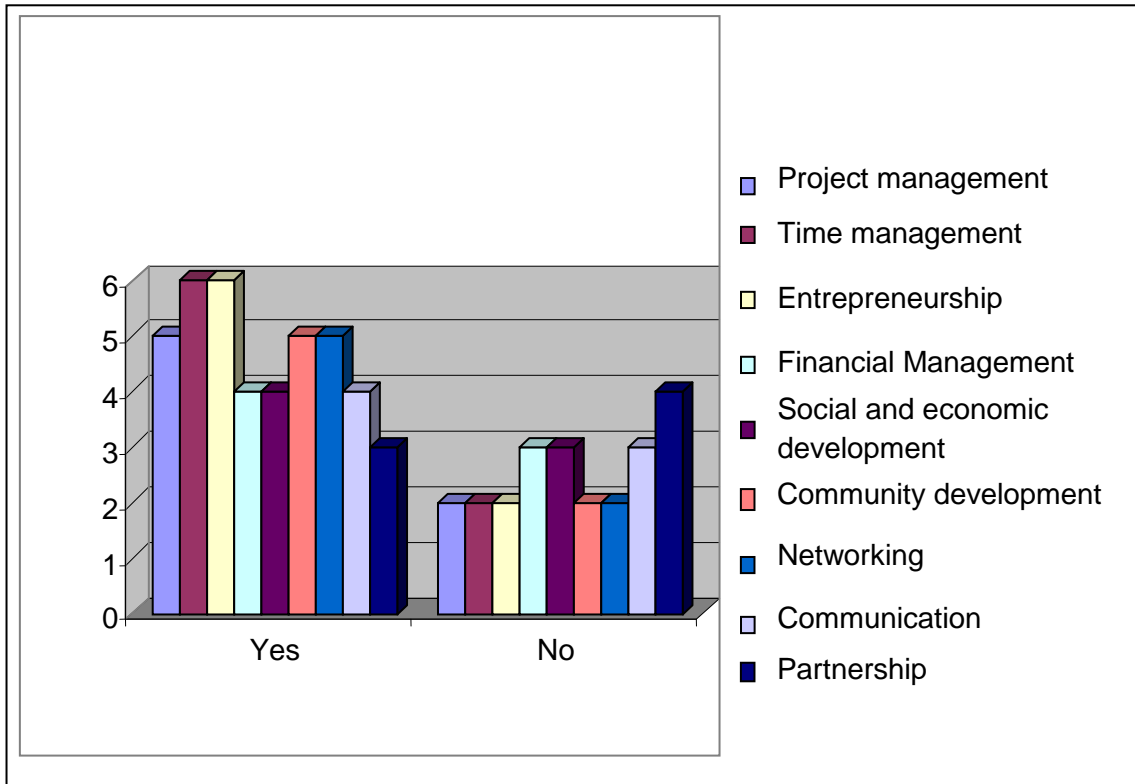


Figure 6; Internal and external training attended by the participants’ practitioners

Figure 6 demonstrates that the majority of corporate social investment practitioners had attended training that is indispensable in the social and economic field. Six (86%) of the participants had attended time management and entrepreneurship training. Four (57%) of the participants had also attended financial management and social and economic development training. Five (71%) participants had been exposed to networking and community development training, while two participants (29%) still needed exposure.

Only three (43%) of the participants had attended training on partnership-building, whereas four (57%) indicated that they had not attended such training. Project management skills are critical in the field of corporate social investment, as most of the activities are project-based. Five participants (71%) had been exposed to project management training. It is possible that the 29% of participants who had not attended any training already had a certain level of the skills generally possessed by corporate social investment practitioners when they joined Eskom. The researcher has unfortunately not followed this up to check whether this is indeed the case.

3.9 Themes and sub-themes

The researcher categorised themes and sub-themes according to their recurrence as they emerged from the data. The findings presented by the researcher were in relation to the participants' views on Eskom's contribution to Integrated Community Economic Development. The following themes and sub-themes are presented as findings that emerged from the study.

Table 3: Themes and sub-themes

Themes	Sub-themes
1. Strategy and Business performance	1.1 Alignment of job compacts and job descriptions with social and economic needs 1.2 Measurement of Eskom's contribution/ performance to social and economic projects 1.3 Impact assessment of funding criteria
2. Sustainability	2.1 Understanding of social and economic sustainability by corporate social investment practitioners 2.2 Feasibility of Eskom projects for social and economic sustainability
3. Participation	3.1 Involvement 3.2 Empowerment 3.3 Partnership
4. Work resources and support	
5. Conceptualisation of ICED	

3.9.1 Theme 1: Strategy and business performance

The participants agreed that the Eskom Development strategy provides direction in terms of social and economic development projects and programmes.

Eskom's strategy is based on the following factors for sustainability (Eskom Sustainability Review, 2006:4):

- Focusing on the core business electricity supply to maximise shareholder value in economic, social and environmental returns;
- Keeping the lights burning through optimal use and operation of its assets, resources and skills;
- Ensuring the sustainability of the business through balanced financial, social and environmental decision-making;
- Managing assets and future capital investment to ensure adequate electricity supply to meet South Africa's needs;
- Development Community Countries (SADC) connected to the grid to ensure security of supply in South Africa;
- Balancing supply and demand to ensure security of supply in South Africa.

The participants were concerned that the strategy was limiting Eskom's efforts to reach other disadvantaged communities which are outside new areas identified for capital expansion and which are not covered by Eskom's scope of funding. The Eskom Development Foundation has also revisited its strategy by "aligning CSI (Corporate Social Investment) with Eskom's core business by focusing primarily on communities around Eskom's new build programmes sites" (Eskom Development Foundation Report, 2010:3). The extracts confirming awareness on the revised Eskom strategy were mentioned by the participants as follows:

- "Eskom's focus is now on projects that are related to its business".
- "Eskom has now strategic areas for funding - capital expansion areas"
- "Most of the funds are directed to those areas' [capital expansion]"
- "Whatever ... [Eskom] is doing does not make an impact unless they change the strategy"

The findings revealed that the new strategy appeared to have unsettled the participants, as they mentioned that communities have recognised Eskom as a positive contributor to funding social and economic projects.

One participant indicated that it was not easy to relay the message to community members that future projects would depend solely on Eskom's new funding strategy, which restricts funding to certain communities that are outside demarcated areas for Eskom capital expansion. The finding that Eskom now concentrates on new areas identified for capital expansion accords with the statement on the Eskom Foundation strategy, which is captured in the Eskom Development report as follows:

The foundation revised its strategy in 2010 with a view to focus on development in communities around new build sites. Planning has been completed to implement projects in the communities around Lephalale (Medupi site) communities around Kusile site include eMalahleni, Delmas and Phola (Eskom Foundation Development Report 2010).

The participants acknowledged the understanding of Eskom's new strategic focus, but placed more emphasis on the need to concentrate on poverty-stricken communities, irrespective of new build sites or locations. The majority of the participants mentioned that Eskom's new funding strategy should be driven by the need to improve the socio-economic conditions of communities in the far-flung rural areas, where facilities like electricity supply, health provision and education are a basic necessity. The participants further recommended that senior officials from Eskom's Head Office should occasionally visit project sites to have first-hand experience of the plight of their beneficiaries.

The recommendations put forward by participants towards Eskom Development Foundation strategy pointed to the need for a dialogue session between the Eskom Development Foundation and the participants in order to clarify and address funding challenges. The participants' recommendations also revealed the need to workshop the new funding strategy with the aim of finding a workable solution and understanding in delivering sustainable social and economic projects.

These recommendations support the conclusion made in chapter 2 (see 2.27) of its relevance for Eskom to adopt phase 1 of the Solertia Institute model as part of its business performance goal setting process in ensuring that the organisational objectives are aligned with social and economic needs of the communities in which it operates.

Sub-theme 1.1: Alignment of job compacts and job descriptions to social and economic needs

There were different responses when it came to the alignment of job descriptions and performance contracts with social and economic needs. The minority of the participants pointed out that there was no alignment of job descriptions and job compacts. One reaction was that other projects, that were not part of the job compacts, were being conducted haphazardly. The majority of the participants admitted that their job descriptions and performance contracts were aligned with social and economic needs; however there was a concern that the new parameters set for Eskom's contribution to social and economic development projects portrayed misalignment.

The finding can be ascribed to an unclear line of sight and expectations in aligning corporate social investment deliverables with organisational goals. According to an Eskom performance management presentation (2008:14), the "Line of sight [is] the principle whereby organisational goals are cascaded down to individual level and [those] are translated into KPAs [Key Performance Areas] and KPIs [Key Performance Indicators] within an individual employee's performance contract".

The response from the minority of the participants indicates alignment of job descriptions with social and economic needs. There is conversely a change in implementation owing to Eskom's new strategy for funding social and economic projects, which the participants viewed as a setback. The response from the participants indicates alignment of job descriptions with social and economic needs.

There is conversely a change in implementation owing to Eskom's new strategy for funding social and economic projects, which the participants viewed as a setback to the upliftment of disadvantaged communities in areas that have not been identified for new projects.

Sub theme 1.2: Measurement of Eskom contribution or performance to social and economic projects

Eskom's contribution and performance were viewed positively by the majority of the participants. On the other hand, there were opinions that certain factors impact negatively on Eskom's contribution to social and economic development projects, which also affects impact measurement. The issues of budget, recession and Eskom's policies emerged as barriers that hinder Eskom's performance in social and economic projects.

The majority of participants mentioned that Eskom's contribution is measured by means of a balanced score card and job compacts. The job description for corporate social investment practitioners includes report-writing, monitoring and auditing of projects. The Eskom Internal System (2009:3) lists monitoring of implemented projects as one of the key performance areas for corporate social investment practitioners (social and economic development officers or corporate social investment practitioners) and includes the following key performance indicators:

- Evaluating the quality of service provided by service providers;
- Monitoring and evaluating a project's progress;
- Re-planning and implementing to address setbacks;
- Proposals on further expansion of successful projects and ensuring sustainability;
- Reporting to different stakeholders at various stages of projects.

The key performance indicators mentioned above are congruent to the following steps in phase one of the Solertia Institute model (2002-2004:1-3):

- Collection, review and sharing of locally relevant information
- Assessment of resources and barriers
- Initiation of support network
- Participatory visioning, programming and planning

The adoption of phase one of the Solertia Institute model in measuring Eskom performance could therefore benefit Eskom Development Foundation in early identification of social and economic gaps that might negatively impact on social and economic deliverables. The majority of the participants responded that the measurement of Eskom's contribution or performance regarding social and economic projects was clear, as highlighted in the job description. Nevertheless, one of the participants expressed a particular concern in measuring Eskom contribution "40% out of 100% of Eskom's contribution can be measured..."

The response points out gaps in the measuring of Eskom's contribution to social and economic projects. The participants highlighted shortcomings in Eskom's contribution to social and economic development, but positive factors were identified in the monitoring and assessment of projects. That has also been stipulated on the requirements stated on Eskom's corporate social investment application form on beneficiaries, which indicates Eskom's interest in knowing the number of people who will participate in a project and the number of new jobs that will be created in the project (see Appendix F). The majority of the participants revealed that Eskom's contribution/ performance when it comes to social and economic projects is indeed measured.

Sub-theme 1.3: Impact assessment on funding criteria

There were concerns from the participants that Eskom's assessment criteria impacted negatively on funding. The requirements stipulated in the criteria were viewed as tedious and not accommodating diverse rural and urban environments. Participants perceived the criteria for funding as demoralising for applicants.

In the participants' opinion, the criteria affect both the applicants and the implementers [corporate social investment practitioners]. One participant commented that applicants feel threatened by the long procedure for funding and choose to withdraw from the process. The participants further pointed out that the applicants are requested to submit financial statements, which is seen as a barrier to social development.

From the responses, it was clear that the participants did not approve of the criteria applied by Eskom for funding. The disapproval can, however, also be linked to not understanding the criteria and hence how to complete the application forms. Phase 2 of the Solertia Institute model (2002-2004:1-3) emphasises the importance of a support structure for economic development and employment.

Adoption of the model will enable communities to get the support needed in understanding Eskom's funding criteria and the procedure to follow during the application process. From the participants' comments, it was evident that the criteria for funding were viewed as impacting negatively on social and economic development in disadvantaged communities. The participants pointed out that Eskom's strategic focus areas, tedious funding criteria and procurement process affected social and economic projects negatively.

From the participants' comments, it was evident that the criteria for funding were viewed as impacting negatively on social and economic development in disadvantaged communities. The participants pointed out that Eskom's strategic focus areas, tedious funding criteria and procurement process affected social and economic projects negatively.

The requirements listed on Eskom's application form Corporate Social Investment Grant confirm the participants' views on tedious funding processes, in that they include: "Business plan, copies of partnership/ joint venture, copy of latest bank statements, copy of SARS tax clearance certificate..." (see Appendix F). The participants revealed that a one-size-fits-all approach is used in funding projects, as is indicated on the form, and that is consequently seen by participants as impacting negatively on social and economic development.

3.9.2 Theme 2: Sustainability

A few participants mentioned that corporate social investment practitioners cannot give the assurance that Eskom contributes 100% to community projects that are sustainable and effective in addressing the plight of disadvantaged communities. It is thus not that Eskom does not contribute to social and economic development, but rather that its effectiveness is not that apparent.

One of the participants commented that Eskom must rather invest in one project and do it well so that the extent of the impact can be effectively measured. Participants agreed that sustainability is regarded as important in social and economic development. Participants affirmed that Eskom supports sustainable projects that are aimed at social and economic development. McKinlay (2004:50) views sustainable development as “a process of holistic transformation of the society for self-reliance and the well-being of all”.

The fourth phase of the Solertia Institute model is Proliferation of the approach and reiterates replication of projects (see chapter 2.7). It is viewed by the researcher as placing more emphasis on empowerment of communities through other communities for self-reliance. Empowerment is defined as the discovery of community’s strength, the attainment of participatory competence...” (Nthomang & Rankopo, 1997:208-209).

Sub-theme 2.1: Corporate social investment practitioners’ understanding of social and economic sustainability

The participants’ responses denoted a holistic understanding of social and economic sustainability. The responses indicate the following aspects as components of social and economic sustainability: self-sustainability, creation of jobs, alleviation of poverty, use of resources, income generating projects and competition with external markets. From the participants’ responses, social and economic sustainability is highly regarded for its significance for socio-economic development. The responses from the participants are in line with Nthomang and Rankopo view (see chapter 2.1) and the Solertia Institute model (see chapter 2.27) with their integrated approach in social and economic development.

Sub-theme 2.2: Feasibility of Eskom projects for social and economic sustainability

There was some understanding on the part of the participants that Eskom funds projects that are feasible for social and economic sustainability. One of the participants mentioned that Eskom does not fund projects at the initial stage but funds projects that are already in progress. This finding is in accordance with the requirements of Eskom's official application form for the corporate social investment grant, which includes questions on the feasibility of projects, such as:

- How long has the project been in operation?
- Explain what would happen to the project members and the equipment should the project close its operation;
- Motivate why the project should be sustainable in the long term, present monthly income per member employee (see Appendix F).

The majority of the participants support feasibility of social and economic projects, however; there was a notion that Eskom should consider the extent of poverty in different communities and practise flexibility when funding projects.

There was common understanding from the participants on social and economic sustainability, continuous improvement and sustainable delivery.

3.9.3 Theme 3: Participation

The participants agreed that the success of social and economic development requires participation by all stakeholders. Within the theme of participation, two sub-themes were identified, involvement and partnership.

Sub-theme 3.1: Involvement

The participants acknowledged that Eskom plays a significant role in encouraging community members to be involved in community economic development.

Their responses revealed that corporate social investment practitioners play a significant role in community economic development, which correlates with Gray's (1996:1) observation that:

[c]ommunity development is an intervention strategy, a way in which services are rendered... [It] emphasises the participation and involvement of local people, the importance of empowerment through education...capacity building and community organising.

The participants said their responsibility is to represent Eskom in meeting Eskom objectives for social and economic development. The embracing of the Solertia Institute model could strengthen Eskom's corporate social investment practitioners' involvement in social and economic development. Phase one to four of the model emphasises supportive structures that are responsible for planning, monitoring and implementation throughout the phases (Solertia Institute, 2002-2004:1-3).

Improvement of channels of communication between the Eskom Development Foundation and the regions were emphasised as important by most of the participants. Majority of participants mentioned that they could appreciate more if Eskom management visit all the projects funded by Eskom to have a bigger picture on the needs of rural and urban communities.

Information-sharing between Eskom and its stakeholders, including corporate social investment practitioners was also viewed by participants as vital for successful implementation of viable projects. The majority of the participants mentioned the challenges they were facing looking at the stringent procurement policy and suggested that those policies must be relaxed to avoid bureaucratic red tape.

Sub-theme 3.2: Empowerment

Corporate social investment practitioners acknowledged that Eskom empowers communities in social and economic development. Networking with internal and external stakeholders was recommended by the participants and viewed as essential for sustainable development.

One of the participants suggested that, when Eskom management develop policies, it would be desirable for corporate social investment practitioners to be fully involved as part of the decision-making as they are responsible for the implementation of these policies. The participants responses can be linked to empowerment, described by Nthomang and Rankopo (1997:208-209) as

... the discovery of community's strengths, the attainment of participatory competence, an element of claiming resources from the state, and in the process, the removal of structural constraints that serve to promote the marginalisation of poor people.

The participants pointed out that Eskom's contribution is aimed at encouraging ownership and empowerment of people in their development. Ownership and empowerment are related to community economic development, which Nthomang and Rankopo (1997:208) perceive to be "an alternative to conventional economic development approaches ... [that] emphasizes community ownership and control of local economic development programs".

The finding revealed that Eskom supports empowerment in communities. On the other hand, some participants viewed Eskom's new strategic focus on funding projects as a deprivation for other communities that are not part of Eskom's new build expansion projects.

Sub theme 3:3 Partnership

The Corporate Social Investment Handbook (2007:22) states the importance of alliances as follows: Increasingly, companies have become partners in development, often augmenting government initiatives and, in many instances, filling in the delivery gaps through innovative alliances with other service providers. The participants agreed that partnership is important in ensuring social and economic integration. They further confirmed that Eskom is involved in partnerships with other stakeholders but it is not always possible to take the relationship further because of Eskom's policies and procedures.

According to the Eskom Annual Report (2005:53), “Eskom actively pursues national projects independently and with partners – to find solutions to endemic challenges of poverty and underdevelopment”. The majority of the participants revealed that they support partnership for social and economic development.

The participants therefore want to see Eskom strengthening its partnership with other external stakeholders to create an environment that could empower corporate social investment practitioners in making a positive mark in the communities they serve. The integrated community economic development approach of the Solertia Institute model supports participation, involvement, partnership and empowerment of stakeholders and is seen as viable option in social and economic development (Solertia Institute, 2002-2004:1-3).

3.9.4 Theme 4: Work resources and support

The majority of the participants identified lack of work resources and support as factors contributing to delay in projects in which Eskom corporate social investment practitioners are involved with. One of the participants expressed the need for laptops and transport when visiting communities. The view from the majority of the participants was that the Eskom regional offices and the Eskom Development Foundation were not supportive in that regard, and were inconsistent when it came to resource allocation. The Solertia Institute model gives particular attention to the importance of support infrastructure and services to address matters of constraints (Solertia Institute, 2002-2004:1-3).

The participants nevertheless acknowledged that Eskom do provide pool cars for use during working hours. However, they were also concerned about the times when they had to attend meetings after hours and during weekends with no transport for reaching out to communities. The findings revealed that corporate social investment practitioners preferred business-scheme cars that are subsidised by Eskom to pool cars carrying restrictions. A comment from one of the participants concerning Eskom’s opposition to transport offering to community members was interpreted by the researcher as an indication that participants adhere to Eskom’s safety policies.

Eskom's customers, employees and contractors are therefore expected to adhere strictly to Eskom's occupational health, safety and environment policy. According to the Eskom Annual Report (2010a), "In order to prevent...unacceptable consequences, we [Eskom] implemented five cardinal rules that apply to employees and other persons performing work for Eskom".

3.9.5 Theme 5: Conceptualisation of Integrated Community Economic Development

Even though some of the participants could not fully conceptualise the concept, the elements critical to Integrated Community Economic Development were mentioned. These were partnership, self-sustainability, job creation, profit organisation, community needs and replication of successful projects to other areas. Nthomang and Rankopo (1997:209) emphasise the holistic view of ICED "[i]n the sense [that] the objectives of ICED are social, economic, political, personal and educational".

Ownership and empowerment were also indicated as important for ICED, in that the community was viewed as the 'owners' of development.

This link with empowerment is defined by Nthomang and Rankopo (1997:208) as follows: "[ICED]...emphasises an empowerment dimension to community economic development".

The holistic approach in terms of the concept was clearly evident through elements mentioned by the participants. One of the participants said: "It [ICED] look[s] at all aspects of projects in terms of social, economic, environmental, health, political". The participants identified with the concept ICED because of their personal experience rather than theoretical focus. The responses clearly indicated ICED as an integrated approach that comprehends all aspects of development rather than merely focusing on social and economic development. The holistic picture painted by the participants indicated that there was general understanding of ICED but that greater emphasis was needed in its implementation.

3.10 SUMMARY

The focus of this chapter was on providing the research findings, the analysis and the interpretation of results. The findings were based on the themes: strategy and business performance: sustainability; participation; work resources and support and conceptualisation of ICED. The key findings which emerged from these themes and the relevant sub-themes will be briefly presented in the next chapter.

In Chapter 4, conclusions and recommendations will be made based on the results of the literature review and the findings from the empirical study.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

4.1 Introduction

This chapter draws conclusions and makes recommendations based on the findings derived from the literature review in Chapter Two and the empirical findings in Chapter Three. First, the researcher will indicate how the research objectives for this study have been met. This will be followed by an outline of the key findings of the study, the conclusions and the recommendations.

The following research question guided the researcher in fulfilling the goal and objectives of the study:

- What are the views of corporate social investment practitioners on Eskom's contribution to ICED?

4.2 Research goal and objectives

The goal of the research was to explore the views of corporate social investment practitioners on Eskom's contribution to socio-economic projects within a sustainable Integrated Community Economic Development framework to alleviate poverty and unemployment. The research goal was met through obtaining the following research objectives.

- To conceptualise the role of corporate social investment practitioners in relation to Integrated Community Economic Development.

This objective was met in chapter two (see 2.2) in that the conceptualisation of Integrated Community Economic Development was outlined by discussing the ways in which issues of poverty are addressed to meet social and economic development for sustainable growth.

The role of the Eskom corporate social investment practitioners was discussed in chapter two (see 2.3.6), in relation to Eskom's strategic goals and the practitioners' job description. The findings of the literature study have been compared with those of the empirical study, as reflected in chapter three (see 3.95) where corporate social investment practitioners conceptualised their role and understanding of Integrated Community Economic Development.

- To analyse Eskom's policies, processes, procedures and approaches in funding corporate social investment programmes and projects to inter alia address issues of poverty and unemployment within an Integrated Community Economic Development framework;

The objective was achieved in chapter two (see 2.3) where Eskom's funding criteria and procedure were analysed. This analysis was extended and compared with the findings from the empirical chapter three (see 3.91) where Eskom's corporate social investment practitioners expressed their views on Eskom's strategy and funding criteria and discussed their impact on social and economic projects.

- To explore corporate social investment practitioners' views on Eskom's contribution to Integrated Community Economic Development with regard to empowerment and sustainability.

The views of corporate social investment practitioners were obtained during the empirical study, which is reflected in Chapter Three, point 3.9.3. These views were verified in literature on what corporate social investment practitioners' contributions should be in Integrated Community Economic Development with regard to empowerment and sustainability (see chapter two, 2.3.7).

- Based on the research findings draw conclusions and make recommendations to Eskom's management concerning the realignment of current funding to Eskom's management concerning the realignment of current funding strategies and to propose viable strategy for implementation. The objective was achieved in this chapter.

4.3 Key findings and conclusions

- The findings indicated that corporate social investment practitioners' have a theoretical understanding of Integrated Community Economic Development. They view partnership, social and economic development, ownership, sustainable development, participation and empowerment as important elements in Integrated Community Economic Development. However the practical application still poses a challenge owing to the Eskom Development Foundation's (ESDEF) rigid policies, processes and procedures that govern Eskom's funding for social and economic projects and programmes.
- It can be concluded that corporate social investment practitioners' identify with the elements of Integrated Community Economic Development, but the practical application in coordinating and managing socio-economic projects in a holistic manner poses a challenge. Eskom therefore promotes the empowerment of corporate social investment practitioners', but does not create a fully enabling environment where they are allowed to be creative and innovative or to practically apply acquired skills and knowledge in an integrated manner. The absence of Integrated Community Economic Development influences corporate social investment practitioners' ability to lead sustainable projects in which communities take ownership and participate actively in community economic development.
- From the findings, it was evident that corporate social investment practitioners' are not fully involved in influencing partnership with the external stakeholders as a result of ESDEF corporate social investment processes and procedures in promoting social and economic development.
- It can be concluded that ESDEF corporate social investment processes and procedures limit the extent to which the practitioners are able to form external networks and partnerships with the external stakeholders involved in social and economic development.

- The lack of strong partnerships implies that corporate social investment practitioners' are not fully involved and thus do not get the recognition they deserve for Eskom's contribution to social and economic development.
- Strengthening of partnerships and decision-making in social and economic projects is therefore critical in creating a platform where corporate social investment practitioners could promote Integrated Community Economic Development and prevent duplication of projects and funding.
- The findings revealed that Eskom encourages the funding of social and economic projects that promote sustainable development. However, it does not encourage the funding of starter projects that last for less than one year. Eskom's funding strategy, which was introduced in 2009, only supports projects and programmes that are within Eskom areas for capital expansion.
- Eskom's funding criteria thus support sustainable development but exclude communities with potential who lack funds for initiating the projects. Eskom's reluctance to engage at the initial phase of projects as a consequence, it does not play a role in unlocking the potential in communities to contribute to their social and economic development. Furthermore, the isolation of social and economic projects outside Eskom's demarcated areas for electricity expansion by building new power stations for sustainable development might exacerbate poverty in disadvantaged communities.
- The findings indicated that Eskom's procurement tendering process involves a long wait for the approval of projects identified for funding.
- The tedious Eskom procurement tendering process thus remains a challenge to ESDEF when it comes to timeously funding social and economic projects. Delays in the approval of funding could lead to the reduction of budgets for future planning owing to the unused funds remaining from the previous budget.

- The findings revealed that the Eskom Development Foundation policies, procedures and criteria for funding direct the Eskom Development Foundation to employ a one-size-fits-all approach to assessing applications for funding. This is irrespective of whether rural or urban areas, literate or illiterate communities are concerned. Eskom's application form for funding, which includes written business plans, is tedious, and consequently acts as a barrier that discourages disadvantaged communities from applying for funding.
- Although Eskom's Foundation Development strategy provides direction in terms of running social and economic projects and programmes, the strategy limits the scope of Eskom's funding and thus also affects its contribution to addressing the socio-economic needs of disadvantaged communities in a holistic, integrated manner.
- The findings indicated that the job description for corporate social investment practitioners is relevant to meeting social and economic needs and activities. However, the challenge lies in aligning job compacts/contracts with the new Eskom Development Foundation strategy introduced in 2009.
- It is imperative to incorporate compacting (contracting) to ESDEF strategy to ensure the alignment of corporate social investment practitioners' key performance areas. Failure to align job compacts/ contracts with the strategy might result in corporate social investment practitioners' losing sight of what is expected in terms of ESDEF's mandate.
- The research findings reveal inconsistencies and a lack of standardisation in the allocation of work resources across different regions.
- Standardisation and the allocation of work resources across Eskom regions are central to the upliftment of the corporate social investment practitioners' morale, and the strengthening of Eskom's contribution to social and economic development.

- The research findings confirmed that there are established channels of communication, namely, the Eskom Development Foundation management, project managers, corporate social investment managers and corporate social investment practitioners.
- It can be concluded that the reinforcement of communication channels between corporate social investment practitioners and the Eskom Development Foundation management is necessary to nurture feedback mechanisms and support Eskom's contribution to social and economic development.

In summary, it is evident from the above discussion that, while Eskom contributes to the social and economic development of communities, the contribution could be more effective and meaningful if the funding policies, the role of corporate social investment practitioners and community economic development strategies were to be more closely aligned with an integrated, holistic approach.

Based on the integrated research findings (empirical and the literature study), the researcher concludes that the Integrated Community Economic Development approach is relevant for Eskom contribution to social and economic development of communities. The alignment between the Integrated Community Economic Development approach and the Solertia Institute model (see chapter two, 2.5) provides a relevant framework that could be adapted as a viable strategy for Eskom to add value in sustaining social and economic development programmes and projects.

The adapted Solertia Institute model proposed below would enable corporate social investment practitioners to integrate political, educational, environmental, social, economic, and health aspects in addressing issues of development in a sustainable manner.

4.4 Proposed Eskom's strategy for Integrated Community Economic Development

The four phases of the Solertia model and how its relevance is adapted to the Eskom context in promoting Integrated Community Economic Development is demonstrated in the following table.

Table 4: Proposed Eskom strategy for Integrated Community Economic Development

Phases	Relevance of the Solertia Institute model to Eskom
<p>Phase 1</p> <p>Formation of basic knowledge, action network and community objectives</p>	<p>Partnership with stakeholders in social and economic development</p> <ul style="list-style-type: none"> • Adoption of this phase would enable corporate social investment practitioners to establish formal partnerships with other organisations involved in corporate social investment projects and programmes at the initial stage, when individuals or communities express interest in starting projects. • This phase is intended to achieve the following: creation of common vision and joint planning; awareness of community resources; sharing of relevant information; assessment and analysis of resources and barriers; and creation of support networks.
<p>Phase 2</p> <p>Creation of integrated development support infrastructure and services</p>	<p>Involvement of corporate social investment practitioners in community initiatives.</p> <ul style="list-style-type: none"> • Through this phase, corporate social investment projects will be integrated and there will be a combined effort with supportive infrastructure from different stakeholders. Corporate social investment practitioners' involvement with other support structures is intended to achieve the following: coordination, financing and active involvement in socio-economic activities. • The establishment of an on-going monitoring and evaluation network to assess projects from the beginning and throughout different phases. • Eskom funding criteria could focus on integrating community needs and objectives rather than only applying the criteria as a yardstick for funding projects.

<p>Phase 3</p> <p>Implementation of a multitude of new economic social and other activities</p>	<p>Integration of social and economic activities.</p> <ul style="list-style-type: none"> • Corporate social investment practitioners will look at the social, economic, health, environmental, political and cultural factors in development in an integrated manner rather than in isolation. • Continuous monitoring and assessment of successful projects will be implemented in order to measure the impact of socio-economic projects. • Corporate social investment practitioners will support communities in identifying and implementing other potential projects within the community that are not limited to economic projects for sustainable development.
<p>Phase 4</p> <p>Proliferation of the approach</p>	<p>Replication of successful projects to achieve broader social and economic development.</p> <ul style="list-style-type: none"> • Corporate social investment practitioners will assist communities in replicating successful projects in other regions of Eskom. • Successful income-generating projects initiated at areas identified for electricity expansion could be replicated in other areas not initially identified for electricity expansion. • Partnerships with other stakeholders will go towards assisting Eskom and other organisations in socio-economic development to combine efforts and support each other in replicating successful projects in other disadvantaged communities.

Source: Adapted from the Solertia Institute model Program for the advancement of capable communities (Solertia Institute, 2002; 2004).

4.5 Recommendations

The proposed approach for Eskom’s Integrated Community Economic Development strategy will be submitted to the Eskom management with a recommendation that it be adopted as Eskom policy. Based on the adopted strategy, further recommendations in relation to the implementation of the strategy are as follows:

- **Alignment of Eskom strategy with ESDEF strategy**

A strategic planning session should be organised between the Eskom Development Foundation and corporate social investment practitioners to share Eskom's strategy and the Eskom Development Foundation's strategy for alignment with corporate social investment practitioners' job compacts. This includes discussing strategic focus areas, funding criteria and the procurement process to ensure common understanding and application by corporate social investment practitioners.

- **Implementation of Eskom's Development strategy**

The Eskom management should be flexible in implementing the development strategy and should consider the possibility of forming partnerships for funding projects that are outside Eskom's demarcated areas for capital expansion to promote sustainable development.

- **Realignment of the current funding strategy**

The current Eskom development funding strategy should revise its criteria to be more flexible by accommodating projects which show potential, as opposed to exclusively supporting business plans for projects already in operation.

- **Revisiting of procurement process**

Management should revisit the procurement process to explore whether the turnaround time for approval of social and economic development projects could be shortened. Furthermore, an internal service level agreement with the procurement department is recommended to ensure the timeous approval of projects.

- **Development of data base for funding**

In order to avoid the duplication of funding by different entities, a database should be created for all social and economic projects that have been funded by Eskom and external organisations in a particular area of operation.

- **Allocation of resources**

Management should address inconsistencies in corporate social investment practitioners' work environments by revisiting the equal distribution of work resources like business-scheme cars, cameras and laptops, and by involving corporate social investment practitioners in Eskom's social and economic projects throughout the life-span of a project.

- **Development of a manual for Integrated Community Economic Development**

Develop a process manual on Integrated Community Economic Development which includes all the phases indicated in the Solertia model for implementation by corporate social investment practitioners in social and economic projects.

- **Improvement of communication with regional corporate social investment practitioners**

The Eskom top management in the corporate social investment field should establish working forums, monthly and quarterly meetings and workshops. Those workshops must include corporate social investment practitioners to deliberate on issues that involve changes in Eskom funding policies and procedures with the aim of providing sustainable solutions to corporate social investment initiatives.

- **Monitoring and evaluation of projects**

The implementation of the phases of the Solertia Institute model with reference to the respective projects should be continuously monitored in order to assess and evaluate Eskom's contribution to sustainable Integrated Community Economic Development.

Finally, the researcher recommends a follow-up research study to determine the impact of the proposed Integrated Community Economic Development strategy in relation to Eskom's contribution to social and economic development.

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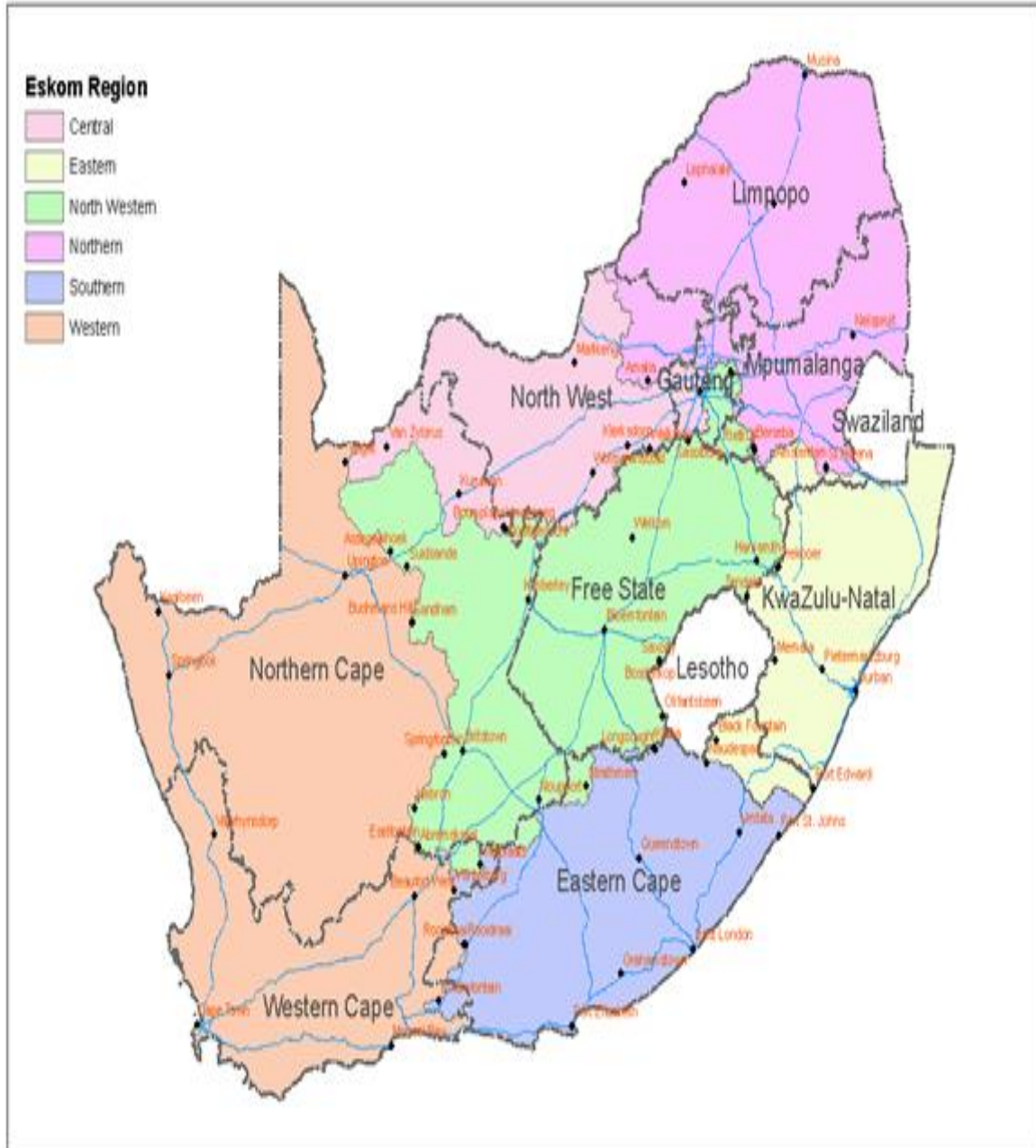
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APPENDIX A : ESKOM REGIONAL MAP





APPENDIX B : LETTER OF APPROVAL FROM RESEARCH PROPOSAL AND ETHICS COMMITTEE

100
1908 - 2008



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Faculty of Humanities
Research Proposal and Ethics Committee

1 April 2009

Dear Prof Lombard,

Project: Corporate Social Investment Practitioners' views regarding Eskom's contribution towards Integrated Community Economic Development (ICED)
Researcher: MB Masete
Supervisor: Prof A Lombard
Department: Social Work and Criminology
Reference number: 25369891

Thank you for your response to the Committee's correspondence of 18 December 2008.

I have pleasure in informing you that the Research Proposal and Ethics Committee formally **approved** the above study on 26 March 2009. The approval is subject to the candidate abiding by the principles and parameters set out in her application and research proposal in the actual execution of the research.

The Committee requests you to convey this approval to Ms Masete.

We wish you success with the project.

Sincerely

Prof. Brenda Louw
Chair: Research Proposal and Ethics Committee
Faculty of Humanities
UNIVERSITY OF PRETORIA
e-mail: brenda.louw@up.ac.za

Research Proposal and Ethics Committee Members: Prof P Chiroro; Dr M-H Coetzee; Dr JEH Grobler; Prof KL Harris; Ms H Klopper; Prof E Krüger; Prof B Louw (Chair); Prof A Mlambo; Prof G Prinsloo; Mr C Puttergill; Prof H Stander; Prof E Taljard; Dr J van Dyk; Prof C Walton; Mr FG Wolmarans



Professor Lombard
Head Department of Social Work and Criminology
University of Pretoria
Faculty of Humanities
PRETORIA
0001

Date:
18 September 2008

Enquiries:
011 800 5391

Ref: MB Masete (student no 25369891)

Dear Professor Lombard

**REQUEST FOR PERMISSION TO CONDUCT EMPIRICAL RESEARCH WITH ESKOM
DEVELOPMENT FOUNDATION: EMPLOYEE NO: 1080641**

The letter dated 16 September 2008 in the above regard refers.

Kindly be advised that permission to perform empirical research has been granted based on the content of the letter, provided that the research will have minimal impact on the employee's job and will not jeopardise Eskom in any way. We trust that a detailed final report on the research will be made available to Eskom.

Hoping your request has been addressed

RECOMMENDED:

SUPPORTED:

APPROVED:

Kedibone Pelle
HR Operating Manager

Ann Lamprecht
HR Manager

Haylene Liberty
Acting Chairman CEO:
Eskom Dev foundation

**Human Resources Division
Business Partners**

Megawatt Park Maxwell Drive Sunninghill Sandton PO Box 1091 Johannesburg 2000 SA
Tel +27 11 800 2183 Fax +27 11 800 4767 www.eskom.co.za

Directors: RM Godsell (Chairman) PJ Maroga (Chief Executive) LCZ Cele SD Dube LG Josefsson (Swedish)
HB Lee (Korean) WE Lucas-Bull PM Makwana E Marshall J Mirenge (Rwandan) JRD Modise AJ Morgan
U Nene B Nqwababa* (*Executive Director) Company Secretary: M Adam
Eskom Holdings Limited Reg No 2002/015527/06



APPENDIX D : SEMI STRUCTURED INTERVIEW SCHEDULE

SEMI-STRUCTURED INTERVIEW SCHEDULE

GOAL OF STUDY

This study aims to explore the views of corporate social investment practitioners regarding Eskom's contribution to socio-economic projects within a sustainable integrated community economic development framework to alleviate poverty and unemployment.

PART I: BIOGRAPHICAL DETAILS

1. Age

18-25	26-30	31-35	36-40	41-45	46-50	51-55	56+
-------	-------	-------	-------	-------	-------	-------	-----

2. Gender

Female	
Male	

3. Marital Status

Never married	
Living together	
Customary marriage	
Lawful marriage	
Separated	
Divorced	
Estranged	
Widower	

4. Highest qualification



Certificate	
Diploma	
B Com Degree or equivalent	
Honours Degree	
M Com Degree or equivalent	
Other	

5. Language

English	
Zulu	
N-Sotho	
Afrikaans	
Venda	
SiSwati	
Other, specify	

6. How long have you been employed as Corporate Social Investment Practitioner by Eskom?

0-1 year	
2-3 years	
4-5 years	
6-7 years	
8-9 years	
10 years and more	

7. Have you previously attended internal or external training relating to the following?

Yes No

Project management		
Time management		
Entrepreneurship		
Financial management		
Social and Economic development		
Community development		
Networking		
Communication		
Partnership		

PART II: BUSINESS PERFORMANCE IN SOCIAL AND ECONOMIC DEVELOPMENT

1. Do you have a job description and a performance contract that indicate your day-to-day involvement in communities?
2. To what extent is the job contract of corporate social investment practitioners' aligned with the social and economic needs of the community?
3. To what extent are you able to measure Eskom's performance in corporate social investment projects?
4. To what extent are you able to measure impact assessment in social and economic projects?
5. How many social and economic projects in your area of responsibility were funded by the Eskom Development Foundation during the last three years?
6. State and describe the types of social and economic projects.
7. Explain the process for funding approval.
8. How many of the projects funded during the last three years are still operational?
9. Is any income derived from the projects mentioned? If so, what is the average income per individual?

PART III: SOCIAL AND ECONOMIC SUSTAINABILITY

1. What is your understanding of social and economic sustainability?
2. To what extent does Eskom contribute to the social and economic sustainability of projects in disadvantaged communities?
3. Do you think Eskom's contribution to community projects is effective in addressing community economic development? Please give reasons.
4. How does funding by Eskom empower individuals and communities?
5. To what extent does Eskom encourage individual and community participation in community economic development?
6. To what extent is Eskom involved in partnerships with other stakeholders in social and economic development?
7. Is Eskom's involvement with individuals and communities for the purposes of social economic development integrated? Describe.

PART V: CONCEPTUALISATION: INTEGRATED COMMUNITY ECONOMIC DEVELOPMENT (ICED)

1. What is your general understanding of the concept integrated community economic development?
2. In what ways do you think Eskom's policies, processes and procedures support integrated community economic development?
3. Do you think Eskom's social and economic projects are geared to addressing poverty and unemployment? In what ways?
4. In assessing the criteria used by the Eskom Development Foundation in funding projects:
 - 4.1 How does it positively contribute to Integrated Economic Community Development?

4.2 In your view, does it have any negative consequences for Integrated Community Economic Development?

PART IV: GENERAL

1. What are your recommendations for enhancing Eskom's contribution to integrated community economic development?
2. What are your recommendations for empowering corporate social investment practitioners to effectively perform their role in social and economic development?

APPENDIX E : CONSENT FORM SIGNED BY PARTICIPANTS

Name of the Researcher: Minnie Boitshoko Masete
Contact Details: 011 800 6962 (W) or 082 560 5932

Informed Consent

1. Title of the Study

Corporate Social Investment Practitioners' views regarding Eskom's contribution towards integrated community economic development.

2. Purpose of the study

To explore the views of Corporate Social Investment Practitioners on Eskom's contribution towards Integrated Community Economic Development

3. Procedure

As a participant, I understand the interview conducted by the researcher will take about forty five minutes for completion. I further understand that the interview involves my views regarding Eskom contribution towards integrated community economic development. As a participant in the research study, I further understand the interview will be scheduled based on the availability of the researcher and myself. I am aware that it is my right to understand the procedure, process and benefits of the interview and the duration of the study beforehand.

4. Risks

As a participant I understand that the interview conducted will not be used against me as I was informed by the researcher. I understand that there is no risk for me to participate with regard to my position and role as corporate social investment practitioner. I also understand information collected during the interview will be treated as confidential and my name will not be disclosed during data analysis.

5. Benefits

I was informed by the researcher that there are no direct benefits to myself and other participants in the research and I also understand that the research findings and recommendations might be considered to improve my work conditions with reference to my involvement with disadvantaged communities.

6. Confidentiality

I understand that information collected during the interview will be treated as confidential and my name will not be disclosed during data analysis. I understand that an audio-tape will be used for recording information during the interview but the tape will not be handed over to Eskom. I further understand that information collected will only be used for data analysis and that it will be kept by the University of Pretoria for a period of 15 years, where after it will be destroyed. I understand that my informed consent will be obtained if the data is going to be used for further research during this period.

I was also informed by the researcher that a research report submitted to Eskom and the University of Pretoria will not include the names of participants in the research.

7. Participants Rights

I understand, as a participant, that my participation is voluntary and I will not be forced in any way to be part of the research study. If I choose to participate, I have the right to withdraw at any stage of the research.

As a participant in this research, I have the right to contact the researcher, Ms Minnie Boitshoko Masete, at any time to address queries, uncertainties and any concern that might relate to this research.

I understand my rights as a participant and I therefore voluntarily agree to participate in the study. I understand the purpose and reasons behind this study. According to my understanding, the researcher will provide me with a copy of this informed consent letter as soon as both of us have signed it.

Signed on(date) at(place).

.....
Signature of the participant

Signed on (date) at(place).

.....
Signature of the researcher

APPENDIX F: APPLICATION FOR CORPORATE SOCIAL INVESTMENT GRANT



APPLICATION FOR A CORPORATE
SOCIAL INVESTMENT GRANT

Name of the project / business applying for a development grant

Contact person and designation of person who represents the project/business

Contact numbers of person above

<p>Telephone code and number:</p> <p>Cell phone number:</p> <p>Fax code and number:</p> <p>E mail address:</p>
--

OFFICIAL USE: (NOT TO BE COMPLETED BY THE APPLICANT)

Mark either economic or social development project and appropriate sector with an X)

ECONOMIC DEVELOPMENT SECTOR	SOCIAL DEVELOPMENT SECTOR
Agriculture	Education
Manufacturing	Health
Services	Health - HIV/AIDS
	Food security
	Potable water provision
	Sanitation



Other (specify)

Date received	
Received by	
PTS reference number	

NOTES FOR OFFICIAL USE

GUIDELINES FOR COMPLETING THIS FORM

Please answer **all applicable** questions. If a question is not applicable/relevant, please write: **"Not Applicable"**.

Please **print clearly** and use **black ink**.

Complete information must be supplied to avoid delays in processing the application.

Incomplete forms **cannot** be considered for appraisal.

Copies of all **supporting documents** (*as set out below*) **should be submitted** with the application form.

Application forms without the required supporting documents **cannot** be considered for appraisal.

Should you wish to give any additional information not covered in this form, please attach a separate sheet.

Please return the duly completed application form to the Eskom office nearest to the project. Contact details and addresses appear at end of the application form.

CERTIFIED COPIES OF THE FOLLOWING SUPPORTING DOCUMENTS MUST BE SUBMITTED. Mark each document included with an X

If Applicant is a SOCIAL Project	If Applicant is an ECONOMIC Project	
1. Copy of <u>signed</u> Constitution	1. Business plan	
2. Copy of latest bank statement	2. Copies of partnership / joint venture agreement (if applicable)	
3. Copy of Registration Certificate	3. Copy of latest audited financial statements	



4. SARS Tax Exemption / Clearance Certificate	4. Copy of latest bank statement	
5. Copy of <u>signed</u> minutes of last meeting	5. Copy of business registration certificate	
6. Copy of latest annual report OR 12-month progress report	6. Copy of VAT Registration Certificate (if applicable)	
7. Municipal map showing erf number location of the premises from which the project operates	7. Copy of SARS tax registration certificate	
8. Copy of last audited financial statements (if any)	8. Copy of SARS tax clearance certificate	
9. At least two letters of support from local organisations that know the project/business eg from Local Authority / Municipality / any other organisation	9. Copy of employee tax registration certificate	
	10. Copy of UIF Registration Certificate	
	11. Copy of Regional Services Council levies registration certificate (if applicable)	
	12. Municipal map showing the erf number location of the premises from which the business operates	
	13. At least two supporting letters, Municipality / Chamber of Business	
	14. Copies of current contracts / tenders/ agreements	
	15. Copy of rental/lease agreement for premises	
	16. Copy of latest rates and taxes account	
	17. Copy of latest water and electricity account	
	18. 18.Copy of a cancelled cheque for current bank account/Copy of savings account	



DETAILS OF PROJECT / BUSINESS

Name of project	
Contact person's name	
Identity number and position in organisation	
Street address and postal code	
Postal address and postal code	
Province	
Municipality	
Telephone number and dialling code	
Fax number and dialling code	
Cell phone number (if any)	



E-mail address (if any)	
Type of business	

1. BACKGROUND OF THE PROJECT / BUSINESS

Legal status of the project / business

(Mark where applicable and provide registration number)

Community-based organisation		
Section 21 company		
Voluntary organisation		
Non-profit organisation (NPO)		
Closed Corporation (CC)		
Trust		
Company (Pty) Limited		
Sole Proprietor		
Partnership		

Does the project / business have a constitution? (Enclose a copy, if applicable)

When was the project established? (Date)



If registered, what is the registration number? (enclose copy, if applicable)

2. ADMINISTRATION

Who are the organisation’s auditors? (if applicable)

Who does the organisation’s books / who are the accountants?

When does the project operate (eg Monday to Friday from 08:00 – 16:00)

3. PREVIOUS GRANTS

Have you previously applied to Eskom / the Eskom Development Foundation for a grant/donation? If yes, please give details of amount and year:

List of other previous funders/donors (since project started)

NAME OF FUNDER	DESCRIBE TYPE OF SUPPORT / AMOUNT FUNDED

4. CORPORATE GOVERNANCE

SHAREHOLDING: members, shareholders, trustees or members, if applicable)



Name	Identity Number	Qualifications	% of share-holding

PROJECT / BUSINESS MANAGEMENT (*MANAGEMENT TEAM*)

TITLE AND INITIALS	SURNAME	POSITION IN ORGANISATION	CONTACT TEL. NUMBER

LIST OF ADDITIONAL STAFF (operational, not on management team)

TITLE, INITIALS AND SURNAME	POSITION / ACTIVITY

SKILLS PROFILE

List formal skills in the following:

Technical skills

Marketing skills

Management skills

Formal Administration/Bookkeeping/Business skills, etc

--

5. BENEFICIARIES

How many people will participate in the project/ business?

How many women	
How many men	
TOTAL	

Of the total above:	Women	Men	Total
How many are children (0 - 18)			
How many are youths (16 - 24)			
How many are senior citizens (65+)			
How many are people with disabilities			
TOTAL			

How many new jobs will be created by this project / business?

Immediately	
3 - 12 months from now	

6. AUDIT AND ACCOUNTABILITY



HAVE THE ORGANISATION'S BOOKS OF ACCOUNTS BEEN AUDITED? (IF NOT, STATE REASONS)

7. DESCRIPTION OF THE PROJECT / BUSINESS

LIST THE OBJECTIVES OF THE PROJECT (EG TO ALLEVIATE UNEMPLOYMENT IN OUR VILLAGE/ WHY WAS THE PROJECT STARTED?)

How is the need in the community or of the customers satisfied by this project / business? (eg Do you provide a needed service or product to the community?)

How does the community know about the project / business and the services and/or products provided?

Does the Local Authority or Traditional leadership support the project / business (yes/no)

If yes, with whom do you network in Local Authority?

NAME OF AUTHORITY BODY	NAME OF PERSON AND CONTACT TELEPHONE NUMBER
-------------------------------	--



Has the project/business ever been formally evaluated by Government, any external person, donor, funder, or any other development organisation? (if yes, give details)

ACTIVITIES OF THE PROJECT

List the products / services supplied by the project / business

Assets: Value of current equipment

Description	Estimated R value	Year of purchase
TOTAL		

MARKET

List of present (or proposed) customers and contract value

How many other projects, providing similar products / services as yours, are located in the project area? Please list names.

What special products/services are offered by this project that would make your customers support it more than other similar projects in the area?

How are goods/products transported to customers/markets/off-set points?

Project / Business performance

Monthly income from Sales	R
LESS Monthly operational expenditure / Costs (including salaries)	R
Subtotal	R
LESS Production costs per month	R
Total Monthly surplus / profit	R

8. FINANCIAL

Does the project have an active bank account? YES NO

Type of account CHEQUE SAVINGS OTHER



SPECIFY OTHER

When was the bank account opened?

Name of account holder	
Name of bank	
Branch where account is kept	
Branch number	

Account number											
-----------------------	--	--	--	--	--	--	--	--	--	--	--

Type of account	
------------------------	--

Names of account signatories	
-------------------------------------	--

9. INFRASTRUCTURE

HOW MANY ROOMS DOES THE PROPERTY HAVE?

WHO OWNS THE PREMISES ON WHICH THE PROJECT / BUSINESS OPERATES?

**Name of contact person and
telephone number**

Please enclose a letter from the owner giving permission for the property to be used by the project.

DOES THE PROJECT USE THE PROPERTY RENT-FREE OR DOES THE PROJECT PAY RENTAL/LEASE



If rented/leased what amount per month?

Does rental/lease include Rates/Taxes YES NO

Water/Electricity YES NO

Does the project have the following facilities? (Mark YES / NO)

Fencing Sewerage Water
Security Electricity Gas

Other

DO THE PREMISES HAVE SINGLE PHASE OR 3-PHASE ELECTRICITY SUPPLY?

10. BREAKDOWN OF FUNDING REQUEST

TRAINING:

EQUIPMENT:



MATERIAL:

OTHER:

R

11. FEASIBILITY AND SUSTAINABILITY OF PROJECT

How long has the project been in operation?

Explain what will happen to the project members and the equipment, should the project close its operations

Motivate why the project will remain sustainable in the long term

Present monthly income per member/employee:



Member: R

Employee: R

SWOT ANALYSIS

What are the strengths of the project / business?

What are the weaknesses of the project / business?

What are the opportunities for the project / business?

What are the threats to the project / business?

UNDERTAKING

I hereby certify the correctness of figures / data/ information / documents furnished herewith. I also undertake to give further particulars as required by the Eskom Development Foundation and to abide by the rules, regulations and instructions issued by the Development Foundation from time to time.

SIGNATURE _____ **DATE** _____

PRINT INITIALS AND SURNAME _____

DESIGNATION _____

Please ensure that all **CERTIFIED COPIES** of supporting documents are enclosed.

Please return the duly completed application form to the Eskom office nearest to the project. Contact details and addresses appear at end of the application form.

APPENDIX G : LETTER FROM THE EDITOR

Professor Karen Batley

BA (Hons), BEd, UED (UCT); MA (UP); D Litt et Phil (Unisa)
(Academic and language practitioner)

11-11-03

To whom it may concern

I hereby give the assurance that I have carried out extensive editing on the Master's thesis in Social Work written by Ms Minnie Masete. Should there be any queries, I would be very willing to answer them.

Karen Batley (Professor)

Professor Karen Batley
(Academic & Language Practitioner)
082 415 6650
Office : (012) 341 9217
Fax: 086 536 2340