

Chapter 1

Corporate Social Responsibility in Malawi: Antecedents, Issues, Practices and Future Directions

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Abstract Corporate Social Responsibility (CSR) in Malawi is becoming a significant issue not only because of the complexity of the social, economic and political environment in which companies operate, but also because of the social and environmental impacts which business operations have on the wider Malawian society. In this chapter, it is shown that the CSR agenda currently pursued by companies in Malawi takes both the normative and instrumental forms, and is largely shaped by the political and socio-economical factors at national and global levels. The chapter is structured as follows: the first section addresses the historical development of CSR and perceptions various actors hold about the forms of responsibilities companies can assume in Malawi; a discussion of the various antecedents of CSR in Malawi. This is followed by an intermediate section which provides CSR themes and priority issues. The final two sections explore the different approaches companies pursue in the implementation of CSR agendas—but also examine the perceived barriers to CSR in Malawi. The chapter concludes by mapping out the future prospects of CSR in Malawi.

1.1 Introduction

Corporate social responsibility (CSR) in Malawi is a contested concept, and tends to be defined and interpreted differently according to the context, values of the organisations and one's personal perspectives with the notion of CSR [Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), 2009; Mzembe & Downs,

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2014; Mzembe, Lindgreen, Maon, & Vanhamme, 2015]. As such, the term CSR is often used interchangeably with corporate social investment, sustainability, corporate accountability, corporate citizenship, and recently with inclusive business. However, despite these different viewpoints and perspectives (Dahlsrud, 2008), CSR in Malawi is commonly defined as: actions that companies undertake to address their social and environmental impacts within their society in the course of conducting their business activities (Bakuwa & Sankhulani, 2012; Kambalame & De Cleene, 2006; Lipunga, 2014; Mzembe, 2012). In recent years, CSR has become a popular phenomenon in Malawi as evidenced by increasing scholarly interest and its coverage in the Malawian media.¹ The nature of the CSR agenda pursued in Malawi has to a large extent been determined by Malawi's unique history, culture, and economic and political factors (Bakuwa & Sankhulani, 2012; Lindgreen, Swaen, & Campbell, 2010; Mzembe et al., 2015; Mzembe & Meaton, 2014; Royal Norwegian Embassy, 2011).

The chapter comprises the following sections. First, the chapter looks at the historical development of CSR in Malawi. The next section examines the antecedents of CSR in Malawi, followed by a review of the critical thematic issues in CSR. The final two sections explore the different approaches companies pursue in the implementation of CSR agendas—but also examine the perceived barriers to CSR in Malawi. The chapter concludes by mapping out the future prospects of CSR in Malawi.

1.2 Historical Development of Corporate Social Responsibility in Malawi

The emergence of CSR in Malawi dates back to the early 1980s. Although foreign companies have operated in Malawi prior to independence, their aim at the time was profit maximization rather than actual involvement in the social and political development of the country. In recognition of the role of all companies (foreign and indigenous) in socio-economic development, the post independence era witnessed the development of economic development policies which put the large national conglomerates and state owned companies at the centre stage of economic development (Van Donge, 2002). The new World Order in the early 1980s reaffirmed the government's position on the role of all these companies, highlighting their role in not only spurring economic development, but also in actively contributing to social well-being (Record, 2007).

Corporate philanthropy is considered as the early manifestation of CSR principally undertaken in response to the prevalent social issues and challenges (Kambalame & De Cleene, 2006). Religion, Christianity in particular, and the

¹ The Nation online of 29th November 2014 (<http://mwntation.com/malawi-mining-laws-toothless-social-responsibility/>); 28th July 2014 (<http://mwntation.com/legislate-csr-extractives/>).

Malawian cultural values were and remain the major influences on the popularity of corporate philanthropy (Mulwafu, 2004). Indeed, the concept of sharing part of one's wealth for the benefit of the wider society, especially to the poor, is central to the Christian faith—a faith that is practised widely in Malawi (Mzembe & Meaton, 2014). An early and significant development in corporate philanthropy emerged in early 1982 when the first President of Malawi, Dr Kamuzu Banda established the Press Trust, a charitable trust which owns the largest conglomerate in Malawi, Press Corporation Limited.² The objective of the trust has remained to make a contribution towards the development and betterment of Malawi.

Considering that Press Corporation Limited owns a vast empire of companies which operate in key sectors of the Malawi economy (Agar & Kaferapanjira, 2006), Press Trust—the first of its kind—was and still remains the only conduit for delivering large scale philanthropic projects. For example, Press Corporation Limited provides relief items in times of national disasters such as famines, earthquakes and flooding and donates cash and medical supplies. It also implements various infrastructural projects, and provides scholarships to secondary and tertiary education students from poor backgrounds.

The development of the charitable culture through Press Trust by Dr. Kamuzu Banda is a reflection, to a certain degree, of his personal experience, having studied, worked and lived for many years in the United States of America and United Kingdom; the countries in which corporate philanthropy is undertaken on a relatively large scale. In addition, his religious belief as a church elder of the Church of Scotland may have played a vital role in influencing Dr. Banda to form the Press Trust as a vehicle for sharing with the poor the wealth from his conglomerate.

Alongside philanthropic donations by the Press Trust, Press Corporation Limited and its subsidiaries, many other companies have also stepped up their corporate philanthropy efforts to pragmatically exploit the notion as they build their own brand reputation (GTZ, 2009). These efforts are often focused on highly visible social causes such as sport sponsorships, provision of educational scholarships and donations of medicines and equipment to hospitals (Government of Malawi, 2012). Such efforts are intended to generate a positive image among the most important stakeholders such as consumers and the government.

Corporate philanthropy remained the dominant form of CSR up until the new millennium when a new wave of sustainability driven CSR policies and practices became popular among export oriented companies and those companies that had greater exposure to international debates about CSR. Thus, such policies and practices arose in response to external factors such as international market demands and the influence of international organisations and initiatives (Kambalame & De Cleene, 2006; Mzembe et al., 2015). The change in focus suggests that corporate philanthropy was no longer regarded as a sufficient response to the changing expectations of the global society, including the Malawian society about the role

² Press Corporation Limited, has major shareholdings in over 12 major companies that operate in various sectors of the Malawian economy.

of business in Malawi (Royal Norwegian Embassy, 2011; Lindgreen et al., 2010; Mzembe & Downs, 2014). These external pressures meant that companies based in Malawi were not only faced with internally relevant issues, but also those taking centre stage in the global arena. For instance, a number of foreign and national companies are addressing core sustainability issues such as corruption and bribery, environmental degradation, child labour, HIV/AIDS in the workplace and employment related issues, and are actively implementing inclusive business programmes (GTZ, 2009).

Furthermore, many companies in Malawi, in particular subsidiaries of multinational companies, are now increasingly becoming aware that they can create business value by developing innovative products and services that are closely aligned with societal expectations and social goals; the sort of strategy previously thought to be associated with risks (Kambalame & De Cleene, 2006). Thus, more companies are increasingly working with the poor as consumers, producers, employees and small scale entrepreneurs. For example, some companies are innovating by marketing their products and services in smaller units which are affordable to low income consumers. Airtel and Telecom Networks Malawi (TNM), are good examples that demonstrate the benefits of social innovations. These companies—apart from franchising the mobile phone credit service to local entrepreneurs across the country—are reaching out to consumers with low purchasing power by marketing their mobile phone credits in smaller and affordable units. This innovation has helped the low income consumers access other essential services necessary for the transformation of their lives, but has also created business opportunities for local entrepreneurs serving these low income consumers. For these companies, such a business model has helped to increase sales and expand their market shares.

The advent of sustainability driven CSR has accorded these companies an opportunity to wean their host communities off a strong sense of dependency on financial and non-financial company donations. It has also enabled companies increasingly concerned about sustaining corporate donations in the face of the unstable national and global economic climate. This new sustainability driven CSR agenda allows firms to better avoid and mitigate risks such as corruption and fraud, loss of human capital to HIV/AIDS, litigation and stakeholder activism (GTZ, 2009; Royal Norwegian Embassy, 2011; Mzembe et al., 2015). Anecdotal evidence suggests that by adopting the sustainability model of CSR, some companies are able to develop innovative products and services which can directly benefit the poor through creation of jobs and wealth and increased access to lucrative markets (Fairtrade International, 2013; Illovo, 2014).

1.3 Antecedents of CSR

Several factors shape the CSR agenda in Malawi. These factors include: the role of government, the influence of civil society organisations, the influence of international public institutions, the role of industry and professional organisations, export market demands, parent company influence and community expectations.

1.3.1 *The Role of the Malawi Government*

The Government of Malawi shapes the CSR agenda through regulations and specific policies related to CSR issues. With respect to the regulatory regimes, there are three pieces of legislation which shape corporate practices. These include: social development, economic governance and environmental governance related laws. The social governance laws include mostly the labour specific laws such as: the Employment Act (2000), the Labour Relations Act (1996) and the Occupational Health, Welfare and Safety Act (1997). Fundamentally, these laws are largely based on the International Labour Organisation's core conventions which the Government of Malawi ratified. The Companies Act (1984) and the Corrupt Practices Act (1995) represent the two major economic regulations which shape corporate ethical practices. Compliance with the guidelines of these legislations by companies operating in Malawi is imperative as these laws are the bases on which business licences to operate in Malawi were granted, and non-compliance with any of these could lead to government applying sanctions to the offending companies. Finally, the significant regulations within the environmental governance laws include the overarching Environmental Management Act (1996), Atomic Energy Act (2011) and the Mines and Minerals Act (1981).

The development of these laws can be considered as core towards the institutionalisation of CSR in Malawi. However, enforcement of compliance with such regulations still remains a challenge for the Government of Malawi (Mhango, 2005; Mzembe & Meaton, 2014). Part of the challenge is that the government lacks physical, human and financial resources to effectively undertake its regulatory oversight (Mhango, 2005; Mchiela, Interview, Personal Communication, February, 3rd, 2010; Mwasikakata, Interview, Personal Communication, February, 3rd, 2010; Mwanyongo, Interview, Personal Communication, February, 4th, 2010). It is certain that, in a regulatory environment characterised by serious institutional weaknesses, the extent to which companies comply with the minimum legal requirements has usually been at the discretion of the managers, and in response to pressure from other stakeholders such as western buyers, NGOs and other international bodies.

The other avenue by which the Government of Malawi influences the CSR agenda is through state policy and strategies (Government of Malawi, n.d.; Mzembe and Meaton, 2014). The most influential policy blueprint has been the Malawi Growth and Development Strategy (MGDS I&II)—a strategic framework which

mirrors the United Nations MDGs. The strategy highlights an increased role for businesses in the socio-economic development agenda of Malawi even in social issues previously considered as the government's 'territory'. In response to this strategy, companies in Malawi are increasingly aligning their CSR agenda with the major thematic issues covered in the MGDS (I&II).

Although CSR is becoming a growing concern in Malawi, there is no single government department or quasi-government organisation which is specifically responsible for coordinating the institutionalisation of CSR. Perhaps, a lack of resources to recruit competent personnel to undertake awareness and capacity building could be a major obstacle in establishing a stand-alone department that should specifically deal with CSR issues.

1.3.2 Role of Civil Society Organisations

The civil society in Malawi has recently shown interest in CSR related issues in response to large scale mining operations and the growing challenges of HIV/AIDS and corruption. Primarily, these CSOs have championed the environmental and social rights of the mining communities, but also ensured that there should be transparency and accountability in the process of mineral revenue generation and management.

In their quest to achieve these aims, the CSOs have adopted a wide range of approaches. These approaches have included engagement in dialogue with companies and to a limited degree, the building of cross-sector partnerships. In the event that these approaches fail to achieve their desired outcomes, CSOs, through formation of formidable coalitions within Malawi and abroad, have used market based campaigns³ and protests to put pressure on the targeted companies in order to address their concerns (Mzembe, 2014).

Trade unions represent another major group of CSOs which have the potential to significantly influence labour and employment practices of companies in Malawi. However, their effectiveness in defending and promoting the basic work-related rights of employees has been a major concern. Anecdotal evidence suggests that trade unions, like many CSOs in Malawi, continue to face considerable institutional weaknesses.⁴ First, trade union leaders are often accused by their constituents as self-serving by conniving with employers and government to exploit the unions' wider membership (De Haan, Koen, & Mthembu, 2003). Second, the majority of trade unions in Malawi are inadequately resourced, and are largely dependent on donor funding to execute their activities. Finally, the individual entities of the trade

³ This campaign involved Friends of Earth (Australia)—a partner of Citizens Justice Network buying shares in Paladin to influence their decisions regarding operations in Malawi.

⁴ Interviews with: Mr Mkwezalamba, Former Secretary General of the Malawi Congress of Trade Unions; Mr Tilley, Managing Director, Eastern Produce Malawi; Mr Mwasikakata, Deputy Commissioner, Ministry of Labour and Manpower Development; Interviews with some union members from the agricultural and transport sectors and the civil service.

union movement do not adequately coordinate with each other, and they compete over membership; an issue which has created a sense of animosity between different unions.

1.3.3 Role of Industry and Professional Organisations

Industry and professional bodies have been a significant force in shaping business leaders' thoughts and commitment towards CSR. Through their members, these organisations exert peer pressure and sanctions on non-compliant members. Examples of the industry organisations which are credited with the institutionalisation of the wider CSR agenda in their member organisations include: the Tea Association of Malawi Limited (TAML), the Bankers Association of Malawi and the Malawi Chambers of Commerce and Industry (MCCI). These organisations set and enforce compliance with the minimum CSR standards and guidelines by all their member companies, but also provide spaces for members to network and share best practice (Mzembe, 2012).

Professional organisations such as the Society of Accountants in Malawi (SOCAM) and the Institute of Directors (IoD) (Malawi Chapter), have taken a leading role in driving the CSR agenda of the companies where their members work. Their influence on their members is manifested in the development of ethical codes of professional conduct to which their members have to comply, raising awareness in CSR related matters and providing training opportunities.

SOCAM and the Institute of Directors (Malawi Chapter) have promoted CSR and the corporate governance agendas through the development of a Malawi version of the King's Code of Corporate Governance, Malawi Code II, which was launched in June, 2010 (Dunga, Interview, Personal Communication, February, 9th 2010; Institute of Directors Malawi, 2010). The Malawi Code II places an obligation on firms to consider and demonstrate their commitment towards ethical business practices (Kamtimalaka, Interview, Personal Communication, February, 9th, 2010⁵; Institute of Directors Malawi, 2010:6); although it remains unknown as to whether its voluntary nature will prove to be effective in further changing the behaviour of the majority of its members.

1.3.4 Role of International Organisations

Global institutions and bilateral donor agencies such as the World Bank, UNDP, ILO and the United Kingdom, the Commonwealth, German and Norwegian Governments are progressively making a noticeable impact on the adoption of the CSR

⁵ An interview with Mr Anthony Kamtimalaka, Technical Staff/Malawi Code II Coordinator at IoD Secretariat, Blantyre, Malawi in February 2010.

agenda in Malawi. Not only do these organisations provide technical and financial support to the private sector, they also encourage the Government of Malawi to ratify and embrace the CSR related conventions, standards and codes formulated by international organisations. Among the many international organisations, the United Nations and its specialised agencies play a leading role in the promotion of CSR related initiatives. In particular, it is widely accepted in Malawi that the launch of the inclusive business programme and the Global Compact in 2005 by the United Nations fundamentally transformed the nature of the CSR agenda in Malawi—from corporate philanthropy to a sustainability driven or inclusive CSR agenda (Kambalame & De Cleene, 2006; Mzembe, 2012). The Sustainable Agri-Business Initiative (SABI)—a cross-sector partnership initiative—is a typical example of the United Nations' role in maximising the business contribution to sustainability (Kambalame & De Cleene, 2006).

Equally important is the role played by the United Kingdom based Commonwealth Business Council which spearheaded the establishment of the Business Action Against Corruption (BAAC) in 2006. BAAC is a multi-stakeholder coalition that works towards fighting corruption and fraudulent practices in Malawi. Some of the coalition's activities include: creating awareness about anti-corruption issues; providing training to its members; disseminating best practice and developing a code of conduct for its member organisations.

1.3.5 Export Market Demands

In recent years, there has been an increasing integration of the Malawian economy into the global economy evidenced by high inflows of foreign investment and expanding export volumes. The vast majority of the export—oriented companies operate in the global agricultural value chains as suppliers of commodities such as tea, coffee, groundnuts and sugar. These companies are therefore expected to comply with a raft of mandatory international codes and standards developed by retailers and their representative standards organisations based in the developed countries. Many of these codes are developed in response to the ever-changing concerns of consumers and other powerful stakeholders about the social and environmental conditions in which the commodities they purchase are produced. Western based retailers consider the development of the codes as the tools that can signal to their stakeholders their commitment to the notion of being socially responsible business entities.

Integration of social and environmental issues into the production and outsourcing processes is central to the requirements of the codes and standards that Malawian companies are required to comply with (Mzembe et al., 2015). Their mandatory nature means that such instruments have fundamentally become an integral part of their relationship with these retailers. Compliance is usually monitored by periodic audit and certification exercises carried out by third party auditing organisations. However, the major issue of concern to the participating

Malawian companies has been the costs of compliance with the codes as these suppliers tend to experience multiple audits from different standards and certification organisations (Tilley, Interview, Personal Communication, February, 11th, 2010). Despite the good intentions underlying the development of these codes, the heavy cost burden associated with their compliance tends to favour large producers, and serves as a barrier for the small companies to exporting to western markets.

1.3.6 Parent Company Influences

The majority of companies leading the CSR agenda in Malawi are part-owned or subsidiaries of multinational companies with headquarters in the developed countries where ethical and legal standards are extremely high. In theory, subsidiaries of these companies are expected to operate within the requirements of the stringent ethical standards expected of their parent companies in their countries of origin (Yang & Rivers, 2009). Although these subsidiaries implement CSR practices to align with their parent companies' CSR agendas, in practice, the nature of the CSR practices they pursue tend to include additional initiatives that reflect the expectations of the Malawian society (GTZ, 2009; Mzembe et al., 2015).

Eastern Produce (Malawi) Limited, a subsidiary of the United Kingdom based Camellia International Group plc, epitomises a subsidiary that is given autonomy by its parent company to construct its CSR agenda not only in line with the local practices, but also in correspondence with the CSR agenda of its parent company. The quest of subsidiaries to both align with their parent CSR preferences and reflect the host country's expectations represents a mechanism by which such companies can achieve internal and external legitimacy⁶ (Yang & Rivers, 2009).

The influence of parent company on the subsidiaries in Malawi is not limited to the subsidiaries of the developed countries' multinational companies. Evidence suggests that Press Corporation Limited, a national conglomerate, is a typical example of a Malawian parent company that tends to have a strong bearing on the CSR direction its subsidiary companies take. It is hardly surprising that the majority of companies which are taking a leading role in the institutionalisation of the CSR agenda are the subsidiaries of Press Corporation Limited. Moreover, the CSR agendas implemented by these subsidiaries tend to mirror the CSR agenda of Press Corporation Limited. For the subsidiaries of a Malawian parent companies, implementing a CSR agenda that aligns with the agendas of their parent companies reflects their quest to achieve 'internal legitimacy' since their continued existence

⁶ For Yang and Rivers (2009), on one hand, a subsidiary company is considered to have achieved internal legitimacy when it strongly aligns its policies and strategies with those of its parent company. On the other hand, a subsidiary company achieves external legitimacy when it implements its CSR policy, strategies and actions that responds to the expectations of its host society.

depends on their ability to obtain resources from their parent companies (Yang & Rivers, 2009). Unlike the subsidiaries of the foreign based companies, attaining external legitimacy for subsidiaries of Malawi companies may be not be regarded as a critical consideration for their CSR agenda since a significant proportion of their CSR actions may already be undertaken as a direct response to the expectations of their own society (Mzembe & Meaton, 2014; Visser, 2008).

1.3.7 Community Expectations

Visser (2008) states that weaknesses in societal governance in many developing countries compel citizens to regard private businesses as alternative providers of basic social rights. Consistent with Visser (2008), evidence suggests that because of the persistent lack of resources, the Government of Malawi is failing to provide its citizenry with basic social services such as schools, health services and the much-needed infrastructure (Mzembe & Meaton, 2014). The failure of the Government of Malawi to address these challenges, coupled with Malawi's religious and cultural traditions of charitable giving means that Malawians in general have high expectations of business' role in societal governance (Mzembe et al., 2015). Malawians expect companies to respond to their needs through their corporate philanthropy (Mzembe & Meaton, 2014). Thus, it is unsurprising that corporate philanthropy tends to feature prominently on the CSR profile of many companies operating in Malawi, and is considered a normative activity for companies to engage in. Furthermore, companies often consider implementation of CSR initiatives that meet community expectations as a way of achieving social legitimacy within their host communities (Mzembe, 2014).

1.4 CSR Themes and Priority Issues

The nature and form of social responsibilities which firms can assume in Malawi transcend the three dimensional categorisation of economic, environmental and social responsibilities. In recent studies that draw insights from previous CSR models (Carroll, 1991; Visser, 2008), it was revealed that management and stakeholders consider companies' social responsibilities to be economic, legal, ethical and philanthropic; although such an understanding does not translate into practice in some instances (Mzembe et al., 2015; Mzembe & Downs, 2014). Seen in this light, it is important to note that when it comes to prioritisation, regardless of a company's country of origin, economic responsibilities were highly regarded, followed by philanthropic responsibilities, with legal and ethical responsibilities occupying the third and four levels respectively (Mzembe & Downs, 2014).

Such a prioritisation reflects the expectations of Malawians with respect to the role of business in society largely arising from the need to plug the gaps in societal governance (Katamba et al., 2012; Visser, 2008). It is interesting to note that the

perceptions of some western based multinational companies' subsidiaries operating in Malawi matched the expectations of the Malawian society about the different weightings attached to the four levels of social responsibility. For example, whereas the majority of subsidiaries of companies based in liberal western countries may be unwilling to engage in philanthropic and development oriented economic responsibilities, the western based subsidiaries have been receptive to the expectations of the Malawian society that private companies should equally participate in the provision of basic social rights and contribute to the local and national economic development. This can be attributed to the parent company's CSR policies which in the majority of cases dictated that subsidiaries based in foreign countries should develop CSR agendas that resonate well with host countries' expectations (Mzembe et al., 2015).

1.4.1 Poverty

Malawi is considered one of the poorest countries in the world, although it is endowed with abundant natural resources. According to the World Bank (n.d.),⁷ over 50.7 % of the population lived below the national poverty line of less than \$1 per day in 2010. It should be no surprise that Malawi's current position in the UNDP Human Development Index (HDI) is 174th out of 187 countries on the 2014 UN HDI with a HDI of 0.414 (UNDP, 2014).

In 2000, Malawi, alongside 188 other countries, recognised the United Nations' Millennium Development Goals (MDGs) which were created to renew global interest in the fight against worsening poverty. In relation to CSR, the MDG number eight calls for cross-sector partnerships as vital mechanisms for the private sector involvement in the eradication of poverty. However, there have been mixed reactions to the rate of progress towards the MDGs.

While the Government of Malawi is optimistic about achieving the MDGs, a recent review by the Commonwealth Foundation (2013)⁸ suggests that the first goal of halving the number of people living below the poverty line of one dollar a day by the end of 2015 is likely to be missed given the internal and external shocks such as high inflation and decline in exports the Malawian economy has been subjected to.

Furthermore, the much-touted cross-sector partnerships (MDG 8) as vehicles for poverty reduction in Malawi are yet to be institutionalised to a greater degree because of the entrenched mistrust between the public and private sectors (Agar & Kaferapanjira, 2006; Chingaibe & Leftwich, 2007; Kambalame & De Cleene, 2006). Hence, it is common in Malawi for businesses to implement poverty reduction and community development programmes within their host communities

⁷ The current estimate of poverty level.

⁸ http://www.commonwealthfoundation.com/sites/cwf/files/downloads/MDG%20Reports%20Malawi_FINAL_1.pdf

without adequate consultations with the relevant government departments and NGOs. Central to such a state of affair is the lack of expertise within the private sector in private-public partnership, and the sector's belief in short-termism when undertaking development activities which are often used as a brand management tool. Evidence so far suggests that such programmes have failed dismally in terms of responding to the needs and priorities of the recipient communities (Mzembe, 2014).

1.4.2 HIV/AIDS

HIV/AIDS, with a prevalence of 10.3 %, ⁹ poses a serious challenge to the businesses and government in Malawi. Evidence suggests that HIV/AIDS continues to rob Malawi of workers in their productive years (Kumwenda, 2006; UNAIDS, 2014). For many businesses, the impact of HIV/AIDS has resulted in the increased spending on health care for sick employees, increased absenteeism and reduced worker productivity, high labour turnover as a result of sickness and deaths and increased costs associated with the replacement of employees (Bakuwa & Sankhulani, 2012; Bollinger, Stover, & Palamuleni, 2000; Kumwenda, 2006). For the Government of Malawi, the high incidence of HIV/AIDS and the need to care for the sick continues to put a significant strain on its limited resources. It is clear that a loss of a significant proportion of the productive population through sickness and deaths has adversely affected the already narrow tax base (Bollinger et al., 2000). The problem of HIV/AIDS in Malawi is exacerbated by the worsening poverty. In the absence of the government's intervention and other external support, many of the sufferers are much more likely to die as a result of a lack of access to good quality drugs and a nutritional regime that could prolong their lives.

In recognition of the impact of HIV/AIDS on Malawian society and the bottom line of Malawian businesses, the private sector alongside the Government of Malawi developed a number of initiatives to address HIV/AIDS issues in the workplace (Bakuwa & Sankhulani, 2012; Kambalame & De Cleene, 2006; World Economic Forum, 2008). In collaboration with the private sector and the stakeholders such as the UNAIDS, the government developed a National Workplace Policy on HIV/AIDS—a guiding framework in the fight against HIV/AIDS in the workplace and the private sector developed the Malawi Business Coalition against HIV/AIDS to coordinate the private sector's response to the same (Kumwenda, 2006). Through this coalition, member companies access information on how they could mainstream their HIV/AIDS policies into their operations, but are also helped to access Anti-retroviral treatment for their staff and families. Although anecdotal evidence suggests that the initiative is proving to be effective in mitigating the impact of HIV/AIDS (Kumwenda, 2006; World Economic Forum, 2008), the

⁹ <http://www.unaids.org/en/regionscountries/countries/malawi>

sustainability of such a collective response remains an area of major concern. Its sustainability will depend on the ability and commitment of the corporate actors in developing a reporting system to report data on the impact of the initiatives which could form a basis for future programming (Bendell, 2003).

1.4.3 Human Rights

Human rights are covered within the Constitution of Malawi, but there have been growing concerns about the commitment of the Malawi Government to the protection of the rights of the people affected by the operations of some companies. Paradoxically, Malawi has in recent times seen an unprecedented rise in the foreign direct investment in the extractive and tourism industries (Government of Malawi, n.d.); the industries that are often criticised for the abuse of human rights (Hamann, 2004).

The implications of such an increase in the uptake of foreign investment for human rights and social justice are many. First, the Government of Malawi has been pushing communities to make land available for companies that are interested in undertake mining operations, large scale agricultural and tourism projects (CCJP, 2014). These projects have resulted in indigenous communities losing access to their long held land and water resources. Both the government and the beneficiary companies have made little effort to adequately compensate the displaced or affected communities for the loss of their livelihoods (CEPA, 2014; Mzembe, 2012). The situation has been made worse, because the current legal frameworks do not adequately safeguard the rights of the marginalised and displaced communities. Furthermore, when planning for such investments, many companies and the government have not provided adequate spaces for consultations and seeking informed consent of the communities. A lack of community participation in such programmes has resulted in community resentment towards companies and their programmes as most of these programmes do not really reflect community needs and priorities. This situation has often been associated with deleterious effects on the programmes' effectiveness and sustainability (Mzembe, 2012).

Second, foreign investment, particularly in the Malawian extractive industry, has raised concerns about the tax injustice and avoidance allegedly perpetrated by foreign companies. For example, there have been wide ranging criticisms raised by human rights NGOs and religious groups regarding the tax arrangements between the Government of Malawi and an Australian multinational company, Paladin. Their argument has been that through the complex transfer pricing between different entities owned by the Paladin Group, Paladin (Africa) in Malawi may be avoiding paying the required amounts of tax and royalties to the Malawi Government (AFRODAD, 2013). Such non-transparent practices may be depriving the Malawian Government of the much needed revenue to provide the basic human or social rights such as improved health services, education and improved livelihoods to its citizens.

The other significant human right issues in relation to business operations in Malawi are labour rights including equal opportunities, child labour issues, occupational health and safety, and the rights of consumers. The most common human rights abuses reported in the Malawi workplace include: poor working conditions for low skilled workers, lack of opportunities for collective bargaining, gender based discrimination, preferential treatment to foreign workers and poor health and safety practices (De Haan et al., 2003; Oxfam, 2013). Consumer rights is another major concern with respect to the notion of CSR in Malawi. Although consumer rights are enshrined within the Malawian Constitution (Government of Malawi, 2003), these rights are seldom respected by companies that provide goods and services (Tsoka, n.d.). This is largely because consumers lack the collective powers that might compel companies and other service providers to respect their rights (Murphy & Bendell, 1999). This is exacerbated by the fact that the organisations which are expected to champion consumers' rights are often challenged by serious institutional incapacities to enforce regulations that deal with consumer rights, but also compromised by the prevalence of self-interest amongst some consumer activists (Tsoka, n.d.).

1.4.4 Corruption

Businesses and the general public perceive corruption as the major obstacle to business operations and the growth of the Malawian economy. Corruption raises the cost of doing business and reduces the competitiveness to attract foreign direct investment (Government of Malawi, 2006; KPMG, 2013). Corruption in Malawi manifests itself in various forms ranging from high level political corruption to everyday bribery and fraudulent practices. Corruption is most prevalent in the areas of taxation and customs, immigration and border controls, regulatory enforcement bodies such as the police and business inspectorates and the licensing institutions (KPMG, 2013). There are also claims that corrupt practices and extortion in the procurement of goods and services exist on a much greater scale.¹⁰ Government tenders for procurement of goods and services are usually awarded to businesses and individuals with close connections to the ruling elites and those who have the financial capacity to pay bribes (World Economic Forum, 2011).

In response to wide ranging concerns about the scale of corruption, the Government of Malawi with the assistance of bilateral and multilateral agencies has developed a number of institutional frameworks. The Corrupt Practices Act (1995) was developed, and paved the way for the establishment of the Anti Corruption Bureau in 1997 to spearhead the fight against corruption. Similarly,

¹⁰ Report on Fraud and Mismanagement of Malawi Government Finances. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285877/20140221_National_Audit_Office_Malawi_-_Forensic_Audit_Report_-_FINAL_ISSUED.pdf

the National Anti-Corruption Strategy was launched in 2008, and is considered by the donor and business communities as a firm commitment by the Government of Malawi to eradicate corrupt practices.

Considering the impact which corruption has had on the growth of businesses in Malawi, the private sector recognises the fight against corruption—as being in their own interests in as much as it ensures their survival (BAAC, 2011). The significant contribution from the private sector has been in the form of a multistakeholder coalition ‘The Business Action Against Corruption’ (BAAC) in 2005 to complement government’s efforts in the eradication of corruption (Fitzgerald & Ng’ombe, 2007). Through this coalition, businesses have developed a code of conduct to serve as a guide to members regarding the detection and prevention of corrupt practices in business transactions with external parties. The code of conduct also provides a basis on which the sanctions can be served on any member or external party that contravenes the guidelines of the code.

However, participation in the coalition has largely been limited and visible to a few large companies (Commonwealth Business Council, n.d.). There is widespread concern among businesses that by subscribing to the code and its guidelines they may be putting their economic interest at stake, as they may be undercut by unscrupulous companies which are not members of the coalition.¹¹

Despite all these anti-corruption initiatives, evidence clearly points to a major gap between rhetoric and reality (KPMG, 2013; Yikona, Slot, Geller, Hansen, & Kadiri, 2011). The recent Corruption Perception Index (Transparency International, 2014), for example, puts Malawi as the 110th most corrupt country—with a score of 33¹²—in the World out of the 175 countries.¹³ Perhaps, the gap between the development of institutional frameworks and the implementation of initiatives to address corruption suggests that the wider anti-corruption agenda may not have been fully owned by the Government of Malawi, and that the strategic frameworks were developed for window dressing—a basic compliance with the conditions by which aid can be obtained (Yikona et al., 2011).

1.4.5 Environment

Malawi is endowed with abundant natural resources, on which its economy is largely dependent. Around 90 % of the population derives its livelihood from land and water resources.¹⁴ Due to poverty and high population growth, there has, over the years, been a huge dependence on these resources. Deforestation,

¹¹ Interview with Mr. Tilley, Eastern Produce Malawi.

¹² With 0 score represent the most corrupt country while 100 representing the corruption clean country.

¹³ <http://www.transparency.org/cpi2014/results>

¹⁴ http://www.mw.undp.org/content/malawi/en/home/ourwork/environmentandenergy/in_depth/

soil fertility loss and erosion, increased levels of pollution and biodiversity loss have all been reported as the consequences of the heavy reliance on these natural resources (IIED, 2010).

While poverty and a huge dependence on natural resources by the poor have been regarded as major causes of environmental degradation, businesses have also been apportioned blame for their negative environmental externalities on the wider Malawian society. These impacts include pollution of air and water bodies due to industrial wastes,¹⁵ deforestation and biodiversity loss, soil erosion and the drying up of streams. For many businesses, the crucial issue has been the denial of a possible link between poverty and the wider environmental problems their operations can cause within the Malawian society (IIED, 2010). Companies operating in the extractive industries (agriculture and mining) have been particularly slow to acknowledge that the potential damage to natural resources such as water streams and land resources on which the communities depend could lead to long term loss of their livelihoods (CCJP, 2014).

External factors have been pushing businesses, in particular those that are export oriented, to re-evaluate their environmental management policies in line with international standards (Kambalame & De Cleene, 2006; Mzembe et al., 2015; Royal Norwegian Embassy, 2011). The stringent demands from international markets and the pressure to align their environmental management policies with the requirements of international initiatives such as the United Nations Global Compact have been significant forces for the adoption of sustainable environmental management practices such as the judicious use of chemicals, the preservation of forest resources, the use of bio-fuels and the reduction of wastes (Mzembe, 2012).

However, achieving environmental sustainability within the industrial context in Malawi requires more than the actions of the small number of export orientated companies who have environmentally sustainable business operations. The success of the environmentally sustainable agenda equally lies in the integration into the 'green' movement, of those small and medium businesses—which do not see any compelling business case to engage in such practices (IIED, 2010; Stewarts & Gapp, 2014).

1.5 Strategic Integration of CSR: Processes and Structures

The integration of CSR into the 'DNA' of companies in Malawi involves a number of steps. Some of these steps include: top management commitment, CSR vision formulation, development and implementation of codes of conduct, structural configuration and stakeholder engagement.

¹⁵ <http://www.nyasatimes.com/2015/01/07/uranium-toxic-leak-into-lake-malawi-paladin-plays-down-mine-spill/>; <http://mwnation.com/malawi-warns-paladin-africa-alleged-waste-spill/>

1.5.1 Top Management Commitment

Evidence shows that top management commitment remains a significant driver of the CSR agenda in a large majority of companies across the world (Lindgreen, Swaen, Harness, & Hoffmann, 2011; Maximiano, 2007; Werre, 2003). In Malawi, in respect of the companies that have an elaborate CSR agenda, the chief executives and other members of senior management teams usually provide strategic directions and resources for companies to take a socially responsible path (GTZ, 2009; Mzembe et al., 2015). Fundamentally, top management provides leadership in translating resource commitment into tangible policies for mainstreaming the CSR agenda within the core strategic frameworks of their companies.

Such leadership is not limited to the initial stages of CSR development, but continues to provide directions throughout all the remaining stages of CSR development (medium and long term stages) where the development of strategies for stakeholder engagement becomes vital (Maignan, Ferrell, & Ferrell, 2005). For example, Press Corporation's top management established the position of ethics officers, who report directly to the Chief Executive, to coordinate implementation of the CSR policies across departments and beyond, but also serve as a company's face or mouth piece on CSR related matters. Having such officers is cost—effective, and a much easier way for companies to develop a CSR culture as these officers may also act as 'in-house' CSR auditors.

However, anecdotal evidence suggests that top management commitment towards social issues is not widespread in the Malawian business community (GTZ, 2009; Mzembe, 2012). In companies that use CSR as a reactive strategy, evidence shows that executive leadership does not go far enough to mainstream the CSR agenda within their companies once their corporate goals have been achieved.¹⁶ Top managers of such companies consider further integration of the CSR agenda into the core operations or strategy as added actions with unnecessary cost implications.

1.5.2 Formulation of CSR Vision

Several scholars identify formulation of the CSR vision as an important step towards embedding CSR into an organisation-wide strategy (Cramer, 2005; Maon, Lindgreen, & Swaen, 2009). The vision is often developed by top management on the basis of the organisational values and the normative expectations of the local society. The CSR vision statement is usually displayed on corporate websites, in their brochures and leaflets, annual reports and in the UN Communication of

¹⁶ Interview, senior manager, a local food processing company (2010); Interview, Chief Executive, Local logistics company.

Progress reports.¹⁷ For example, Press Corporation show its CSR vision statement on its website:

To be a leading corporation acting ethically and responsibly in Malawi and the region; generating real growth in shareholder value through diverse goods and services. Press Corporation Limited is committed to a policy of fair dealing and integrity in the conduct of its businesses. As such, Press Corporation expects all its employees to share its commitment to high moral, ethical and legal standards.¹⁸

The vision statements demonstrate to their key stakeholders, including employees, a shared understanding of the notion of CSR and the organisational values that every key stakeholder should embrace in dealings with the company. While these companies may be committed to their CSR vision, the degree to which employees at the lower end of the organisational hierarchy are sensitised and engaged with the vision has been an issue of concern. Employees at these lower levels are rarely aware of the company's CSR vision as CSR in Malawi is still regarded as a managerial issue. This however can be considered as a missed opportunity as these employees have a considerable potential to deliver the CSR agenda since many of them are involved in the implementation of some CSR initiatives.

The formulation of a CSR vision is not a widespread phenomenon in companies operating in Malawi. Companies which pursue CSR actions as a reactive strategy to external threats usually lack a clear vision of their CSR agenda. As a result, their initiatives are oftentimes ad-hoc and philanthropic in nature (Mzembe, 2012). Top management do not actually see the need to communicate and develop a shared vision of the CSR agenda with employees and other stakeholders, let alone to include their CSR actions in the annual reports and corporate websites. Considering that CSR in such companies is construed as a public relations tool (Mzembe, 2012), their CSR actions are only reported in the mass media which is accessible to the majority of Malawians.

1.5.3 Development and Implementation of Codes of Conduct

Having a code of conduct is prominent feature in companies that have a highly organised CSR agenda (Kaptein, 2004). Codes are developed with the main purpose of promoting ethical behaviour within the company and its supply chain. They can be divided into two groups. The first category comprises internal codes of conduct that are specifically targeted at internal stakeholders such as employees and board members. The second category includes codes of conduct that are externally facing, and are aimed at the company's network of suppliers. The contents of these codes

¹⁷ These reports are only produced by members of the UN Global Compact.

¹⁸ http://www.presscorp.com/index.php?option=com_content&view=article&id=121&Itemid=184

are based on a number of national and international standards and codes with which companies are required to comply.

The most prevalent form of codes is the internal code of conduct. It is only in recent years that a small number of companies have begun to use both sets of codes (Mzembe, 2012). Such companies participate in the global value chains where developing country suppliers are equally made responsible for the unethical practices within their supply chains. Eastern Produce Malawi, the largest tea exporting company in Malawi, for example implements, alongside an internal code of conduct, a code of conduct for its suppliers which outlines the ethical behaviour it expects of them. Compliance with this code forms a strong basis on which the business relationship with its suppliers is maintained.

To ensure their effectiveness in encouraging ethical behaviour, the codes of conduct are regularly audited by the ethics officer and external consultants. Lessons generated from such audits are fed back into corporate systems for the development of corrective measures. Furthermore, the data and lessons generated from such audits of codes are incorporated in CSR related reports such as the Communication of Progress reports, and crucially serve as a means of demonstrating transparency and accountability to both the internal and external stakeholders about the company's social performance.

1.5.4 Organisational Structures

Structural configuration is a prerequisite for the effective institutionalisation of the CSR agenda (Cramer, 2005; Maignan et al., 2005). Anecdotal evidence suggests that companies with robust CSR policies tend to support such policies by developing structures at both strategic and operational levels (Maon et al., 2009). At the strategic level, effective integration of CSR within Malawian companies is guaranteed by the active involvement of the members of the board. Within some companies, members of the board, in particular those that represent institutional shareholders, have placed it upon themselves to be advocates of CSR agendas in companies where their companies hold shares. Some boards have even gone further to call for their companies to adopt a triple-bottom line approach to reporting in order to demonstrate their companies' commitment to social and environmental concerns.¹⁹ Eastern Produce Malawi is an example of a company where board members' interest in CSR issues has contributed to an increased uptake of CSR (Mzembe et al., 2015).

At an operational level, CSR implementation is supported by the ethics officers who have direct reporting relationships with the chief executives. As stated elsewhere in this chapter, the major roles of these officers involve creating awareness

¹⁹ Interviews with (Press Corporation Official; Department of Environmental Affairs senior official).

about the company's CSR agenda to all employees, coordinating the implementation of CSR initiatives across the company's functions and stakeholder engagement, enhancing the company's CSR visibility and take a leading role in CSR audits and reporting. Nevertheless, the extent to which these officers can effectively promote CSR in their respective companies is dependent on the commitment of the Chief Executives to provide these officers with adequate authority and requisite resources.

1.5.5 Stakeholder Engagement

Several studies have emphasised the importance of stakeholder engagement in the integration of CSR agendas in the company (Cramer, 2005; Maon et al., 2009, 2010, Maon, Lindgreen, & Swaen, 2010). In Malawi, stakeholder engagement by local companies and subsidiaries of multinational companies has traditionally been ad hoc and inconsistent, with no clear strategies on how it should be undertaken (Mzembe, 2014). It is becoming clear however that, more than ever before, a smaller number of companies are developing partnerships with CSOs to implement programmes that not only enhance societal value, but also help the firms to achieve their economic objectives (GTZ, 2009; Kambalame & De Cleene, 2006). Kambalame and De Cleene (2006) provide isolated case studies of private companies' engagement with NGOs to implement a sustainable agribusiness programme. The critical success factor for these partnerships was a significant investment in the dialogue processes prior to and after their creation.

The growing popularity of stakeholder dialogue within these companies demonstrates the maturity of companies' CSR agendas, and a realisation of the importance of having a shared vision in pursuing collective actions which yield shared benefits. Considering that, in recent years, such companies now have ethics officers to deal with stakeholder engagement, it is likely that the CSR agenda pursued by such companies would be a strong reflection of the interests and concerns of all stakeholders.

1.6 Perceived Barriers to CSR

Although CSR has been practised in Malawi for nearly three decades, the pace at which companies, in particular the local firms, have been adopting CSR has been slow. This section touches upon some of the factors that hinder the adoption of CSR.

1.6.1 Lack of Resources

Many companies consider a lack of financial and human resources to be a significant factor that prevents them from pursuing any form of CSR initiatives (GTZ, 2009). Even for those that are leading the CSR agenda, their view has been that any organisational changes as a result of adopting a CSR agenda are usually associated with a significant initial financial outlay to recruit CSR staff, and make necessary investments and corporate donations.

Such a perspective has resulted in many companies to engage in CSR only when there is a perceived consequential relationship between profitability and social performance (Waddock and Graves, 1997). Equally, many companies tend to reduce their financial commitment to social issues when there are clear signals that their profitability may be reduced (Mzembe, 2012). Given the widespread adoption of this view, some export oriented companies also tend to consider some of the CSR management actions promoted by international standards and codification organisations as a significant cost burden to their operations (Mzembe, 2012).

1.6.2 Inadequate Knowledge of CSR

CSR is a relatively new concept in Malawi. Different interpretations of the notion of CSR tend to exist (Mzembe & Downs, 2014). Even the top management of most companies—which is expected to drive the CSR agenda—does not usually have adequate knowledge of what constitutes CSR, and how it can effectively be integrated into the organisational strategic framework (GTZ, 2009). The fundamental problem rests with the lack of CSR and business ethics education in the current curricula taught at the secondary and tertiary levels where future business and civic leaders are trained. In addition, very few managers tend to have exposure to current debates about the role of modern businesses in society because of their companies' close integration into global markets. Indeed, as other scholars state, managers' personal values and experiences—factors which are crucial issues in managerial commitment to CSR—are in part derived from exposure to education and general awareness about ethical issues (Du et al., 2013; Hemingway & MacLagan, 2004). Lack of personal experience with ethical issues also explains why the majority of people in Malawi have a greater tolerance of unethical behaviour by companies—a significant factor which is an attractive investment option for many companies (Williams & Zinkin, 2008).

1.6.3 Inadequate Top Management Commitment

While top management commitment has been a major driver of CSR in the majority of the companies which have a record of CSR performance, a lack of it in many companies, particularly in local companies and Small and Medium Enterprises (SMEs), remains a daunting challenge for the widespread adoption of CSR in Malawi. As highlighted elsewhere in this chapter, the majority of top managers in non-socially responsible companies tend to consider engagement in CSR as a significant cost.²⁰

Given such a classical perspective amongst top managers, it is unsurprising that such managers have little or no commitment towards the adoption and integration of CSR within their companies. Central to this perspective, as stated elsewhere in this chapter, is the important role business ethics and CSR education can play in the shaping of future Malawian managers' personal values and orientation towards social issues (Cassells & Lewis, 2011); an important aspect that is lacking in the Malawian education curriculum and continuous professional development programmes.

1.6.4 Lack of Government Support

Evidence suggests that state interventions such as tax incentives and preferential procurement terms offered to socially responsible companies can enhance the adoption of CSR by many companies (Fox et al., 2002; Idemudia, 2010). Although some multinational companies and subsidiaries of Press Corporation Limited lead in CSR adoption and implementation, many local companies lag behind because state intervention promoting CSR to date has been disappointingly non-existent. The extractive industries (mining and commercial agriculture) where CSR is arguably so necessary illustrate how the lack of government support has been a constraining factor in the institutionalisation of CSR. The absence of government support towards civil society organisations and communities that call for corporate accountability coupled with poor regulatory oversight may have sent signals to other companies that being CSR active is not necessarily important for gaining licences to operate (Mzembe, 2014).

²⁰ Interviews with General Managers of selected local companies.

1.7 Conclusion and Future Directions

While CSR in Malawi has over the years been gaining momentum, the approach and processes pursued by companies to implement CSR remain crude and rudimentary. The CSR agenda of companies with an active CSR profile is dominated by five major issues—corruption, poverty, environment, human rights and HIV/AIDS. However, local companies and subsidiaries of multinational companies exhibit a varied degree of commitment to social issues.

The philanthropic forms of CSR dominate the agendas of most companies, although there is a general acceptance by corporate managers and stakeholders that companies can not undertake philanthropic actions in a climate of weak economic performance. This implies that if Carroll's pyramid of CSR (Carroll, 1991) was to be reordered in order to be applicable to the Malawian context, economic responsibilities would still be highly prioritised ahead of philanthropic responsibilities, followed by legal responsibilities with ethical responsibilities staying at the bottom of the pyramid. The nature of CSR initiatives implemented by various companies in Malawi nonetheless reflects the influence of institutional and market based factors which may directly or indirectly promote CSR as well as act as constraints on adopting the CSR agenda.

A number of important issues emerge from the analysis of the CSR agenda in Malawi. First, there is a general lack of understanding regarding the impact of the CSR agenda pursued by different companies. Whereas knowledge about some key aspects such as the business case and drivers, the managerial and stakeholders' understanding of CSR, and its integration into core business strategy in Malawi are beginning to emerge, little is known about the impact of the CSR initiatives which have been implemented by companies. This appears to be a huge gap in the debate about CSR both globally, and more specifically regarding its integration into the core business of different companies operating in Malawi. Given that CSR does not currently have a unified definition in Malawi, as is also the case elsewhere, it would be fundamental for CSR scholars and practitioners from the private and public sectors to collectively determine what should be considered good performance (performance metrics) at the three levels (company, industry, societal) where CSR initiatives are implemented.

Second, it has been noted that although the CSR agenda in Malawi is largely driven by multinational companies and a local conglomerate, Press Corporation Limited, many local companies particularly SMEs, are still lagging behind. The fundamental constraints for these companies include: (a) lack of government support, (b) inadequate resources, (c) lack of knowledge about CSR, and (d) inadequate top management commitment.

In moving the CSR agenda forward in Malawi, concerted efforts by the Government of Malawi, CSOs, the international organisations and the private sector would be required. In an environment of pressing socio-economic and institutional challenges, both the private and public sectors would be required to make strong business and public cases for CSR. Furthermore, actions could involve the

formation and promotion of cross-sector partnerships and strategic alliances that could leverage the competences and resources of all parties involved. These collaborative efforts could also play a crucial role in leveraging the local companies and SMEs—which often cite a lack of resources, a lack of CSR knowledge and inadequate government support for their non-engagement in CSR—to take an active role in the CSR agenda.

A further area for CSR promotion in Malawi could be found in the area of soft regulation. While hard regulation of CSR offers some straightforward answers²¹ to the question of CSR institutionalisation in a developing country setting, CSR as an area deeply-rooted in a normative perspective would require companies to embrace it on a voluntarily basis, and go beyond the minimum acceptable performance threshold. As such, the onus on the Government of Malawi is to develop non-legally binding CSR guidelines or to promote the existing internationally driven CSR initiatives such as the UN Global Compact, the ISO 26000, the OECD Guidelines for Multinational Enterprises, and the Extractive Industries Transparency Initiative (EITI). The Government of Malawi could also offer the socially—responsible companies preferential procurement terms and tax-exemptions on charitable donations in order to encourage non-socially performing companies or SMEs to also integrate CSR into their core business strategy.

Finally, given that CSR in Malawi is still in its embryonic phase in terms of its conceptualisation and implementation, this chapter provides an important step for researchers and practitioners (managers and policy makers) alike to develop a better understanding of the concept and its integration into core business strategies.

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²¹ See <http://mwnation.com/legislate-csr-extractives/>. Dated 28th July 2014.

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